

SEILING STATE BANK
SEILING, OKLAHOMA

LIST OF BRANCHES

Seiling State Bank
301 N Main Street
Seiling, OK 73663
Opened 1901
Census Tract 9591

Seiling State Bank
Woodward Mortgage Loan Office
1424 Main Street
Woodward, OK 73801
Opened March 2, 2015
Census Tract 9531

Seiling State Bank
Seiling, OK 73663

Loan/Deposit Ratio
Quarterly

	Mar 2020	June 2020	Sept 2020	Dec 2020
Loans (Thousands)	77,221	79,160	79,685	79,806
Dep (Thousands)	107,704	115,455	114,996	118,848
Ratio	72%	69%	70%	68%

	Mar 2021	June 2021	Sept 2021	Dec 2021
Loans (Thousands)	81,079	80,097	79,546	94,804
Dep (Thousands)	120,150	122,362	121,065	125,299
Ratio	68%	65%	66%	76%

	Mar 2022	June 2022	Sept 2022	Dec 2022
Loans (Thousands)	90,773	97,406	101,351	104,175
Dep (Thousands)	140,390	142,755	143,384	139,178
Ratio	65%	68%	71%	75%

	Mar 2023	June 2023	Sept 2023	Dec 2023
Loans (Thousands)	105,296	105,709	104,859	114,008
Dep (Thousands)	153,459	159,498	158,385	173,432
Ratio	69%	66%	66%	66%
	Mar 2024	June 2024	Sept 2024	Dec 2024
Loans (Thousands)	114,491			
Dep (Thousands)	170,037			
Ratio	67%			

**SEILING STATE BANK
SEILING, OKLAHOMA**

LIST OF SERVICES

DEPOSITS (Seiling Main Bank Only)

- A. Demand Deposit Account
 - 1. Minimum Deposit to Open Account - \$100
 - 2. Service Charge - \$3 per month
 - 3. Withdrawals, checks paid, etc. allowed – Unlimited, No Extra Charge

- B. Budget Account
 - 1. Minimum Deposit to Open Account - \$100
 - 2. Service Charge - \$1 per month
 - 3. Debit Transactions allowed – 10 per month
 - 4. \$.25 charged for each debit transaction in excess of maximum allowed

- C. Savings Account
 - 1. Minimum Deposit to Open Account - \$100
 - 2. Interest Compounded and Credited Quarterly
 - 3. Service Charge - \$2 per quarter if average daily balance falls below \$100
 - 4. Transaction Limitations – 6 per month
 - 5. Penalties - \$5 for each debit transaction in excess of six per month

- D. Super NOW Account
 - 1. Minimum Deposit to Open Account - \$2,500
 - 2. Interest Compounded and Credited Monthly if \$500 Minimum Average Daily Balance Maintained
 - 3. Service Charge - \$5 per month if average daily balance for month falls below \$500
 - 4. Transaction Limitations – None

- E. NOW Account
 - 1. Minimum Deposit to Open Account - \$500
 - 2. Interest Compounded and Credited Monthly if \$500 Minimum Average Daily Balance Maintained
 - 3. Service Charge - \$5 per month if average daily balance for month falls below \$500
 - 4. Transaction Limitations – None

F. Money Market Account

1. Minimum Deposit to Open Account - \$2,500
2. Interest Compounded and Credited Monthly if \$500 Minimum Average Daily Balance Maintained
3. Service Charge - \$5 per month if average daily balance for month falls below \$500
4. Transaction Limitations – Unlimited number of deposits or withdrawals are permitted in person, by mail or by ATM if available with your account. Not more than six preauthorized, automatic, online or telephone transfers or withdrawals per month. All six transfers or third-party withdrawals may be made by check or debit card. If limits exceeded, we may either charge your account, close your account, or end your right to withdraw or transfer money from your account by telephone or online transfer, check, debit card, automatic withdrawal or transfers, and preauthorized withdrawal. We may refuse to permit withdrawals or transfers that go over these limits and may charge you for requesting such withdrawals or transfers.

G. Interest Bearing Commercial DDA Account

1. Minimum Deposit to Open Account - \$500
2. Interest Compounded and Credited Monthly if \$500 Minimum Average Daily Balance Maintained
3. Service Charge - \$5 per month if average daily balance for month falls below \$500
4. Transaction Limitations - None

H. ATM

1. Transfund Mastercard
 - a. Cash withdrawals from checking or savings accounts at ATM
 - b. Transfer funds between checking and savings accounts
 - c. Balance inquiries on checking accounts
 - d. Point of Sale Transactions
2. No charge for services on Seiling State Bank ATM terminal. May be charged fees at foreign ATM.
3. Charge for ATM replacement card \$10.00

I. Internet Banking

1. Balance Inquiries
2. Transfer funds between accounts
3. Loan Payments
4. Secure e-mails
5. Request documents
6. No charge for Internet Banking

- I a. Mobility Banking
 - 1. Mobile Deposits
 - 2. Balance Inquiries
 - 3. Transfer funds between accounts
 - 4. View Account History
 - 5. No charge for Mobile Banking

- J. Telephone Banking
 - 1. Balance Inquiries
 - 2. Transfer funds between accounts

Common Features

- 1. Check printing -- Fee depends on style of check ordered
- 2. Temporary checks -- Initial supply free; \$1 per set charge for additional requests
- 3. Deposited checks (and other items) returned unpaid - \$1.00 charge
 - a. Checking account
 - 1. Dormant after 12 months if no deposits or withdrawals to account.
 - 2. Fee - \$5 charged annually
 - b. Savings account
 - 1. Dormant after 24 months if no deposits or withdrawals to account.
 - 2. Fee - \$5 charged annually
- 5. Overdraft Fee
 - a. \$25.00 each debit or check paid
- 6. Nonsufficient funds (NSF) item
 - a. \$0.00 each debit or check returned
- 7. Account Research - \$10 per hour
- 8. Stop Payments (all accounts) - \$25.00
- 9. Account closed within 90 days of opening - \$5
- 10. Photocopies - \$.20 each

LOANS (Seiling Main Bank and Woodward Mortgage Loan Office)

Loan Origination Fees

- A. Fees range from \$25 to \$400, depending on the loan type

Late Fee

- A. Payments more than 10 days late will be charged 5% of the payment amount or \$25, whichever is less, but not less than \$10.

Types of Loans Offered

- A. Livestock loans
- B. Operational loans to farmers
- C. Real Estate loans

1. Dwellings, both new and old residential loans for 1-4 dwelling units, not to exceed 10 years.
 2. Commercial both new and old, not to exceed 10 years
 3. Farmland, not to exceed 10 years, provided land is within 30 miles of our banking facility.
- D. Automobile loans
E. Mobile home loans
F. Unsecured loans properly supported by financial statements
G. Commercial business loans
H. Consumer loans
I. Small business loans
J. Educational loans
K. Church and other non-profit organization loans
L. Construction, home improvement or rehabilitation loans
M. Government insured small farm and residential improvement loans
N. Loans for stock traded over the counter and on the New York Stock Exchange
O. FHA, VA, USDA RD Loans

HOURS OF OPERATION

Main Bank

Location – 301 North Main Street, Seiling, OK

Hours of Operation – Monday thru Thursday – 9:00 a.m. to 3:00 p.m.
Friday 9:00 a.m. to 5:00 p.m.

Drive-Thru Window

Hours of Operation – Monday thru Thursday – 8:30 a.m. to 3:00 p.m.
Friday 8:30 a.m. to 5:00 p.m.

Mortgage Loan Office

1424 Main Street, Woodward, OK

Hours of Operation – Monday thru Friday – 9:00 a.m. to 4:00 p.m.

ATM

Locations – 301 North Main Street, Seiling, OK - Behind Bank

Gores Travel Plaza, 1093 HWY 270, Seiling, OK - Inside travel plaza

Hours of Operation – 24 Hours

GeoDataVision Report D-1 Census Tract Reference Book 2021/2022

Tract Income Classification and Minority Status—Based on Census data released by the FFIEC July, 2021 through April, 2022

Blaine, OKLAHOMA

Census Tract	2021		2022		Change in Tract Income Class from 2021 through 2022
	Tract Income Class	Minority Tract	Tract Income Class	Minority Tract	
40011958700	MIDDLE	NO	MIDDLE	NO	No Change

Summary Data: Blaine	2021	2022
Number of Census Tracts	1	1
Number of Minority Tracts	0	0
Percentage of Minority Tracts	0.00%	0.00%
Number of Low Income Tracts	0	0
Percentage of Low Income Tracts	0.00%	0.00%
Number of Moderate Income Tracts	0	0
Percentage of Moderate Income Tracts	0.00%	0.00%
Number of Middle Income Tracts	1	1
Percentage of Middle Income Tracts	100.00%	100.00%
Number of Upper Income Tracts	0	0
Percentage of Upper Income Tracts	0.00%	0.00%
Number of NA Income Tracts	0	0
Percentage of NA Income Tracts	0.00%	0.00%

Dewey, OKLAHOMA

Census Tract	2021		2022		Change in Tract Income Class from 2021 through 2022
	Tract Income Class	Minority Tract	Tract Income Class	Minority Tract	
40043959100	UPPER	NO	MIDDLE	NO	UPPER to MIDDLE

Summary Data: Dewey	2021	2022
Number of Census Tracts	1	1
Number of Minority Tracts	0	0
Percentage of Minority Tracts	0.00%	0.00%
Number of Low Income Tracts	0	0
Percentage of Low Income Tracts	0.00%	0.00%
Number of Moderate Income Tracts	0	0
Percentage of Moderate Income Tracts	0.00%	0.00%
Number of Middle Income Tracts	0	1
Percentage of Middle Income Tracts	0.00%	100.00%
Number of Upper Income Tracts	1	0
Percentage of Upper Income Tracts	100.00%	0.00%
Number of NA Income Tracts	0	0
Percentage of NA Income Tracts	0.00%	0.00%



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GeoDataVision Census Tract Reference Book 2021/2022: OKLAHOMA
Based on July, 2021 and April, 2022 FFIEC Census Data

Tracts with empty cells are new or discontinued tracts

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GeoDataVision Report D-1 Census Tract Reference Book 2021/2022: OKLAHOMA

Major, OKLAHOMA

Census Tract	2021		2022		Change in Tract Income Class from 2021 through 2022
	Tract Income Class	Minority Tract	Tract Income Class	Minority Tract	
40093955200	MIDDLE	NO	UPPER	NO	MIDDLE to UPPER
40093955300	UPPER	NO	MIDDLE	NO	UPPER to MIDDLE

Summary Data: Major	2021	2022
Number of Census Tracts	2	2
Number of Minority Tracts	0	0
Percentage of Minority Tracts	0.00%	0.00%
Number of Low Income Tracts	0	0
Percentage of Low Income Tracts	0.00%	0.00%
Number of Moderate Income Tracts	0	0
Percentage of Moderate Income Tracts	0.00%	0.00%
Number of Middle Income Tracts	1	1
Percentage of Middle Income Tracts	50.00%	50.00%
Number of Upper Income Tracts	1	1
Percentage of Upper Income Tracts	50.00%	50.00%
Number of NA Income Tracts	0	0
Percentage of NA Income Tracts	0.00%	0.00%

Woodward, OKLAHOMA

Census Tract	2021		2022		Change in Tract Income Class from 2021 through 2022
	Tract Income Class	Minority Tract	Tract Income Class	Minority Tract	
40153953100	MIDDLE	NO	UPPER	NO	MIDDLE to UPPER
40153953200	UPPER	NO	UPPER	NO	No Change
40153953300	UPPER	NO	UPPER	NO	No Change

Woodward, OKLAHOMA

Census Tract	2021		2022		Change in Tract Income Class from 2021 through 2022
	Tract Income Class	Minority Tract	Tract Income Class	Minority Tract	
40153953400	MIDDLE	NO	MIDDLE	NO	No Change
40153953500	UPPER	NO	MIDDLE	NO	UPPER to MIDDLE

Summary Data: Woodward	2021	2022
Number of Census Tracts	5	5
Number of Minority Tracts	0	0
Percentage of Minority Tracts	0.00%	0.00%
Number of Low Income Tracts	0	0
Percentage of Low Income Tracts	0.00%	0.00%
Number of Moderate Income Tracts	0	0
Percentage of Moderate Income Tracts	0.00%	0.00%
Number of Middle Income Tracts	2	2
Percentage of Middle Income Tracts	40.00%	40.00%
Number of Upper Income Tracts	3	3
Percentage of Upper Income Tracts	60.00%	60.00%
Number of NA Income Tracts	0	0
Percentage of NA Income Tracts	0.00%	0.00%



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GeoDataVision Census Tract Reference Book 2021/2022: OKLAHOMA

Based on July, 2021 and April, 2022 FFIEC Census Data

Tracts with empty cells are new or discontinued tracts

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GeoDataVision Report D-1 Census Tract Reference Book 2021/2022: OKLAHOMA

Summary Data: Assessment Area	2021	2022
Number of Census Tracts	9	9
Number of Minority Tracts	0	0
Percentage of Minority Tracts	0.00%	0.00%
Number of Low Income Tracts	0	0
Percentage of Low Income Tracts	0.00%	0.00%
Number of Moderate Income Tracts	0	0
Percentage of Moderate Income Tracts	0.00%	0.00%
Number of Middle Income Tracts	4	5
Percentage of Middle Income Tracts	44.44%	55.56%
Number of Upper Income Tracts	5	4
Percentage of Upper Income Tracts	55.56%	44.44%
Number of NA Income Tracts	0	0
Percentage of NA Income Tracts	0.00%	0.00%



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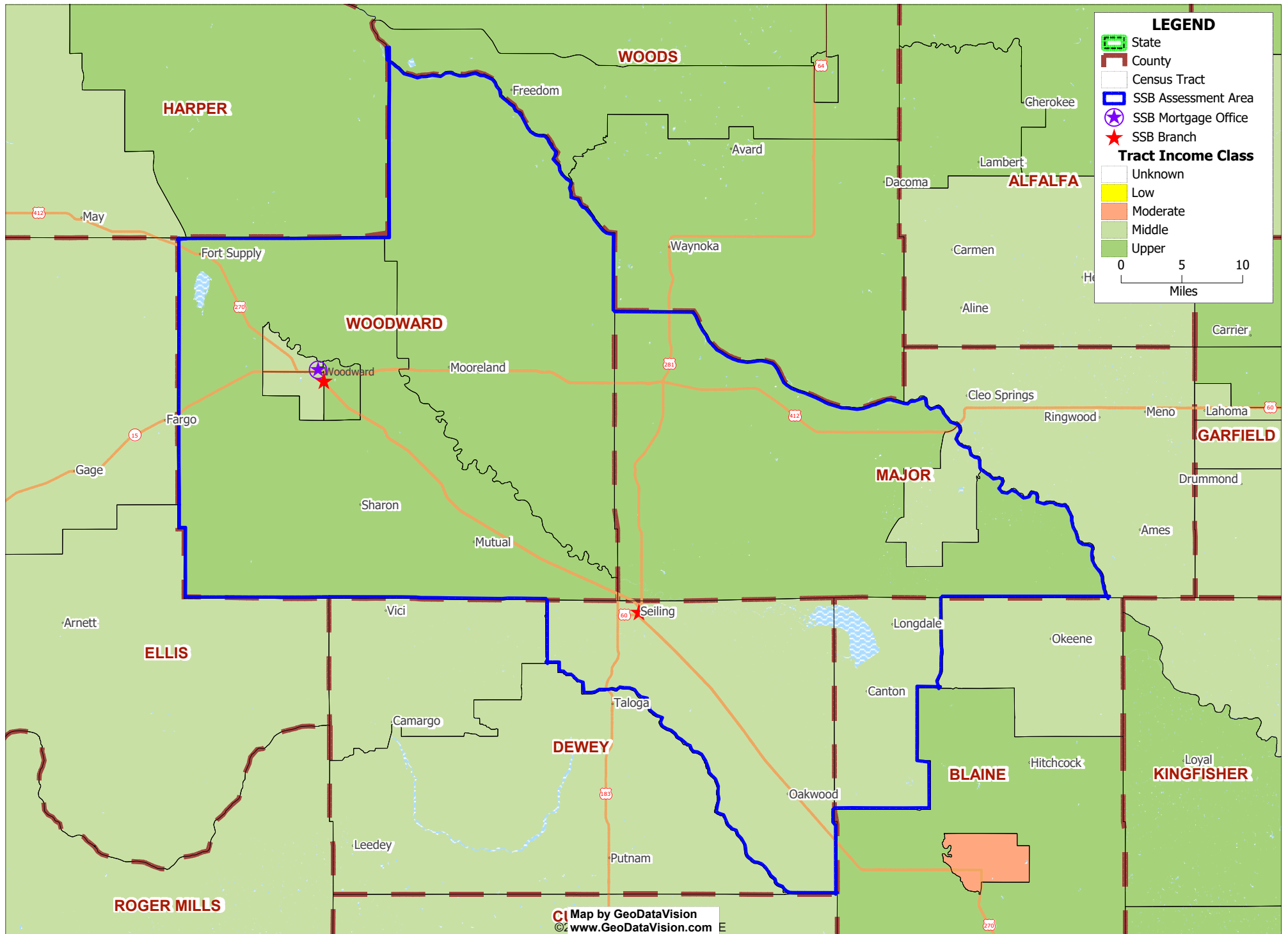
Tracts with empty cells are new or discontinued tracts

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State Code	County Code	Tract Code	CompleteTractNumber	Tract Income Class	Tract Population	Tract Minority Population	Tract Minority Pop %	Tract Minority Status
40	153	9531	40153953100	UPPER	2059	295	14.33%	Non-Majority Minority
40	153	9532	40153953200	UPPER	4867	1069	21.96%	Non-Majority Minority
40	153	9533	40153953300	UPPER	4114	1243	30.21%	Non-Majority Minority
40	153	9534	40153953400	MIDDLE	3426	1059	30.91%	Non-Majority Minority
40	153	9535	40153953500	MIDDLE	6004	1378	22.95%	Non-Majority Minority
40	093	9552	40093955200	UPPER	1718	175	10.19%	Non-Majority Minority
40	093	9553	40093955300	MIDDLE	2997	421	14.05%	Non-Majority Minority
40	011	9587	40011958700	MIDDLE	1488	356	23.92%	Non-Majority Minority
40	043	9591	40043959100	MIDDLE	1795	402	22.40%	Non-Majority Minority

City/Town	County
Curtis OK	Woodward OK
Sharon OK	Woodward OK
Woodward OK	Woodward OK
Gerlach OK	Woodward OK
Gerlach OK	Woodward OK
Cheyenne Valley OK	Major OK
Fairview OK	Major OK
Canton OK	Blaine OK
Hucmac OK	Dewey OK

SEILING STATE BANK- ASSESSMENT AREA 2024



PUBLIC DISCLOSURE

April 14, 2020

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

The Seiling State Bank
Certificate Number: 4193

301 North Main Street
Seiling, Oklahoma 73663

Federal Deposit Insurance Corporation
Division of Depositor and Consumer Protection
Dallas Regional Office

1601 Bryan Street, Suite 1410
Dallas, Texas 75201

This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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INSTITUTION RATING

INSTITUTION'S CRA RATING: This institution is rated **Satisfactory**.

An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

The Seiling State Bank's satisfactory Lending Test performance supports the overall rating. The following points summarize the bank's Lending Test performance.

- The loan-to-deposit ratio is reasonable given the institution's size, financial condition, and the assessment area's credit needs.
- The institution originated a majority of the loans reviewed inside its assessment area.
- A geographic distribution analysis was not performed, as the assessment area consists solely of middle- and upper-income geographies.
- The institution established an excellent record regarding its borrower profile loan distribution.
- The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the rating.

DESCRIPTION OF INSTITUTION

Background

The Seiling State Bank (SSB) maintains its headquarters in Seiling, Oklahoma. As of May 1, 2019, Seiling Bancshares, Inc., a one-bank holding company also located in Seiling, wholly owns SSB. The bank does not maintain any lending-related affiliates. On December 29, 2014, SSB's primary regulator became the FDIC. SSB, formerly known as The First National Bank of Seiling, received a "Satisfactory" rating at its April 14, 2014, Comptroller of the Currency CRA Performance Evaluation based on Interagency Small Institution examination procedures.

Operations

SSB functions as a retail bank, operating from its sole full-service office in Seiling. In addition, SSB operates a limited service office in Woodward, Oklahoma that only offers mortgage products. The limited service branch opened in March 2015. The main office is located in an upper-income census tract in Dewey County, while the limited service office operates in a middle-income census tract in Woodward County. The bank did not close any branches, and did not participate in any merger or acquisition activities since the previous evaluation.

The bank offers a full-line of loan products including construction, consumer, and residential real estate loans, primarily focusing on commercial and agricultural loans. The bank also offers a variety of deposit products such as checking, savings, Individual Retirement Accounts, and certificate of deposit accounts. The bank maintains banking hours typical for the area and industry. Alternative banking services include telephone, mobile, and online banking. In addition, the bank maintains automated teller machines at the main office and at the Gore Travel Plaza in Seiling, Oklahoma.

Ability and Capacity

The following table, which shows the complete asset distribution as of December 31, 2019, indicates that net loans and leases constitute a majority of total assets. Since the prior evaluation, on average per year, total assets increased 6.1 percent, net loans increased 5.6 percent, and total deposits increased 6.0 percent.

Asset Distribution		
Category	\$(000s)	%
Cash	3,718	3.3
Securities	26,798	23.9
Federal Funds Sold	2,800	2.5
Net Loans & Leases	74,981	66.8
Bank Premises and Fixed Assets	1,637	1.5
Other Real Estate Owned	75	0.1
Other Assets	2,307	2.1
Total Assets	112,316	100.0
Source: Report of Condition and Income 12/31/19 Due to rounding, totals may not equal 100.0		

The following table, which presents the outstanding loan portfolio as of December 31, 2019, demonstrates a similar loan distribution as discussed under the Scope of Evaluation section. Commercial loans (non-farm, non-residential as well as commercial and industrial) at 40.9 percent, constitute the largest category of gross loans, followed by agricultural loans (secured by farmland and agricultural production) at 30.0 percent. Mortgage lending (1-4 family residential) account for 14.1 percent of the bank's lending. In addition to the loans reflected within the loan portfolio, the bank originated and sold 50 mortgage loans totaling \$8.3 million on the secondary market.

Loan Portfolio Distribution as of 12/31/19		
Loan Type	\$(000s)	%
Construction and Land Development	6,681	8.8
Secured by Farmland	10,129	13.4
1-4 Family Residential	10,690	14.1
Non-farm Non-Residential (Commercial)	18,763	24.8
Total Real Estate Loans	46,263	61.1
Commercial and Industrial	12,218	16.1
Agricultural Production	12,570	16.6
Consumer Purpose	3,127	4.1
Other	1,628	2.1
Gross Loans	75,806	100.0
Source: Report of Condition and Income Due to rounding, totals may not equal 100.0		

Examiners did not identify any financial, legal, or other impediments that affect the bank's ability to meet the assessment area's credit needs.

DESCRIPTION OF ASSESSMENT AREA

The CRA requires each financial institution to define one or more assessment areas (AAs) within which its CRA performance will be evaluated. The bank designated a single AA consisting of all six census tracts in Woodward County, as well as portions of Blaine (census tract 9591), Dewey (census tract 9587), and Major (census tracts 9552 and 9553) Counties. The current AA expanded from the prior evaluation by adding the remaining three census tracts in Woodward County and including one census tract in Major County. The AA conforms to CRA regulatory requirements.

Economic and Demographic Data

The AA includes nine census tracts in a non-Metropolitan Statistical Area of Oklahoma. According to 2015 ACS Data, these tracts reflect the following income designations: four middle- and five upper-income tracts. The following table illustrates select demographic characteristics of the assessment area.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	9	0.0	0.0	44.4	55.6	0.0
Population by Geography	28,478	0.0	0.0	31.5	68.5	0.0
Housing Units by Geography	13,108	0.0	0.0	34.1	65.9	0.0
Owner-Occupied Units by Geography	7,448	0.0	0.0	32.5	67.5	0.0
Occupied Rental Units by Geography	3,014	0.0	0.0	30.9	69.1	0.0
Vacant Units by Geography	2,646	0.0	0.0	42.4	57.6	0.0
Businesses by Geography	2,065	0.0	0.0	31.6	68.4	0.0
Farms by Geography	149	0.0	0.0	36.2	63.8	0.0
Family Distribution by Income Level	7,153	16.5	11.7	17.9	53.9	0.0
Household Distribution by Income Level	10,462	19.7	13.1	15.0	52.2	0.0
Median Family Income Non-MSAs – OK		\$51,698	Median Housing Value			\$103,061
			Median Gross Rent			\$636
			Families Below Poverty Level			10.8%
Source: 2015 ACS Data and 2019 D&B Data Due to rounding, totals may not equal 100.0 (*) The NA category consists of geographies that have not been assigned an income classification.						

Service-related businesses represent the area's primary industry and driving force of the economy. Other notable industries in the area include retail trade and non-classifiable establishments. The area's major employers include the Woodward public schools, Alliance Health Hospital, City of Woodward, and Gore Nitrogen. According to 2019 D&B data, 99.0 percent of farms reported gross annual revenue (GAR) of \$1 million or less, while 76.1 percent of businesses reported GAR of \$1 million or less.

Data obtained from the U. S. Bureau of Labor Statistics indicates that as of December 31, 2019, Blaine, Dewey, Major, and Woodward Counties reported unemployment rates of 2.1, 2.2, 2.0, and 3.8 percent, respectively. The unemployment rate for the State of Oklahoma was 3.4 percent for the same period.

Competition

The AA reflects a high level of competition for financial services. According to FDIC Deposit Market Share data as of June 30, 2019, 29 financial institutions operated 131 full-service offices within the AA. Of these institutions, SSB ranked seventh with a 6.2 percent deposit market share.

Community Contacts

As part of the evaluation process, examiners contact third parties active in the AA to assist in identifying the credit and community needs. This information helps determine financial institutions' responsiveness to these needs and shows available credit opportunities.

Examiners conducted two community contacts for this evaluation. Both individuals work for economic development organizations serving the AA. The contact that serves Dewey and Woodward Counties stated that the area relies on agriculture, with windfarms adding to the local economy. The contact further indicated that local concerns include the availability of affordable, middle-income housing and the stability of small businesses. In addition, the contact identified home mortgage loans for affordable housing and agricultural loans, as the primary lending needs of the area.

The second contact serves Major County. The contact stated that the area relies on oil production and agriculture. In addition, the contact noted that there is disconnect with the reported median income level of the county, as certain residents receive mineral right royalties, which increased the overall median income. However, a large portion of the population remains at the low- to moderate-income level. The contact identified moderate-income housing as a community need, and small business loans as the primary credit need. Overall, the contacts indicated that financial institutions are generally responsive to the credit and community needs of the AA.

Credit Needs

Considering information obtained from the community contact, demographic data, and bank management, examiners determined that small business, small farm, and home mortgage loans represent the primary credit needs of the AA.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from April 14, 2014 through April 14, 2020, the date of the previous evaluation to this evaluation's date. To evaluate performance, examiners applied the CRA Small Bank Procedures, which include the Lending Test. The appendix lists the applicable test's criteria.

Activities Reviewed

Small Bank procedures require examiners to determine the bank's major product lines for review. As an initial matter, examiners may select from among the same loan categories used for Large Bank evaluations: home mortgage, small business, small farm, and consumer loans. Based on the number and dollar volume of lending in 2019 and management's business strategy, examiners determined that the bank's major product lines consist of commercial loans at 43.9 percent and agricultural loans at 31.1 percent by dollar volume of loans originated or purchased. Since none of the other loan types, including home mortgage and consumer loans, represent major product lines and thus would not materially affect any conclusions or the rating, this evaluation does not include a review of them. The following table shows loan origination activity for the most recent full calendar year.

Loans Originated or Purchased				
Loan Category	#	%	\$(000)	%
Construction & Land Development	23	2.8	7,262	12.2
Secured by Farmland	35	4.3	6,474	10.9
1-4 Family Residential	61	7.4	4,387	7.4
Commercial Real Estate	26	3.2	10,236	17.3
Agricultural Production	265	32.4	11,958	20.2
Commercial & Industrial	125	15.3	15,801	26.6
Consumer	282	34.5	2,556	4.3
Other Loans	1	0.1	650	1.1
Gross Loans	818	100.0	59,324	100.0
<i>Source: 2019 Bank Records Due to rounding, totals may not equal 100.0</i>				

The universe for small business loans included 145 loans totaling \$11.7 million, while the universe of small farm loans included 295 loans totaling \$14.1 million. Consequently, examiners reviewed a sample of 46 small business loans totaling \$3.0 million originated between January 1, 2019, and December 31, 2019. Examiners also reviewed a sample of 55 small farm loans totaling \$2.6 million originated during the same period. Examiners considered these samples representative of the bank's performance during the entire evaluation period. In addition, the bank's record of originating small farms loans contributed more weight to overall conclusions due to their larger loan volume when compared to small business lending, during the most recent calendar year. D&B data for 2019 provided a standard of comparison for the small farm and small business loans reviewed. While the full samples of loans were used to analyze the

institution's AA concentration performance, only the loans identified as within the bank's AA were used to arrive at conclusions for the bank's borrower profile performance.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

SSB demonstrated a satisfactory record regarding the Lending Test. The bank exhibited a reasonable record regarding its loan-to-deposit (LTD) ratio and originated a majority of the loans reviewed within its assessment area. In addition, the bank exhibited excellent borrower profile performance.

Loan-to-Deposit Ratio

SSB exhibited a reasonable record regarding its LTD ratio given its size, financial condition, and AA's credit needs. The LTD ratio, calculated from Call Report data, averaged 63.7 percent over the past 24 calendar quarters from March 31, 2014 to December 31, 2019, representing a decrease from the 70.1 percent average, net LTD ratio reflected at the prior evaluation. The ratio ranged from a low of 54.7 percent as of March 31, 2014 to a high of 74.3 percent as of December 31, 2019.

The bank's average, net LTD ratio is above the comparable institutions' ratios as shown in the following table. Examiners selected comparable institutions based on their asset size, lending focus, and geographic location.

Loan-to-Deposit Ratio Comparison		
Bank	Total Assets as of 12/31/2019 (\$000s)	Average Net LTD Ratio (%)
The Seiling State Bank, Seiling, OK	112,316	63.7
Cleo State Bank, Cleo Springs, OK	86,193	40.2
The Stock Exchange Bank, Woodward, OK	241,298	41.4
<i>Source: Reports of Condition and Income (3/31/14 through 12/31/19)</i>		

Assessment Area Concentration

The institution originated a majority of the loans reviewed inside its AA. A majority of the small farm and small business loans originated inside the assessment area support this conclusion. Examiners considered the bank's asset size and office structure, as well as the loan categories reviewed relative to the AA's size and economy when arriving at this conclusion.

Small Farm Loans

The following table shows that the bank originated a substantial majority of the small farm loans reviewed, by number within its AA. However, the bank originated a majority of the small farm loans reviewed, by dollar volume within its AA. Weighing both measures equally, the bank originated a majority of its small farm loans inside the AA.

Small Business Loans

The table further shows that the bank originated a majority of the small business loans reviewed, by number and dollar volume, within its AA. Weighing both measures equally, the bank originated a majority of its small business loans inside the AA.

Lending Inside and Outside of the Assessment Area										
	Number of Loans					Dollar Amount of Loans \$(000s)				
Loan Category	Inside		Outside		Total	Inside		Outside		Total \$(000s)
	#	%	#	%	#	\$	%	\$	%	
Small Farm	50	90.9	5	9.1	55	2,258	87.9	311	12.1	2,569
Small Business	40	87.0	6	13.0	46	1,649	55.8	1,307	44.2	2,956
Source: 2019 Bank Data										
Due to rounding, totals may not equal 100.0										

Geographic Distribution

The assessment area does not include any low- or moderate-income geographies, and a review of the geographic distribution criterion would not result in meaningful conclusions. Therefore, this criterion was not evaluated.

Borrower Profile

The distribution of borrowers reflects excellent penetration among farms and businesses of different sizes. Excellent performance regarding the bank's small farm and small business lending supports this conclusion. Examiners considered the loan categories reviewed relative to available comparative data and any performance context issues. Examiners focused on the percentage by number of small farm and small business loans to farms and businesses with GARs of \$1 million or less.

Small Farm Loans

The distribution of small farms loans based on the borrowers' profiles reflects excellent performance. The following table shows the bank originated the all of the small farm loans reviewed to farms with GAR of \$1 million or less, reflecting excellent performance.

Detailed Distribution of Small Farm Loans by Gross Annual Revenues					
Gross Revenue Level	% of Farms	#	%	\$(000s)	%
< \$100,000	61.5	40	80.0	1,698	75.2
\$100,000 - \$249,999	29.7	10	20.0	560	24.8
\$250,000 - \$499,999	5.7	0	0.0	0	0.0
\$500,000 - \$1,000,000	2.1	0	0.0	0	0.0
Subtotal <= \$1,000,000	99.0	50	100.0	2,258	100.0
>\$1,000,000	1.0	0	0.0	0	0.0
Revenue Not Available	0.0	0	0.0	0	0.0
Total	100.0	50	100.00	2,258	100.00
<i>Source: 2019 D&B Data and 2019 Bank Data</i>					
<i>Due to rounding, totals may not equal 100.0</i>					

Small Business Loans

The distribution of small business loans based on the borrowers' profiles reflects excellent performance. The following table shows the bank originated 95.0 percent of the small business loans reviewed to businesses with GAR of \$1 million or less, reflecting excellent performance.

Detailed Distribution of Small Business Loans by Gross Annual Revenues					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
< \$100,000	35.9	34	85.0	985	59.7
\$100,000 - \$249,999	27.0	4	10.0	129	7.8
\$250,000 - \$499,999	8.9	0	0.0	0	0.0
\$500,000 - \$1,000,000	4.3	0	0.0	0	0.0
Subtotal <= \$1,000,000	76.1	38	95.0	1,114	67.5
>\$1,000,000	8.2	2	5.0	535	32.5
Revenue Not Available	15.7	0	0.0	0	0.0
Total	100.0	40	100.0	1,649	100.0
<i>Source: 2019 D&B Data and 2019 Bank Data</i>					
<i>Due to rounding, totals may not equal 100.0</i>					

Response to Complaints

The bank did not receive any CRA-related complaints since the previous evaluation. Therefore, this performance factor did not affect the Lending Test conclusion.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Examiners did not identify any evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs. Therefore, this consideration did not affect the institution's overall CRA rating.

APPENDICES

SMALL BANK PERFORMANCE CRITERIA

Lending Test

The Lending Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by considering the following criteria:

- 1) The bank's loan-to-deposit ratio, adjusted for seasonal variation, and, as appropriate, other lending-related activities, such as loan originations for sale to the secondary markets, community development loans, or qualified investments;
- 2) The percentage of loans, and as appropriate, other lending-related activities located in the bank's assessment area(s);
- 3) The bank's record of lending to and, as appropriate, engaging in other lending-related activities for borrowers of different income levels and businesses and farms of different sizes;
- 4) The geographic distribution of the bank's loans; and
- 5) The bank's record of taking action, if warranted, in response to written complaints about its performance in helping to meet credit needs in its assessment area(s).

GLOSSARY

Aggregate Lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Area Median Income: The median family income for the MSA, if a person or geography is located in an MSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

Assessment Area: A geographic area delineated by the bank under the requirements of the Community Reinvestment Act.

Census Tract: A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

Combined Statistical Area (CSA): A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

Consumer Loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

Core Based Statistical Area (CBSA): The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family. Other family is further classified into "male householder" (a family with a male householder and no wife present) or "female householder" (a family with a female householder and no husband present).

FFIEC-Estimated Income Data: The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

Full-Scope Review: A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants; the amount of loan requested; and the disposition of the application (approved, denied, and withdrawn).

Home Mortgage Loans: Includes closed-end mortgage loans or open-end line of credits as defined in the HMDA regulation that are not an excluded transaction per the HMDA regulation.

Housing Unit: Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

Limited-Scope Review: A limited scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is often analyzed using only quantitative factors (e.g., geographic distribution, borrower profile, total number and dollar amount of investments, and branch distribution).

Low-Income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent in the case of a geography.

Market Share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Median Income: The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

Metropolitan Division (MD): A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area (MSA): CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

Middle-Income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 and less than 120 percent in the case of a geography.

Moderate-Income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 and less than 80 percent in the case of a geography.

Multi-family: Refers to a residential structure that contains five or more units.

Nonmetropolitan Area (also known as non-MSA): All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

Owner-Occupied Units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Rated Area: A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

Rural Area: Territories, populations, and housing units that are not classified as urban.

Small Business Loan: A loan included in "loans to small businesses" as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans.

Small Farm Loan: A loan included in “loans to small farms” as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

Upper-Income: Individual income that is 120 percent or more of the area median income, or a median family income that is 120 percent or more in the case of a geography.

Urban Area: All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, “urban” consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

“Urban” excludes the rural portions of “extended cities”; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.