



**SMALL BANK**

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Comptroller of the Currency  
Administrator of National Banks  
Washington, DC 20219

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## **PUBLIC DISCLOSURE**

**May 2, 2005**

# **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

**Century National Bank of Oklahoma  
Charter Number 17610**

**1913 South Elliott  
Pryor, Oklahoma 74361**

**Comptroller of the Currency  
Tulsa Field Office  
7134 South Yale, Suite 910  
Tulsa, OK 74136**

**NOTE: 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.**

## **INSTITUTION'S CRA RATING**

**This institution is rated satisfactory.**

The major factors that support this rating include:

- The bank's lending performance is satisfactory given its size, financial condition, and known credit needs in its assessment area.
- The bank's loan-to-deposit ratio is reasonable and meets the standard for satisfactory performance.
- Management demonstrates a willingness to originate loans to low-and moderate-income individuals and small businesses.
- The bank generates a majority of its loans within the defined assessment area.

Century National Bank of Oklahoma, Pryor, Oklahoma is committed to serving the community. This is demonstrated by satisfactory lending performance as described in this Public Disclosure.

## DESCRIPTION OF INSTITUTION

Century National Bank of Oklahoma (CNB) is a rural community bank located in Pryor, Oklahoma. CNB is 100% owned by CNBO Bancorp, Inc of Pryor. The main bank and a drive-thru facility are located at 1913 S. Elliott Street in Pryor. A branch and a drive-thru are located in downtown Pryor at 125 E. Graham Street. The branch office was reopened November 14, 2004. CNB has automated teller machines (ATMs) located at both locations. The bank's primary focus is to serve commercial and consumer customers in Mayes County and the surrounding areas. The bank meets these needs by providing various loan and deposit products and services. The bank's lending strategy focuses on one-to-four family real estate loans, consumer loans, and small business loans to meet the needs of the community.

As of December 31, 2004, CNB's total assets equaled \$20.1 million, of which \$16.1 million, or 80 percent, were composed of various types of loans to individuals, commercial businesses, and agricultural related enterprises. Specifically, the bank's loan portfolio consists of the following:

<b>Loan Category</b>	<b>\$ (000)</b>	<b>%</b>
Commercial Real Estate Loans	3,432	21.32%
Commercial Loans	1,953	12.13%
Residential Real Estate Loans	6,793	42.20%
Farm Production Loans	586	3.64%
Farm Real Estate Loans	738	4.59%
Consumer Loans	2,561	15.91%
Other Loans	34	0.21%
<b>Total</b>	<b>16,097</b>	<b>100.00%</b>

There are no legal or financial impediments to prevent the bank from meeting the credit needs of the assessment area. The bank received a "Satisfactory" rating at the prior CRA examination, dated May 24, 1999.

## DESCRIPTION OF MAYES COUNTY

The assessment area adopted by CNB consists of whole geographies, does not reflect illegal discrimination and does not arbitrarily exclude low- or moderate-income geographies. It meets the requirements of the CRA regulation.

The following demographic and economic characteristics for the assessment area are based on 2000 census data.

<b>DEMOGRAPHIC AND ECONOMIC CHARACTERISTICS OF AA</b>	
<i>Population</i>	
Number of Families	10,827
Number of Households	14,809
<i>Geographies</i>	
Number of Census Tracts/BNA	8
% Low-Income Census Tracts/BNA	0%
% Moderate-Income Census Tracts/BNA	0%
% Middle-Income Census Tracts/BNA	87.50%
% Upper-Income Census Tracts/BNA	12.50%
<i>Median Family Income (MFI)</i>	
2000 MFI for AA	37,620
2004 HUD-Adjusted MFI	41,300
<i>Economic Indicators</i>	
2000 Median Housing Value	64,441
# of Households Below Poverty Level	2,124

CNB has defined their assessment area as Mayes County in northeast Oklahoma. There are eight contiguous census tracts in the county. Census tracts #401, #402, #404 - #408 are middle-income tracts and #403 is an upper-income tract.

The local economic conditions are stable to good. There are a wide variety of businesses and manufacturing companies located in the Pryor industrial park area. The MidAmerica Industrial Park is Oklahoma's largest industrial park. The area is also popular for the recreational activities at several nearby lakes. Although Pryor is less than 50 miles from the second largest city in the state, there are very few who commute to Tulsa. The major employers in the assessment area consist of Labinal (aircraft wiring manufacturer), Grand River Dam Authority, Pryor Public Schools, Solae (soy products manufacturer), and Northeast Area Vo-tech.

CNB faces strong competition from several other financial institutions in the assessment area and branches of larger financial institutions.

A community contact was conducted during this review to help ascertain the credit needs of the assessment area. The immediate credit needs of the community are being fulfilled, according to the contact. The bank and all of the financial institutions are considered to be involved in the various community development activities and programs in the area.

## CONCLUSIONS ABOUT PERFORMANCE CRITERIA

This review concentrated on the bank’s primary loan products. As of December 31, 2004, the bank’s primary loan products are residential real estate, commercial and consumer loans. Therefore, we utilized 2003 and 2004 originations for these loan types to evaluate the lending performance component.

### Loan-to-Deposit Ratio

The bank’s loan-to-deposit ratio is satisfactory given the institution’s size, financial condition, and assessment area credit needs. This determination is based on the bank’s quarterly average loan-to-deposit ratio from June 30, 1999 through December 31, 2004 of 70.09%. The twenty-three quarter average of the four banks chartered in the Mayes county area is 72.75%.

### Lending in Assessment Area

CNB’s lending in their assessment area meets the standard for satisfactory performance. This conclusion is based on the sample of 64 residential real estate, commercial and consumer loans, as depicted in the following table:

Table 1 - Lending in Mayes County										
Loan Type	Number of Loans					Dollars of Loans				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Residential Real Estate	17	77.27%	5	22.73%	22	1,903,529	79.27%	497,648	20.73%	2,401,177
Commercial	14	66.57%	7	33.33%	21	562,475	96.14%	22,553	3.86%	585,028
Consumer	15	71.43%	6	28.57%	21	104,791	55.77%	83,117	44.23%	187,908
Totals	46	71.87%	18	28.13%	64	2,570,795	80.99%	603,318	19.01%	3,174,113

Source: Loan sample.

## Lending to Borrowers of Different Incomes and to Businesses of Different Sizes

CNB meets the standard for satisfactory performance for lending to borrowers of different incomes and businesses of different sizes.

The following tables represent a reasonable distribution of lending based on the random sample of 17 residential real estate loans, 14 commercial loans and 15 consumer loans extended within the assessment area.

Table 2 - Borrower Distribution of Residential Real Estate Loans								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Residential Real Estate	17.94%	5.88%	18.00%	11.76%	21.55%	17.65%	42.51%	64.71%

Source: Loan sample and U.S. Census data.

The number of real estate loans extended to low- and moderate-income families compares reasonably to the percentages of those families represented in the assessment area. The low number of low-income borrowers in which the bank has extended residential loans, can be attributed to the fact that lower income individuals have less resources to enable them to purchase residential real estate.

Table 2A - Borrower Distribution of Loans to Businesses				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/Unknown	Total
% of AA Businesses	62.40%	3.86%	33.74%	100%
% of Bank Loans in AA by #	100%	0%	0%	100%
% of Bank Loans in AA by \$	100%	0%	0%	100%

Source: Loan sample and U.S. Census data.

All of the commercial loans sampled were extended to small businesses with gross revenues of less than \$1 million per year.

Table 2B - Borrower Distribution of Consumer Loans								
Borrower Income Level	Low		Moderate		Middle		Upper	
	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans
Consumer Loans	20.66%	13.33%	15.23%	20.00%	18.94%	20.00%	45.18%	46.67%

Source: Loan sample and U.S. Census data.

The number of consumer loans extended to low- and moderate-income households compares

reasonably to the percentages of those households represented in the assessment area.

### **Geographic Distribution of Loans**

An analysis of the geographic distribution of loans would not be meaningful since there are no low- or moderate-income census tracts in the assessment area.

### **Responses to Complaints**

CNB has not received any complaints about its performance in helping to meet assessment area needs during this evaluation period.

### **Fair Lending or Other Illegal Credit Practices Review**

We found no evidence of illegal discrimination or other illegal credit practices.