



INTERMEDIATE SMALL BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

PUBLIC DISCLOSURE

February 11, 2013

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Central National Bank & Trust Company of Enid
Charter Number 12044

324 West Broadway
Enid, OK 73701

Office of the Comptroller of the Currency

8282 South Memorial Drive, Suite 300
Tulsa, OK 74133

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 Lending Test is rated Satisfactory
The Community Development Test is rated Satisfactory

The major factors supporting the institution's rating include the following:

- The bank's loan-to-deposit ratio is reasonable and meets the standard for satisfactory performance;
- A majority of the bank's loans were originated within the bank's assessment areas (AAs);
- The bank's distribution of loans reflects a reasonable penetration to businesses and individuals of different income levels and meets the standard for satisfactory performance;
- The geographic distribution of loans reflects a reasonable dispersion throughout the AA and meets the standard for satisfactory performance; and,
- The bank's community development performance demonstrates adequate responsiveness to the community development needs of the AAs.

Scope of Examination

A Data Integrity review commenced on January 7, 2013, to evaluate the bank's system of internal controls for collecting, verifying, and submitting data reported on the Home Mortgage Disclosure Act Loan Application Register.

A sample of Home Mortgage Disclosure Act (HMDA) loans originating in 2010 and 2011 were reviewed. The review indicated that the data the bank is required to collect and report to regulatory agencies under the Community Reinvestment Act (CRA) and the HMDA is materially accurate. Internal controls over the system to collect and report HMDA data are effective.

This Performance Evaluation is based on 2000 U.S. Census demographic information. Conclusions regarding the Lending Test are based on the origination of commercial, agricultural and home mortgage loans from January 1, 2010 through December 31, 2011. Conclusions regarding the Community Development Test are based on community development activities from December 3, 2009 through February 11, 2013.

Description of Institution

Central National Bank & Trust (CNB&T) is a \$595 million dollar financial institution that is headquartered in Enid, Oklahoma, located in north central Oklahoma. The bank has eight locations, all located in the north portion of Oklahoma and within its AAs. CNB&T is a subsidiary of Central Service Corporation, a three entity holding company headquartered in Enid, Oklahoma. Subsidiaries of the holding company include: CNB&T Co. (wholly owned), CSC Capital Corp (wholly owned/inactive), Central Service Capital Trust I (unconsolidated subsidiary established to issue trust preferred securities). Transactions are not conducted between the holding company subsidiaries. CNB&T has 4 wholly owned operating subsidiaries, with one of the subsidiaries being used to operate the prepaid card business. These subsidiaries were not considered in the evaluation.

CNB&T operates in two different market areas in north Oklahoma. It has eight full-service banking offices that all have drive-ins except the Tulsa branch. The Main Bank is located in north central Oklahoma in Garfield County at 324 West Broadway in Enid, Oklahoma along with a drive-in located at the corner of Maple and Adams. Two additional full service branches are located in Enid at 2219 W. Willow and 301 S. 30th, Suite A, both of these locations have drive-ins. Two full service branches are located in Woodward County, one at 127 South Main in Mooreland, Oklahoma and the other at Highway 270 and Downs Avenue in Woodward, Oklahoma. Also within the AA is a full service branch located at 102 North Main in Blackwell, Oklahoma, which is located in Kay County. The final branch is in Washington County at 1415 S.E. Washington Boulevard in Bartlesville, Oklahoma. The second AA is the Tulsa MSA which has one full service branch located at 4880 S Lewis, Suite 101 in Tulsa, Oklahoma. There are 19 automatic teller machines (ATMs) within its AAs. Ten of the ATMs are located in Enid, Oklahoma (Garfield County), with three of those ATMs also having a night depository available. There are two ATMs in Blackwell (Kay County), one ATM in Mooreland (Woodward County), two ATMs in Woodward (Woodward County), one ATM in Bartlesville (Washington County), one ATM in Ponca City (Washington County), and two ATMs in Tulsa (Tulsa County). Bank services are provided Monday through Saturday at most locations. Extended hours are available at the majority of the drive in facilities. There have been no branch openings or closings since the previous CRA evaluation.

CNB&T's business strategy since the prior evaluation has focused on small business lending and deposit products for the unbanked and under-banked customers. CNB&T has recently entered into the HUD Maps Lending program and Heavy Equipment Lending, which are both headquartered at the Tulsa location. To date CNB&T is the only approved HUD Map lender in the state of Oklahoma. The deposit product focus includes various prepaid card products offered throughout the United States through relationships with program managers. The bank continues to offer the traditional deposit and loan services at all locations. Commercial and agricultural lending is the primary loan products. The bank retains some mortgage loans, but most applications are referred to a third party. Investment, Insurance and Trust Departments are headquartered at the main bank, but services are available to customer at any location. The bank also offers Remote Deposit Capture for business customers, free Internet Banking and free BillPay services.

As of December 31, 2012, CNB&T's total assets equaled \$595 million, of which 388 million or 65 percent were comprised of various types of loans to individuals, commercial businesses, and commercial and residential real estate. Specifically, the bank's loan portfolio consists of the following:

Loan Portfolio Composition as of December 31, 2012		
	\$ (000)	%
Commercial Real Estate	\$109,357	28.21%
Farm Loans	\$98,949	25.52%
Commercial and Industrial	\$71,632	18.48%
Residential Real Estate	\$67,265	17.35%
Individual Loans	\$38,838	10.02%
Other	\$1,642	00.42%
Total	\$387,683	100%

Source: December 31, 2012 Report of Condition and Income.

There are no legal, financial or other factors impeding the bank's ability to meet the credit needs of its AAs. CNB&T is involved in and provides support to meet the community's financial needs. The bank received an overall rating of "**Satisfactory**" at the last CRA evaluation dated December 2, 2009.

Description of Assessment Area (AA)

The AA adopted by CNB&T 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 bank's AA includes all or portions of five non-contiguous counties. For the purposes of the examination, we separated the bank's assessment area into two areas, based upon whether the counties were situated in a metropolitan statistical area. The AAs are defined as the Non-Metropolitan Statistical Area and the Tulsa Metropolitan Statistical Area (MSA).

Non-MSA AA

The AA represents homogenous Non-MSA areas located in north-central Oklahoma. The Non-MSA AA includes 28 census tracts that are not a part of a MSA. Of the 28 census tracts in the non-MSA AA, four are moderate-income, sixteen are middle-income, eight are upper-income, and there are no low-income tracts. The AA includes all of Garfield and Woodward Counties, two census tracts in Kay County, and eleven census tracts in Washington County. The main bank and two branches in Enid are located in Garfield County. The Woodward branch and Mooreland branch are located in Woodward County. The Blackwell branch is located in Kay County. The Bartlesville branch is located in Washington County. The main bank and five of the branches are located in middle-income census tracts. The Bartlesville and the Enid branch on Willow are located in upper-income census tracts.

According to the 2000 U.S. Census data, CNB&T's non-MSA areas have a population of 125,569. The median family income for the AA is \$42,725 and HUD's 2011 updated MSA median family income is \$48,800. Households below the poverty level total 6,656 or 13 percent and households that receive public assistance total 2,150 or 4 percent of the total number of households. Of the 56,594 total housing units available in the AA, 36,123 or 64 percent are owner occupied. Please refer to the table below for additional information relating to CNB&T's non-MSA AA:

DEMOGRAPHIC AND ECONOMIC CHARACTERISTICS OF THE NON-MSA AA	
<i>Population</i>	
Number of Families	34,843
Number of Households	50,339
<i>Geographies</i>	
Number of Census Tracts	28
% Low-Income Census Tracts	0.00%
% Moderate-Income Census Tracts	14.29%
% Middle-Income Census Tracts	57.14%
% Upper-Income Census Tracts	28.57%
<i>Median Family Income (MFI)</i>	
2000 MFI for AA	\$42,725
2011 HUD-Adjusted MFI	\$48,800
<i>Economic Indicators</i>	
Unemployment Rate	3.34%
2000 Median Housing Value	\$57,189
% of Households Below Poverty Level	13.22%

Source: 2000 Census data and 2011 HUD updated income data.

The major employers in the city of Enid, located in Garfield County include Advance Pierre Food Company, Vance Air Force Base, CSC (Business & Technology Solutions) and Integris Bass Baptist Health Center. The current unemployment rate in Garfield County is 3.5 percent. Major employers in Woodward (Woodward County) include Woodward Public Schools, Woodward Regional Hospital and Roberts Ranch of Oklahoma. The current unemployment rate in Woodward County is 2.7 percent. Major employers in Blackwell (Kay County) include Blackwell Public Schools, Kay Electric and the City of Blackwell. The current unemployment rate in Kay County is 6.2 percent. Major employers in Bartlesville (Washington County) include Conoco Phillips, Phillips 66 and Wal-Mart Distribution Center. The current unemployment rate in Washington County is 3.9 percent. The local economy in Enid, Woodward and the surrounding communities continues to be good. This is mainly attributed to the oil and gas activity in the area and statewide. The Bartlesville economy is also doing well with a good real estate market and steady residential construction.

Tulsa MSA AA

The AA is comprised of a portion of the Tulsa MSA. Tulsa is located in Tulsa County in northeast Oklahoma. The AA consists of 109 census tracts in the core of the city. Of the 109 census tracts in the AA, two tracts are low-income, nineteen tracts are moderate-income, forty-three tracts are middle-income and forty-five tracts are upper-income tracts. The Tulsa branch is located in a middle-income tract.

According to the 2000 U.S. Census data, CNB&T's MSA area has a population of 351,887. The median family income for the AA is \$54,799 and HUD's 2011 updated MSA median family income is \$59,600. Households below the poverty level total 14,498 or 10 percent and households that receive public assistance total 4,513 or 3 percent of the total number of households. Of the 159,721 total housing units available in the AA, 84,665 or 53 percent are owner occupied. Please refer to the table below for additional information relating to CNB&T's Tulsa MSA AA:

DEMOGRAPHIC AND ECONOMIC CHARACTERISTICS OF THE TULSA MSA AA	
<i>Population</i>	
Number of Families	90,453
Number of Households	148,977
<i>Geographies</i>	
Number of Census Tracts	109
% Low-Income Census Tracts	1.84%
% Moderate-Income Census Tracts	17.43%
% Middle-Income Census Tracts	39.45%
% Upper-Income Census Tracts	41.28%
<i>Median Family Income (MFI)</i>	
2000 MFI for AA	\$54,799
2011 HUD-Adjusted MFI	\$59,600
<i>Economic Indicators</i>	
Unemployment Rate	3.10%
2000 Median Housing Value	\$101,024
% of Households Below Poverty Level	9.73%

Source: 2000 Census data and 2011 HUD updated income data.

The major employers in the Tulsa County area are primarily located in the city of Tulsa and include Aeon (manufactures air conditioning/heating units), AEP/Public Service Company of Oklahoma (Electric Utility), American Airlines Maintenance Base, and AT&T. The current unemployment rate in Tulsa County is 5.1 percent. The overall economic indicators in Tulsa are positive, with a stabilizing economy and improving trends.

Local banking across the AAs is very competitive and includes several national and state chartered banks, savings associations, branches of other larger banks, credit unions and finance companies.

We reviewed three community contacts during the evaluation to gain a better understanding of the credit and community development needs of the AA. The contacts indicated that area financial institutions are perceived as taking an active role in the community and strive to meet the financial needs of the area. The contacts stated a continued need for affordable housing and small business programs. The Tulsa contact further stated the need for small business lending to minorities.

Conclusions with Respect to Performance Tests

LENDING TEST

THE BANK'S PERFORMANCE UNDER THE LENDING TEST IS RATED "SATISFACTORY"

This Performance Evaluation assesses FNB's performance focusing primarily on five performance criteria: the loan-to-deposit ratio; lending in the AA; lending to borrowers of different incomes and to businesses of different sizes; geographic distribution of loans; and responses to CRA related complaints.

To evaluate CNB&T's lending performance, the major loan products offered by the bank were evaluated. A random sample of 60 commercial loans, 30 agricultural and all 133 residential real estate loans that originated from January 1, 2010 through December 31, 2011 were selected. Based on the analysis and consistent with available resources and capabilities, CNB&T is meeting the credit needs of the assessment area in a satisfactory manner.

Loan-to-Deposit Ratio

CNB&T's loan-to-deposit (LTD) ratio is reasonable and meets the standard for satisfactory performance. The bank's average quarterly LTD from December 31, 2009 through September 30, 2012, was approximately 85 percent. This average was compared to the average of four similarly situated intermediate small banks in CNB&T's AAs or the surrounding areas, with total assets between \$340 million and \$650 million for the same time period. These comparable banks are listed in the following table:

Loan-To-Deposit Ratios		
Institution	Total Assets as of 09/30/12 (000's)	Average LTD Ratio
The Security National Bank of Enid, OK	344,763	50.84%
Central National Bank & Trust Company of Enid, OK	590,957	85.01%
Security Bank, Tulsa, OK	431,113	87.54%
Citizens Security Bank & Trust Company, Bixby, OK	647,522	89.10%
Onb Bank and Trust Company, Tulsa, OK	605,131	97.47%

Source: Institution Reports of Condition from December 31, 2009 to September 30, 2012.

CNB&T's LTD ratio is reasonable when compared to four similarly situated banks whose average LTD ratio during the same period was 81 percent.

Lending in Assessment Area

CNB&T's lending in the AAs is satisfactory and meets the standard for satisfactory performance. A majority of the number and dollar amount of the home mortgage and small business loans were originated within the bank's AA. Although there is not a majority of the number and dollar amount of the agricultural loans originated in the AA, this can be attributed to the bank's willingness to lend in the smaller communities that surround the bank's AAs. As depicted in the following table, 65 percent of the number and 66 percent of the dollar amount of total loans were originated in CNB&T's AAs.

Lending in AAs										
Loan Type	Number of Loans					Dollars of Loans (000's)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Residential Real Estate	93	69.92%	40	30.08%	133	6,859	68.89%	3,097	31.11%	9,956
Small Business	38	63.33%	22	36.67%	60	5,211	66.85%	2,584	33.15%	7,795
Agricultural	14	46.67%	16	53.33%	30	1,215	50.00%	1,215	50.00%	2,430
Totals	145	65.02%	78	34.98%	223	13,285	65.83%	6,896	34.17%	20,181

Source: Data reported for 2010 and 2011 HMDA Loans and the 2010 and 2011 Small Business and Agricultural Loan Samples.

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

The overall distribution of loans in the bank's AAs indicates reasonable penetration to borrowers of different incomes and to businesses of different sizes and meets the standard for satisfactory performance. Because the bank has a branch in Tulsa, Oklahoma whose AA includes 109 Tulsa County census tracts located in the Tulsa MSA, this analysis treats lending in the MSA AA separately from lending in the non-MSA AAs.

Non-MSA AA Summary: CNB&T's borrower distribution of farm and home mortgage loans indicates excellent penetration and the borrower distribution of small business loans indicates reasonable penetration within CNB&T's non-MSA AA.

MSA AA Summary: CNB&T's borrower distribution of small business loans indicates reasonable penetration within CNB&T's MSA AA.

CNB&T's non-MSA AA

The bank's borrower distribution to businesses with revenues of \$1 million or less is reasonable. The percentage of bank loans by number and dollar exceeds the percentage of reporting businesses with revenues of \$1 million or less in the AA. However, due to the significant level of businesses (29.85%) not reporting revenue information, a truly meaningful comparison is not available.

Borrower Distribution of Loans to Businesses in Non-MSA AA				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Businesses	67.31%	2.84%	29.85%	100%
% of Bank Loans in AA by #	81.82%	18.18%	0.00	100%
% of Bank Loans in AA by \$	77.84%	22.16%	0.00	100%

Source: 2010 and 2011 Small Business Loan Sample; Dunn and Bradstreet data.

The bank’s borrower distribution to farms with revenues of \$1 million or less is excellent. The percentage of bank loans by number and dollar exceeds the percentage of reporting farms with revenues of \$1 million or less in the AA.

Borrower Distribution of Loans to Farms in Non-MSA AA				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Businesses	98.14%	0.14%	1.72%	100%
% of Bank Loans in AA by #	100%	0.00%	0.00%	100%
% of Bank Loans in AA by \$	100%	0.00%	0.00%	100%

Source: 2010 and 2011 Agricultural Loan Sample; Dunn and Bradstreet data.

The bank’s distribution of home mortgage loans indicates excellent penetration. The percentage of home mortgage loans to low- and moderate-income borrowers meets or exceeds the corresponding percentages of low- and moderate-income families in the AA.

Borrower Distribution of Residential Real Estate Loans in Non-MSA AA								
Borrower Income Level	Low		Moderate		Middle		Upper	
	% 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
Home Mortgage	15.37%	15.56%	15.32%	17.78%	22.51%	12.22%	46.81%	34.44%

Source: Data reported for 2010 and 2011 HMDA Loans; 2000 U.S. Census data.

Note: 18 loans or 20% did not report income information.

CNB&T’s MSA AA

The bank’s borrower distribution to businesses with revenues of \$1 million or less is reasonable. The percentage of bank loans by number exceeds the percentage of reporting businesses with revenues of \$1 million or less in the AA, while the dollar volume of loans is less than the reporting businesses with revenues of \$1 million or less. However, due to the significant level of businesses (38.54%) not reporting revenue information, a truly meaningful comparison is not available.

Borrower Distribution of Loans to Businesses in Tulsa MSA AA				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Businesses	57.80%	3.66%	38.54%	100%
% of Bank Loans in AA by #	65.00%	35.00%	0.00%	100%
% of Bank Loans in AA by \$	52.03%	47.97%	0.00%	100%

Source: 2010 and 2011 Small Business Loan Sample; Dunn and Bradstreet data.

Geographic Distribution of Loans

CNB&T's overall geographic distribution of small businesses, farm loans and home mortgage loans reflects a reasonable dispersion and meet the standard for satisfactory performance. The Non-MSA AA includes 28 census tracts, with no low-income census tracts and only four moderate-income census tracts. The Tulsa MSA AA includes 109 census tracts, with only two low-income census tracts and nineteen moderate-income census tracts. The Tulsa branch sits in a residential middle-income census tract almost entirely surrounded by middle- and upper-income census tracts. A few of the low- and moderate-income census tracts closet to the Tulsa branch are along the river and include a railroad yard, industrial tank yard and vacant land. The other low- and moderate-income census tracts are further away and consist mainly of residential properties. The Tulsa branch's main focus is small business lending.

CNB&T's non-MSA AA

The geographic distribution of small business loans reflects a reasonable dispersion and the geographic distribution of farm loans reflects an excellent dispersion. The distribution of small business loans located in moderate-income census tracts is less than the percentage of small businesses located in those tracts, but considered near the ratio. Partially contributing to the lower distribution of loans in moderate-income tracts is the fact that three of the four moderate-income tracts are in Bartlesville (Washington County). These tracts are where Conoco Phillips and other large businesses are located and these companies have lending needs are greater than CNB&T's lending capacity. The distribution of farm loans located in moderate-income census tracts exceeds the percentage of small farms located in those tracts.

Geographic Distribution of Loans to Businesses and Farms in Non-MSA AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
Small Business	0.00%	0.00%	9.88%	4.54%	61.78%	81.82%	28.34%	13.64%
Agricultural	0.00%	0.00%	2.14%	4.55%	76.00%	95.45%	21.86%	0.00%

Source: 2010 and 2011 Small Business and Farm Loan Sample; Dunn and Bradstreet data.

The geographic distribution of home mortgage loans is reasonable. The distribution of home mortgage loans located in moderate-income census tracts is near the percentage of owner occupied housing in those tracts. A lower penetration is partly due to the relatively low level of owner occupied housing in those tracts. Additionally, a lot of lower-income property is being purchased by investors, renovated and occupied as rental property.

Geographic Distribution of Residential Real Estate Loans in Non-MSA AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan type	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans
Home Mortgage	0.00%	0.00%	8.15%	5.56%	54.20%	64.44%	37.65%	30.00%

Source: Data reported for 2010 and 2011 HMDA Loans; 2000 U.S. Census data.

CNB&T's MSA AA

The geographic distribution of small business loans reflects a poor dispersion. The distribution of small business loans located in low-income census tracts reflects no loans and the distribution of small business loans located in moderate-income tracts is low compared to the ratio of businesses in those tracts. This is mitigated by the small number and location of the low- and moderate-income census tracts in the MSA AA, as noted above. The low- and moderate-income tracts closest to the branch are primarily residential or are located on the west side of the river. The census tracts on the west side of the river are occupied by larger industrial businesses that are larger than the bank's small business niche. The other low- and moderate-income tracts in the AA are not in close vicinity to the branch. Additionally, a large portion of the loans in the Tulsa branch came from the loan officers' prior relationships and referrals from those relationships.

Geographic Distribution of Loans to Businesses in Non-MSA AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
Small Business	0.71%	0.00%	16.50%	5.00%	34.84%	30.00%	47.95%	65.00%

Source: 2010 and 2011 Small Business Loan Sample; Dunn and Bradstreet data.

Responses to Complaints

There have been no consumer complaints relating to the bank's Community Reinvestment Act performance during the evaluation period.

COMMUNITY DEVELOPMENT TEST

THE BANK'S PERFORMANCE UNDER THE COMMUNITY DEVELOPMENT TEST IS RATED
"SATISFACTORY"

CNB&T is located in north central Oklahoma and has five AA, including a portion of Tulsa, Oklahoma, which is identified in this analysis as the Tulsa MSA AA. The other 4 AAs include Enid, Blackwell, Woodward/Mooreland and Bartlesville, Oklahoma, which are identified as the bank's Non-MSA AA. Opportunities for qualified community development loans and investments are limited in the bank's non-MSA AA. A majority of the Non-MSA AA is comprised of rural, low-density tracts. The largest cities in the Non-MSA AA are Enid with a population of 49,379, and Bartlesville with a population of 36,059. Woodward, Blackwell, and Mooreland all have populations less than 12,000 persons. Currently, there are no major community development projects underway in the bank's non-MSA AA. However, in Enid there is a 501(c)3 non-profit program titled *Main Street Enid, Inc.* whose mission is to revitalize the Enid, Oklahoma downtown area. The bank has a single branch in the Tulsa MSA which is primarily a commercial lending operation and represents about 12 percent of total assets, 18 percent of loans outstanding, and less than 1 percent of total deposits.

CNB&T's officers and employees are active in the communities they serve. This is evidenced by their leadership roles on various civic and non-profit organizations that provide services to low- and moderate-income individuals throughout their AA.

The bank has developed special expertise in HUD multifamily affordable lending. The HUD MAP (Multifamily Accelerated Processing) Program is designed to provide and support affordable rental housing to the low- to moderate-income range. It provides lenders with FHA mortgage insurance guarantees so they can lend on new construction, substantial rehabilitation, and refinancing of existing apartment communities that provide housing for the underserved and areas in need of housing for the low- to moderate-income population. CNB&T is the only HUD MAP approved lender based in Oklahoma. The MAP loan programs offer 35 and 40 year, fixed rate, permanent financing to all types of residential rental properties, including new construction and acquisition/refinance transactions for affordable, market rate, and senior independent housing.

CNB&T's responsiveness to the community development needs of its AA is adequate. The Tulsa MSA AA and the combined non-MSA AA were evaluated separately. Community development activities in each of these AA groupings, and taken together, reflect adequate responsiveness and meet the standard of the Community Development Test. Primary weight is given community development activities in the Non-MSA AA since the bulk of the lending and almost all of the deposits are associated with the non-MSA branches. Nevertheless, the community development loans made in the Tulsa MSA AA were significant.

Community Development Loans

The level of community development loans is adequate. Qualifying community development loans are those that meet the definition of community development, as defined in the CRA regulation. At the review date, CNB&T had originated eighteen qualified community development loans totaling \$12.5 million. This included \$6.7 million of loans originated within the combined non-MSA AA and another \$348 thousand of community development loans originated in the proximate region of the bank's Enid and Blackwell non-MSA AAs that benefit these AAs. In the Tulsa MSA AA there were \$2.2 million of loans originated within the Tulsa MSA AA and another \$3.2 million of community development loans originated in the proximate region of the Tulsa MSA AA that nevertheless benefit this AA. The following is a summary of some of these loans.

Tulsa MSA AA: CNB&T originated two HUD MAP program loans in the Tulsa MSA during the review period. Both loans provide financing for multifamily affordable housing apartment projects. The first loan closed February 2011 for \$3.2 million to renovate 42 units; and the second closed June 2012 for \$2.0 million to renovate 78 units. The bank has already approved financing for three more HUD MAP projects totaling \$8.8 million that are expected to close before June 30, 2013. In addition, in February 2012, a \$200 thousand loan was originated in the Tulsa MSA to fund a stand-alone 8-unit multifamily affordable housing project.

Non-MSA AA: In Enid, Oklahoma there is a 501(c)3 non-profit program titled *Main Street Enid, Inc.* whose mission is to revitalize the Enid downtown area. The program has established a plan for the redevelopment of downtown Enid, which is located in a moderate-income census tract. The intent of the program is to retain and attract new business to the downtown area to make the business district economically viable. During the review period, the bank extended 9 loans totaling \$4.1 million that are consistent with the organization's plan for the revitalization of the downtown area, including a \$2.6 million loan to finance the purchase and renovation of an 11-story building built before the great depression. Other loans in the program have been to open new businesses and maintain existing businesses downtown, including a pharmacy and a dress shop.

In January 2012 the bank also financed \$77 thousand for the purchase of an empty building and equipment allowing the borrower to open a restaurant on the east side of Enid, in a moderate-income area. The new business created new jobs for low- and moderate-income workers.

In Bartlesville, Oklahoma, in July 2010, in the first year of the review period, the bank financed a \$1.6 million multifamily housing project, including a restaurant, which provided affordable housing and created jobs for low- and moderate-income workers.

In Woodward, Oklahoma, in August 2011, the bank financed a \$445 thousand "SBA 504" loan to open a new chiropractic office in Woodward. This loan type is by definition a community development loan, which has a job creation feature in the terms of the agreement.

Qualified Investments

Although opportunities for qualified community development investments are limited in the bank's AAs, the level of community development investments, including community development donations, is adequate. "Qualifying investments" are investments, deposits, membership shares, or grants that have as their primary purpose community development, as defined in the CRA regulation. During the evaluation period in 2011 CNB&T purchased one qualified \$500 thousand municipal school bond issued by Washington County, Oklahoma Independent School District (Bartlesville) now valued at \$508,585. The bond financed improvements in schools in the bank's Bartlesville AA, which are attended primarily by students from low- and moderate-income families.

During the review period, CNB&T also made eleven qualified community development donations in its assessment areas, totaling \$75,000. These donations were to local non-profit organizations that provide social services, youth programs, and affordable housing that target low- to moderate-income individuals.

Community Development Services

The level of qualified community development services is adequate. Bank officers and staff have served in leadership positions on organizations that provide community services to low- and moderate-income families and provide technical expertise and financial assistance to these organizations. Bank officers also serve in leadership positions for organizations that are involved in economic and small business development activities. The following are examples of qualifying community development services.

- ***Junior Welfare League*** – Two bank officers serve in leadership roles. A Bank officer serves as the Project Chair and a Trust Officer serves as the Finance Chair for the Building Capital Campaign. This organization provides leadership opportunities for women in the community. In Enid, they operate a Thrift Store where new and gently used clothing is resold at bargain prices to local people. The organization has many fund raising projects, including the "Stir-Ups Cookbook," which is sold across the U.S. All their funds are pooled into an annual program of giving whereby local organization can apply to receive funds. CNB&T donated \$4,000 to this organization during the review period. The League is currently renovating two downtown structures into a Thrift Store to serve low-income persons in our community. It is part of the *Main Street Enid* program.
- ***Community Development Support Association (CDSA)*** - A Bank officer served on the Capital Campaign Committee. The CDSA is designated by the Oklahoma Department of Commerce as a Community Housing Development Organization (CHDO). As such, one of its primary missions is the preservation and development of affordable housing. CNB&T donated \$21,000 to the CDSA during the review period. A current building project of the CDSA is to remove asbestos and lead-based paint from the site of the non-profit center located in downtown Enid.

- ***Financial Literacy*** – CNB&T is dedicated to promoting financial literacy in its communities. In 2012, the bank partnered with University of Oklahoma Outreach National Resource Center for Youth Services to present a life skills simulation for youth, ages 16 – 18, in Oklahoma Department of Human Services care. The event was held in Enid Oklahoma and was called “Independopolis.” It included training in the application for and use of checking accounts and other bank accounts, finding housing, and how to prepare budgets. Four CNB&T employees participated in the all-day sessions. Bank officers and employees also participate in the *Teach Children to Save* financial literacy course offered to Enid school children at various schools. Sixty-eight percent of the children in Enid Public Schools are from low- and moderate-income families.
- ***Chambers of Commerce*** - Bank officers are active in taking leadership positions in local Chambers of Commerce. Bank officers currently serve as officers on the Enid, Woodward/Mooreland, Blackwell, Bartlesville, and Tulsa Chambers and provide technical expertise through their involvement with planning, budgeting, and financing activities. These Chambers are all active with regard to economic development and to the retention and recruiting of new businesses within their respective communities.
- ***Community Leadership*** – Bill Shewey, SVP Correspondent Banking is the current mayor of Enid, Oklahoma, and Mr. Shewey sits on the Enid Municipal Water Authority and the Enid Economic Development Authority. In addition he is a member of the Enid Higher Education Council, the Northwest Oklahoma Alliance, the Enid Regional Development Alliance, and the Vance Development Authority. Trust officer Patrick Anderson is an Oklahoma State Senator and sits on the State of Oklahoma Business and Commerce Committee. Branch President Josh Means serves as Chairman of the Bartlesville Development Authority.
- ***YWCA*** – A Bank officer and a Trust officer serve as board members of this non-profit organization, which provides services to low- and moderate-income persons. The Trust officer also chairs the Fundraising Committee.
- ***United Way of Enid and Northwest Oklahoma*** - The Enid Regional United Way raises funds that are provided to various agencies within the community and many of these agencies provide services to low- or moderate-income persons. A Trust officer and one of the Bank’s directors serve as board members of this non-profit organization. In addition, a Bank officer serves as Treasurer of the organization.
- ***Loaves and Fishes and Horn of Plenty Food Banks*** – A Bank officer and a Trust officer serve on the respective Boards of these local and regional food banks that serve low- and moderate-income persons from their local pantries.

- ***Court Appointed Special Advocates (CASA)*** - Every year millions of children are abused, neglected, or abandoned in the United States. CASA provides court appointed advocates for these children so they can thrive in safe, permanent homes. Two Bank officers volunteer to train and be certified as court appointed advocates for children. As part of a family's Service Plan, the CASA worker assists in creating budgets particularly during a reunification process.

Fair Lending or Other Illegal Credit Practices Review

We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.