



SMALL BANK

Comptroller of the Currency
Administrator of National Banks

PUBLIC DISCLOSURE

May 13, 2003

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**The City National Bank And Trust Company of Lawton
Charter Number 5753**

**500 Montgomery Square
5th Street at D Avenue
Lawton, Oklahoma 73501**

**Comptroller of the Currency
Assistant Deputy Comptroller Kyle M. Jones
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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.

TABLE OF CONTENTS

INSTITUTION'S CRA RATING.....	2
DESCRIPTION OF INSTITUTION	3
DESCRIPTION OF ASSESSMENT AREA	5
CONCLUSION ABOUT PERFORMANCE CRITERIA.....	7

INSTITUTION'S CRA RATING

This institution is rated Satisfactory.

The major factors that support this rating include the following:

- A vast majority of the bank's loans are made within the Assessment Area (AA).
- The loan-to-deposit ratio (LTD ratio) is reasonable and meets the standard for satisfactory performance.
- The bank meets the standard for satisfactory performance for lending to borrowers of different incomes and businesses of different sizes.
- The bank meets the standard for satisfactory performance for the distribution of loans in the various income tract levels.
- The bank has not received any consumer complaints regarding Community Reinvestment Act (CRA) performance.

City National Bank is committed to serving the communities in which it is located. This is demonstrated by the satisfactory lending performance as described in this Public Disclosure.

DESCRIPTION OF INSTITUTION

City National Bank and Trust Company (CNB) is headquartered in Lawton, Oklahoma. J. R. Montgomery Bancorporation, a two-bank holding company, owns 70 percent of CNB and 37 percent of Ft. Sill National Bank (FSNB).

The main bank and drive-through facility is located at 500 Montgomery Square, 5th Street at D Avenue, Lawton, Oklahoma. Full-service branches with drive-through facilities are located at 4113 West Gore Boulevard, and at the Country Mart East grocery store, 4510 Southeast Lee Boulevard, both in Lawton, Oklahoma. Two additional locations in the Lawton community include retail branches located inside the Wal-Mart store at 1002 N. Sheridan Road, and inside the Country Mart West grocery store, 6734 West Cache Road. In addition to the Lawton locations, CNB has 13-additional Wal-Mart Supercenter or Wal-Mart Neighborhood Market retail branches located throughout the state of Oklahoma. The table below depicts where these retail branches are located.

City National Bank Wal-Mart Branch Locations
4000 Green Country Road, Bartlesville, Oklahoma
6310 South Elm Street, Broken Arrow, Oklahoma
1845 North Highway 81, Duncan, Oklahoma
2400 South Country Club Road, El Reno, Oklahoma
2415 N.W. Main Street, Miami, Oklahoma
1101 N.W. 164 th Street, Oklahoma City
1500 S.W. 59 th Street, Oklahoma City
2000 West Memorial Road, Oklahoma City
100 East I-240 Service Road, Oklahoma City
1101 East Prospect, Ponca City, Oklahoma
1101 West Ruth Street, Sallisaw, Oklahoma
3116 S. Garnett, Tulsa, Oklahoma
9411 S. Delaware, Tulsa, Oklahoma

Automated teller machines (ATMs) are located at each of the Wal-Mart retail branch locations as depicted in the above table. Additional ATMs are located throughout the Lawton community and surrounding communities and are shown in the table below.

City National Bank ATM Locations in Lawton and Surrounding Municipalities
City National Bank, 5 th Street at D Avenue
City National Bank – Gore Branch, 4113 West Gore Boulevard
Willow Park – 67 th & Cache Road
Wal-Mart Lawton, 1002 NW Sheridan Road (Parking Lot)
Wal-Mart Lawton, 1002 NW Sheridan Road (In Store South)
Wal-Mart Lawton, 1002 NW Sheridan Road (In Store North)
Regency Square, 1820 N.W. 52 nd Street
Cameron University Library, 2800 West Gore Boulevard
Hop-n-Sack, HC 64 #2 Blue Beaver Road
Hop-n-Sack, 118 Northeast Rogers Lane
Hop-n-Sack, 2 Southeast 45 th Street
Hop-n-Sack, 6302 Northwest Cache Road
Hop-n-Sack, Highway 62 & 5 th Street, Cache, Oklahoma
Country Mart West, 6734 N.W. Cache Road
Country Mart East, 4510 S.E. Lee Boulevard
County Mart Gore, 902 West Gore Boulevard

Note: CNB customers may use Fort Sill National Bank's ATMs at no charge. There are 17 of these ATMs located in Lawton and on the Ft. Sill Military Reservation.

CNB's primary focus is to serve commercial, consumer, and agricultural needs of customers located in the assessment areas. CNB meets these needs by providing various types of loan and deposit products and services.

As of March 31, 2003, CNB's total assets equaled \$170 million, of which \$106 million or 72 percent were comprised of various types of loans to individuals, commercial businesses, and agricultural related enterprises. Specifically, the bank's loan portfolio consists of the following:

Loan Category	\$ (000)	%
Residential Real Estate Loans	\$41,382	39.03
Commercial Real Estate Loans	\$39,661	37.41
Commercial Loans	\$14,455	13.63
Consumer Loans	\$10,533	9.93
Total	\$106,031	100.00

There are no legal or financial impediments to prevent the bank from meeting the credit needs of the AA. The bank received an overall rating of "Satisfactory Record of Meeting Community Credit Needs" at the last Community Reinvestment Act evaluation dated December 31, 1998.

DESCRIPTION OF THE BANK'S ASSESSMENT AREA

The assessment area meets the requirement of the regulation, consists of whole geographies, does not reflect illegal discrimination, and does not arbitrarily exclude low-or moderate-income geographies. Selected information about the demographics of the primary assessment area, **Comanche County**, is detailed in the table below.

DEMOGRAPHIC AND ECONOMIC CHARACTERISTICS OF COMANCHE COUNTY	
Population	
Number of Families	29,175
Number of Households	37,676
Geographies	
Number of Census Tracts/BNA	30
% Low-Income Census Tracts/BNA	3.33%
% Moderate-Income Census Tracts/BNA	33.33%
% Middle-Income Census Tracts/BNA	43.33%
% Upper-Income Census Tracts/BNA	20.00%
<i>Median Family Income (MFI)</i>	
1990 MFI for AA	\$27,431
2002 HUD-Adjusted MFI	\$39,400
Economic Indicators	
Unemployment Rate	4.10%
1990 Median Housing Value	\$51,546
% Of Households Below Poverty Level	15.48%

The primary AA is defined as Comanche County, Oklahoma. This AA encompasses 30 contiguous census tracts in southwestern Oklahoma. Based on 1990 data, the United States Census Bureau identifies one tract as low-income, ten tracts as moderate-income, thirteen tracts as middle-income, and six tracts as upper-income. The total population of the Comanche county AA approximates 111 thousand. Additionally, there were 29 thousand families and 38 thousand households. Of the 29 thousand families, 2.29 percent, 17.90 percent, 57.99 percent, and 21.82 percent, report low, moderate, middle, and upper-incomes, respectively. The Comanche county AA contains 44 thousand housing units with 23 thousand or 52 percent being owner occupied. There is also a large volume of rental occupied units in the AA. Rental occupied units total 18 thousand and represent 42 percent of the available housing type. Households below the poverty level are 15 percent and households that receive public assistance total 6 percent.

The local economy of Comanche county is good. The economy of Lawton is dependent upon consumer goods and service businesses to the military. However, over the past 10-years Lawton has strived to become less dependent on the Fort Sill Military Reservation and the oil and gas and agricultural industries. There is always the possibility the United States Congress will elect to close the Fort Sill Military Reservation as the U.S. military continues to consolidate. As such, Lawton is striving to attract new industries and businesses to the area to diversify its

economic base and lessen the dependence on Fort Sill. The major employers in the AA consist of the Lawton Public School System, Goodyear Tire and Rubber Company, Halliburton Energy Services, the Fort Sill civilian labor force, and Comanche County Memorial Hospital.

The current economic concern in the Comanche county area is the State of Oklahoma budget shortfall and the lack of funding available for the public school system. The Lawton Public School system recently announced the layoff of 137 teaching positions. The Lawton community is concerned there may be more layoffs if the State of Oklahoma economic picture does not improve.

Local banking competition includes several other national and state chartered banks and branches of other banks and financial institutions.

A community contact was conducted during this review to help ascertain the credit needs of the Comanche county assessment area. The contact reported that the economy is dynamic and doing well. There continues to be new industries and businesses locating in the Lawton area and surrounding municipalities. According to the community contact, the immediate credit need of the Lawton community is being fulfilled. The bank is considered to be involved in the various community development activities and projects in the Comanche county area.

Secondary assessment area(s) have been established for the municipalities where the bank has Wal-Mart Supercenter or Wal-Mart Neighborhood Market retail branch locations. These assessment areas are detailed in the table below. However, demographic data is not provided as these locations are primarily used to take deposits, cash checks, and provide other banking services for customers of the bank. Loan applications are taken at these locations and then forwarded to the main bank in Lawton where the credit underwriting decision is made. No loan authority has been granted in the branches outside of the Lawton community. CNB continues to use central underwriting of its loans through the lending staff at the main bank location.

Designated Assessment Areas (AA) outside of Comanche County
Bartlesville, Oklahoma: designated AA is the city limits of Bartlesville
Broken Arrow, Oklahoma: designated AA is the city limits of Broken Arrow
Duncan, Oklahoma: designated AA is the city limits of Duncan
El Reno, Oklahoma: designated AA is the city limits of El Reno
Miami, Oklahoma: designated AA is the city limits of Miami
Oklahoma City, Oklahoma: designated AA is the city limits of Oklahoma City
Ponca City, Oklahoma: designated AA is the city limits of Ponca City
Sallisaw, Oklahoma: designated AA is the city limits of Sallisaw
Tulsa, Oklahoma: designated AA is the city limits of Tulsa

CONCLUSIONS ABOUT PERFORMANCE CRITERIA

The Performance Evaluation (PE) assesses the bank's performance focusing primarily on five performance criteria: the loan-to-deposit ratio, lending in the assessment area, lending to borrowers of different incomes and businesses/farms of different sizes, geographic distribution of loans, and response to complaints.

In evaluating the bank's lending performance, real estate loans for home purchase, home improvement, home refinance, and multi-family purposes for the time periods January 19, 1999 through December 31, 2002 were evaluated and assessed. These 424 loans were recorded on CNB's Home Mortgage Disclosure Application – Loan Application Register (HMDA-LAR) and were all made since the last CRA examination. We also randomly sampled 27-consumer loans, and a sample of loans to small businesses (15) and small farms (10).

Based on the analysis and consistent with available resources and capabilities, the bank is meeting the credit needs of its assessment area in a satisfactory manner.

Loan-to-Deposit Ratio

The bank's lending activity within the AA is satisfactory. This determination is based on CNB's quarterly average loan-to-deposit ratio of 64 percent since the preceding performance evaluation. The actual ratio at December 31, 2002, was 69.1 percent. The average loan-to-deposit ratio for the 23 banks in Comanche and surrounding six counties was 63.8 percent with actual loan-to-deposit ratios ranging from 22 percent to 101.7 percent. As the table below illustrates, CNB's ratio is in line with similarly situated banks in the area.

Institution	Assets as of 12/31/02 (000)	Average LTD Ratio
Anadarko Bank & Trust Company, Anadarko, Oklahoma	\$53,101	57.10%
Bank of the Wichitas, Snyder, Oklahoma	\$49,770	59.01%
Chickasha Bank and Trust Company, Chickasha, Oklahoma	\$104,521	84.88%
First National Bank and Trust Company, Chickasha, Oklahoma	\$167,775	66.64%
<i>City National Bank and Trust Company, Lawton, Oklahoma</i>	<i>\$167,192</i>	<i>63.60%</i>

Lending in the Assessment Area

CNB’s lending in the AA exceeds the standard for satisfactory performance. A vast majority of the residential real estate, consumer, and small businesses/farm loans sampled were originated within the bank’s AA. This conclusion is based on an analysis of 424 HMDA related loans made in the time periods January 19, 1999 through December 31, 2002. In addition, a sample of 27- consumer loans, 15- business loans, and 10-agricultural loans were randomly sampled and reviewed. The results of this analysis are detailed in the table below.

TOTAL LOANS REVIEWED								
LOAN TYPE	IN ASSESSMENT AREA				OUT OF ASSESSMENT AREA			
	#	%	\$ (000s)	%	#	%	\$ (000s)	%
Consumer	24	88.89	\$ 219	96.82	3	11.11	\$ 7	3.18
Business & Agricultural	23	92.00	\$9,772	97.18	2	8.0	\$ 284	2.82
Home Purchase	166	86.9	\$12,770	85.7	25	13.1	\$2,132	14.30
Home Improvement	70	86.4	\$ 1,159	90.6	11	13.6	\$ 120	9.40
Home Refinance	104	73.8	\$10,097	76.5	37	26.2	\$3,105	23.50
Multi-Family	11	100.00	\$ 1,921	100.00	0	0	0	0
Totals	398	83.61	\$35,938	86.42	78	16.39	\$5,648	13.58

Note: Total loans in analysis: 476

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

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

The following table represents a reasonable distribution of lending based on the 424 HMDA loans and a random sample of 27-consumer loans and 25-business and agricultural loans extended within the AA.

RESIDENTIAL REAL ESTATE								
Borrower Income Level	LOW		MODERATE		MIDDLE		UPPER	
% Of AA Families	18.81		18.85		22.94		39.40	
	% Of Number	% Of Amount	% Of Number	% Of Amount	% Of Number	% Of Amount	% Of Number	% Of Amount
Home Purchase	9.30	5.15	20.00	11.12	18.60	14.18	52.09	69.54
Home Improvement	16.51	10.03	19.27	12.22	24.77	24.25	39.45	53.51
Home Refinance	7.20	2.95	16.00	8.28	20.80	13.24	56.00	75.53
Multi-Family	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	11.08	4.81	19.81	15.49	21.93	15.49	53.07	76.44

Note: Families are defined as a traditional family unit earning within the income levels noted in the graph.

The number and amount of real estate loans extended to low-and-moderate income families' compares reasonably to the percentages of those families represented in the AA. The low number and amount of low-income borrowers in which the bank has extended residential real estate loans, can be attributed to the fact that lower income individuals have less resources to enable them to purchase residential real estate. Additionally, the low level of lending to low-and moderate-income families can also be attributed to the significant number of military personnel who rotate through the Fort Sill Military Reservation. These personnel are less likely to purchase a residence due to the typically short-term duration of their stay in the Lawton area. Finally, there is a significant volume of rental units in Comanche county, 18 thousand, out of a total of 44 thousand total housing units.

CONSUMER								
Borrower Income Level	LOW		MODERATE		MIDDLE		UPPER	
% of AA Households	21.8		17.1		21.1		40.0	
SAMPLE LOANS	% Of Number	% Of Amount	% Of Number	% Of Amount	% Of Number	% Of Amount	% Of Number	% Of Amount
Total	44.45	35.56	14.81	14.29	22.22	37.09	18.52	13.06

Households are defined as individual(s) living in a single unit (house or multifamily) with earnings falling within the areas noted above.

The number and amount of consumer loans extended to low-and moderate-income households compares favorably to the percentages of those households represented in the AA.

BORROWER DISTRIBUTION OF SMALL LOANS TO BUSINESSES AND FARMS		
Business Revenues	≤\$1,000,000	>\$1,000,000
% of AA Businesses/Farms	84.33	4.38
% of Bank Loans in AA #	92.00	8.00
% of Bank Loans in AA \$	97.18	2.82

Note: Businesses/farms not reporting revenues was 11.29.

CNB's loan distribution to small businesses/farms in the AA is good. The level of business/agricultural loans revealed that a majority of loans were extended to small businesses or small farms with annual gross revenues of less than \$1 million per year.

Geographic Distribution of Loans

The distribution of loans meets the standard for satisfactory performance. The dollar volume and number of loans extended in the various income tracts is representative of the percentage of the population that those tracts represent. This conclusion is based on an analysis of the 378-HMDA loans, 24-consumer loans, and 23-business/agricultural loans located inside the defined AA as depicted in the following tables:

RESIDENTIAL REAL ESTATE								
Census Tract Income Level	LOW		MODERATE		MIDDLE		UPPER	
% of AA Owner Occupied	2.0		15.3		58.6		24.1	
	% Of Number	% Of Amount	% Of Number	% Of Amount	% Of Number	% Of Amount	% Of Number	% Of Amount
Home Purchase	1.20	1.13	15.66	7.09	57.83	53.37	25.30	38.42
Home Improvement	4.29	2.67	25.71	16.74	41.43	33.39	28.57	47.20
Home Refinance	0.96	0.34	14.42	8.42	49.04	39.65	35.58	51.60
Multi-Family	9.09	7.91	18.18	11.09	72.73	81.00	0.00	0.00
Totals	1.99	1.39	17.38	8.33	52.42	49.18	28.21	41.10

CONSUMER								
Census Tract Income Level	LOW		MODERATE		MIDDLE		UPPER	
% of AA Households	2.6		20.6		56.0		20.9	
Sample Loans	% Of Number	% Of Amount	% Of Number	% Of Amount	% Of Number	% Of Amount	% Of Number	% Of Amount
Totals	0.00	0.00	37.50	18.88	37.50	54.97	25.00	26.15

The lack of consumer related loans in the low-income tract can be explained by the fact that only 1 of the 30 census tracts in the AA is considered a low-income tract. Also, according to 1990 demographic data, only 2-percent of the total AA population lives in the low-income tract.

BUSINESS AND AGRICULTURAL LOANS								
Census Tract Income Level	LOW		MODERATE		MIDDLE		UPPER	
% Of AA Businesses	2.48		38.73		44.27		14.52	
Sample Loans	% of Number	% of Amount	% of Number	% of Amount	% of Number	% of Amount	% of Number	% of Amount
Totals	0.00	0.00	26.09	29.66	69.57	69.93	4.34	0.41

As the demographics of the AA indicate, a relatively small portion of Lawton businesses are located in the low-income tract. The low-income tract is located in close proximity to the Lawton Municipal Airport hampering future business development in the area.

Responses to Complaints

There have been no consumer complaints regarding the bank's CRA performance during the evaluation period.

Fair Lending Review

An analysis of the 1999-2003 public comments and consumer complaint information was performed according to the OCC's risk based fair lending approach. The bank has a good history of complying with anti-discrimination laws. Based on an analysis of the information, the OCC decided that a comprehensive fair lending examination would not need to be conducted in connection with the CRA evaluation this year.