

EXHIBIT 1 State of the Bank Report, April 19, 2002 (continued)**IV Looking Forward**

I think in the future, our focus will not be on bigness . . . rather it will be on quality.

1 Our #1 Priority must be quality relationships:

- With you as our investors, we want to behave like partners.
- With the members of our staff, we want to be, in the best sense, like family.
- With our customers, we want to be known as bankers who really have a heart for service.
- With our regulators, we want to be known as the epitome of compliance and integrity.
- With those thousands of people who are not yet our customers who live in our community, we want to be the bank they are comparing their bank to—and considering moving their business to.

Overall, we really do want to build and maintain quality relationships. So, help us meet your family, friends, neighbors, and associates. And, if you hear about, or see, or experience our messing up, please let me know. We want to apologize for our errors and begin again immediately.

I believe that a focus on quality relationships will move us forward more happily and successfully than anything else that we might do.

In this regard, we are looking to recruit a few more quality bankers to our staff. If you know good bankers at other banks that we ought to call and recruit, please let me know.

2 We also want to excel at quality service and quality facilities.

- Tell your friends that ONB is not just another bank . . . we are a better bank.
- Tell them ONB offers the highest rates in Oklahoma on personal checking accounts and CDs, totally free ATM access at any ATM owned by any bank in Oklahoma, and prompt personalized responses to loan proposals. In all these areas, we really are a better bank than our competitor.
- And, I hope you are as proud of our facilities as we are. Special thanks to Ward Seibert, and all those involved in this area of our work.

3 We must continue to grow a high volume of quality loans. The #1 thing that can go wrong in a bank is bad loans. I want to compliment Mike, Tom, and all our lenders for the great job they are doing in maintaining the quality of our loan portfolio.

If you know good people who have borrowing needs, ask them to give your bank a shot at the business. It's the #1 way we make money, so we really need your help in this area.

Also, if you hear of bad things going on in our local economy, let us know so that we can take efforts to avoid loan problems associated with economic difficulties.

4 We are also going to try to expand the range of our products and services by associating our company with our quality service providers and allowing them to cross sell our customers their products and split the fees with the bank. Mike will tell you about our new venture with Family Business Partners later. We also offer trust services through The Trust Company of Oklahoma, and we are exploring other opportunities that may increase our earnings in the future.

5 We are also looking at branch sites in Owasso and Broken Arrow for 2002, and keeping our eye on Oklahoma City in 2003. We are committed to doing all of those things in a quality manner, to build a company that is both profitable—and a company you can be proud to own.

V Summary and Conclusion

1. Our last year was an amazing year! While we would like to stop and celebrate our successes, they have yielded us many new opportunities . . . so we are pressing on into 2002 in what we hope will be a year known for its quality in all that we do.
2. So far we're off to a very fast start . . . and we are just getting started in Sapulpa, and we are excited about the prospects of Midtown.

EXHIBIT 2 Oklahoma National Bank Financial Performance, 2000–2001

| Dollar Figures in Thousands | | |
|--|---------------|----------------|
| Assets and Liabilities | 31-Dec-2000 | 31-Dec-2001 |
| Total employees (full-time equivalent) | 25 | 34 |
| Total Assets | 64,487 | 127,437 |
| Cash due from depository institutions | 963 | 3,279 |
| Interest-bearing balances | 22 | 21 |
| Securities | 5,479 | 0 |
| Federal funds sold & reverse repurchase agreements | 12,613 | 3,052 |
| Net loans & leases | 42,078 | 110,799 |
| Loan loss allowance | 390 | 1,097 |
| Trading account assets | 0 | 0 |
| Bank premises and fixed assets | 2,300 | 6,705 |
| All other assets | 1,054 | 3,602 |
| Total liabilities and capital | 64,487 | 127,437 |
| Total Liabilities | 56,929 | 115,763 |
| Total deposits | 50,483 | 95,545 |
| Interest-bearing deposits | 45,032 | 83,833 |
| Deposits held in domestic offices | 50,483 | 95,545 |
| % insured (estimated) | 89.85% | 82.60% |
| Other borrowed funds | 6,260 | 20,000 |
| All other liabilities | 186 | 218 |
| Equity capital | 7,558 | 11,674 |
| Common stock | 1,063 | 1,063 |
| Surplus | 7,437 | 11,511 |
| Undivided profits | -942 | -900 |
| Memoranda | | |
| Noncurrent loans and leases | 0 | 15 |
| Income earned, not collected on loans | 348 | 618 |
| Earning assets | 60,192 | 113,872 |
| Long-term assets (5+ years) | 740 | 3,415 |
| Average assets, year-to-date | 43,900 | 96,290 |
| Average assets, quarterly | 58,086 | 120,643 |
| Volatile liabilities | 15,503 | 40,982 |
| Insider loans | 2,376 | 1,400 |
| FHLB advances | N/A | 20,000 |
| Loans and leases held for sale | 102 | 1,767 |
| Unused loan commitments | 19,788 | 24,170 |
| Total unused commitments | 19,788 | 24,170 |

EXHIBIT 3 Income and Expense Statement

| Income and Expense | Dollar Figures in Thousands | |
|--|-----------------------------|-------------|
| | 31-Dec-2000 | 31-Dec-2001 |
| Number of institutions reporting | 1 | 1 |
| Total interest income | 2,883 | 7,350 |
| Total interest expense | 1,576 | 4,034 |
| Net interest income | 1,307 | 3,316 |
| Provision for loan and lease losses | 390 | 708 |
| Total noninterest income | 49 | 332 |
| Fiduciary activities | N/A | 1 |
| Service charges on deposit accounts | 37 | 139 |
| Trading account gains & fees | N/A | 0 |
| Additional noninterest income | 12 | 192 |
| Total noninterest expense | 2,072 | 2,912 |
| Salaries and employee benefits | 1,195 | 1,934 |
| Premises and equipment expense | 201 | 19 |
| All other noninterest expense | 676 | 959 |
| Pre-tax net operating income | -1,106 | 28 |
| Securities gains (losses) | 0 | 74 |
| Applicable income taxes | -385 | 37 |
| Income before extraordinary items | -721 | 65 |
| Extraordinary gains—net | 0 | 0 |
| Net Income | -721 | 65 |
| Net charge-offs | 0 | 1 |
| Cash dividends | 0 | 0 |
| Sale, conversion, retirement of capital stock, net | 8,255 | N/A |
| Net operating income | -721 | 18 |

CULTURE

We like to think that the story of the bank is a story about relationships. The first relationship would be between the founders and God. One unusual aspect of our company is that we open all meetings with a prayer. We see this adventure as a blessing from God, and we earnestly seek to be good stewards.

Certainly there is an element of relationships between our 112 investors, our 37 staff members, and our rapidly increasing number of customers. We say that we are "the bank that makes dreams come true." That begins with listening to each other's dreams, then trying to help each other pursue them. So far, it has been a lot of fun.

Thomas E. Bennett, Jr.
Chairman & CEO

How many banks announce to their customer that they will be glad to make arrangements to meet with you at any time or a place that is more convenient to you? How many banks promise you will always speak to a "live" person when you give them a call? How many banks start each meeting with a prayer? The unique corporate culture at Oklahoma National Bank has provided an opportunity for the bank to develop a competitive advantage centered on customer service. One of Oklahoma National Bank's major corporate values includes the building of a fun organization with excellent relationships. Tom Bennett feels it is important to know the customer, big or small, and build long-lasting relationships that meet their needs. Employee and customer surveys

EXHIBIT 4 Performance Ratios

| Performance and Condition Ratios | 31-Dec-2000 | 31-Dec-2001 |
|--|-------------|-------------|
| Yield on earning assets | 7.23% | 8.51% |
| Cost of funding earning assets | 3.95% | 4.67% |
| Net interest margin | 3.28% | 3.94% |
| Noninterest income to earning assets | 0.12% | 0.38% |
| Noninterest expense to earning assets | 5.20% | 3.37% |
| Net operating income to assets | -1.64% | 0.02% |
| Return on assets (ROA) | -1.64% | 0.07% |
| Return on equity (ROE) | -9.25% | 0.70% |
| Retained earnings to average equity (YTD only) | -9.25% | 0.70% |
| Net charge-offs to loans | 0 | 0.00% |
| Credit loss provision to net charge-offs | N/A | 70800.00% |
| Earnings coverage of net loan charge-offs (x) | N/A | 736 |
| Efficiency ratio | 152.80% | 79.82% |
| Assets per employee (\$ millions) | 2.58 | 3.75 |
| Condition Ratios (%) | | |
| Loss allowance to loans | 0.92% | 0.98% |
| Noncurrent loans to loans | 0 | 0.01% |
| Net loans and leases to deposits | 83.35% | 115.97% |
| Net loans and leases to core deposits | 120.29% | 159.28% |
| Equity capital to assets | 11.72% | 9.16% |
| Core capital (leverage) ratio | 12.79% | 9.62% |
| Tier 1 risk-based capital ratio | 14.18% | 10.39% |
| Total risk-based capital ratio | 14.97% | 11.36% |

have revealed that the bank has one of the best reputations in the community.

The bank's founders describe Oklahoma National Bank's business model as a marriage of sound banking principles and dedication to building strong relationships. This model has allowed the bank to effectively manage lending risks while serving the needs of the customers and community. Relationship building is one of the key ingredients in Oklahoma National Bank's risk mitigation strategy.

MARKET DYNAMICS

Oklahoma National Bank has chosen one of the most successful economic regions in Oklahoma as its home. Tulsa, Oklahoma, accounts for 32 percent of all the gross domestic product in the state, but only 23.4 percent of the population. The value of the goods and services

produced in the Tulsa area is growing faster than in most cities nationwide. Business expansions and increases in productivity have pushed the gross domestic product in the area to a record \$30.7 billion in 2001, up 3.9 percent from 2000. The gross domestic product is expected to increase at a faster rate in Tulsa than in the state and the nation. In 2002, the GDP in Tulsa is expected to increase to \$31.7 billion (up 3.3 percent), compared to a 1.1 percent statewide and a 3 percent nationwide increase. In 2005, it is expected to increase 21.6 percent, compared to a 14.5 percent statewide and 22.9 percent nationwide increase.

MAJOR COMPETITORS

Bank of America

Bank of America reported operating earnings of \$8.04 billion, or \$4.95 per share (diluted), which excludes the charges incurred to exit the auto leasing and subprime

572 PART 6 CASES

real estate lending businesses. A year earlier, the company reported operating earnings of \$7.86 billion, or \$4.72 per share. Net income for 2001 was \$6.79 billion, or \$4.18 per share, compared to net income of \$7.52 billion, or \$4.52 per share a year ago. Bank of America currently operates 49 full service banking centers in the state of Oklahoma.

Bank of Oklahoma

Bank of Oklahoma (BOK) is a multi-bank holding company based in Tulsa, Oklahoma. The assets of the organization exceed \$11 billion, and Bank of Oklahoma enjoys market leadership throughout the state of Oklahoma. During the past five years, the organization has sought acquisitions in high-growth markets in contiguous states to Oklahoma. BOK Financial operates four principal lines of business under its Bank of Oklahoma franchise: corporate banking, consumer banking, mortgage banking, and trust services. Bank of Oklahoma's operating philosophy embraces a "community atmosphere" with local boards of directors with local decision making and marketing efforts.

Stillwater National Bank and Trust Company

Stillwater National offers commercial and consumer lending and deposit services from offices in Stillwater, Tulsa, Oklahoma City, and Chickasha, Oklahoma. A substantial portion of current business and focus for the future are services for local businesses, their primary employees, and other managers and professionals living and working in its Oklahoma market areas. At December 31, 2001, Stillwater had total assets of \$1.2 billion, deposits of \$905 million, and shareholders' equity of \$85.1 million. Stillwater's philosophy is to provide a high level of quality customer service, a wide range of financial services, and products responsive to customer needs.

THE FUTURE

The bank plans to add three new branches in the Tulsa area within the next year, but Tom Bennett and his management team know that if they remain fixed on Tulsa it will be very hard to grow. They hope to grow to \$170 million in total assets by the year end 2002, and to \$250 million by [the] bank's 5th year anniversary in 2005, but where should growth come from? New products? Acquisitions? Market expansion? How can

Oklahoma National Bank expand profitability while maintaining its unique culture and unwavering dedication to customer satisfaction? Is it possible to grow without sacrificing service and relationships?