



LARGE BANK

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

Public Disclosure

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Community Reinvestment Act Performance Evaluation

**State National Bank
Charter Number: 23117**

**1617 Broadway
Lubbock, TX 79401**

Office of the Comptroller of the Currency

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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, and should not 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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Overall CRA Rating

Institution's CRA Rating: This institution is rated **Satisfactory**.

The following table indicates the performance level of **State National Bank, Lubbock, Texas** with respect to the Lending, Investment, and Service Tests:

Performance Levels	State National Bank, Lubbock, Texas Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X		X
Low Satisfactory		X	
Needs to Improve			
Substantial Noncompliance			

* The lending Test is weighted more heavily than the investment and service tests when arriving at an overall rating.

The major factors that support this rating include:

- A good level of small business loans, the bank's primary product line, and an adequate level of residential lending.
- An excellent record of lending to small businesses.
- An adequate record of residential mortgage lending to persons of different income levels, with emphasis to the low- and moderate-income.
- Geographic distributions in the State of Texas and in the State of New Mexico that show an adequate penetration in low- and moderate-income geographies.
- An overall good level of community development lending in the State of Texas, with community development lending in the El Paso Metropolitan Area (MA) considered excellent. Community development lending activity in other Texas assessment areas and in the State of New Mexico had a neutral effect on overall lending conclusions.
- An adequate level of community development investments in the State of Texas and in the State of New Mexico.
- A branch network that is accessible to the essentially all geographies and persons of different income levels in the State of Texas. The branch network is reasonably accessible in the State of New Mexico

- A good level of community development services in the State of Texas and an adequate level of community development services in the State of New Mexico.

Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

Affiliate: Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

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 MA/assessment area.

Block Numbering Area (BNA): A statistical subdivision of a county for grouping and numbering blocks in non-metropolitan counties where local census statistical area committees have not established census tracts. A BNA does not cross county lines.

Census Tract (CT): A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community Development: Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

Community Reinvestment Act (CRA): the statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

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.

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, which 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).

Full Review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

Geography: A census tract or a block numbering area 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 area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applications, the amount of loan requested, and the disposition of the application (e.g., approved, denied, and withdrawn).

Home Mortgage Loans: such loans include home purchase and home improvement loans, as defined in the HMDA regulation. This definition also includes loans for multifamily (five or more families) dwellings, loans for the purchase of manufactured homes and refinancing of home improvement and home purchase loans.

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Limited Review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, 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 MA/assessment area.

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development annually that is used to determine the income level category of

individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

Metropolitan Area (MA): Any primary metropolitan area (PMA), metropolitan area (MA), or consolidated metropolitan area (CMA), as defined by the Office of Management and Budget, with a population of 250,000 or more, and any other area designated as such by the appropriate federal financial supervisory agency.

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 percent 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 percent and less than 80 percent, in the case of a geography.

Multifamily: Refers to a residential structure that contains five or more units.

Other Products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

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.

Qualified Investment: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rated Area: A rated area is a state or multi-state 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 multi-state metropolitan area, the institution will receive a rating for the multi-state metropolitan area.

Small Loan(s) to Business(es): A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial loans.

Small Loan(s) to Farm(s): 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, or are classified as loans to finance agricultural production and other loans to farmers.

Tier One Capital: The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

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

Description of Institution

State National Bank, Lubbock, Texas (SNB) is headquartered in Lubbock, Texas. SNB was founded in 1996 in Lubbock under the name of State National Bank of West Texas, Lubbock, Texas. It has total assets of \$1.1 billion as of December 31, 2003 and is an interstate bank with locations in Texas and New Mexico. The bank now has thirty-three locations in the two states, fifteen counties, and seventeen cities. Through its Texas statewide branching operations, the bank has 19 locations in six MAs and four locations in non-MA geographies. Through its New Mexico statewide operations, it has three locations in one MA and seven locations in non-MA geographies.

SNB is a wholly owned subsidiary of State National Bancshares of Delaware, Inc. (SNBD) that is owned by State National Bancshares, Inc. (SNBI), headquartered in Lubbock, Texas. The holding company had total assets of \$1.1 billion as of December 31, 2003. It has two non-bank subsidiaries, State National Statutory Trust I Connecticut and State National Capital Trust I Delaware formed to purchase subordinated debentures. Activities of these two affiliates were not considered in this evaluation of SNB's CRA performance. In addition, SNB has a subsidiary Twoenc, Inc. formed to hold Other Real Estate Owned. This subsidiary was also not considered in this evaluation of CRA performance. Pursuant to OCC Bulletin 97-26, a review of the assets and profitability of Twoenc, Inc. was conducted. Based on this analysis Twoenc, Inc. has had no influence on SNB's ability to lend or invest in the community.

In 1998, SNBI acquired First Sierra Bancshares of Las Cruces, New Mexico and its subsidiary, First Sierra Bank (First Sierra). In 1999, SNBI acquired three holding companies and their bank subsidiaries - UB&T Holding Company/United Bank and Trust (UBT), Continental National Bancshares, Inc./Continental National Bank (CNB), and Valley Bancorp, Inc./Montwood National Bank (MNB). First Sierra, CNB, and MNB were later merged into State National Bank El Paso in 1999. These three institutions were combined into the charter for MNB and renamed State National Bank, El Paso, Texas (SNB-EP).

In 2000, SNBI acquired Independent Bankshares, Inc./First State Bank, N.A., Abilene, Texas and later merged this bank with UBT and renamed the bank State National Bank of West Texas, Abilene, Texas. In 2001, SBI acquired Ruidoso Bancorp/Ruidoso State Bank, Ruidoso, New Mexico, and merged it with SNB-EP. Later the same year, the Abilene bank and State National Bank of West Texas, Lubbock, Texas were merged into State National Bank of West Texas, Lubbock, Texas. In 2002, the bank's name was changed to the current SNB. On February 14, 2003, SNB and State National Bank, El Paso, Texas were merged into one bank with the name State National Bank, Lubbock, Texas; this is referred to throughout this evaluation as "the merger."

The merger effectively reduced the amount of lending performance that was considered at this evaluation. Since none of the assessment areas of the former State National Bank El Paso were common with the then State National Bank, Lubbock, no information of State National Bank El Paso prior to the year of the merger is considered in this

evaluation, except as noted under Evaluation Period/Products Evaluated in the Scope of Evaluation section.

As of June 30, 2003, State National Bank was ninth in deposit market share in Lubbock behind PNB Financial Bank, American State Bank, Wells Fargo, City Bank, Lubbock National Bank, American Bank of Commerce, Bank of America, and First Bank & Trust Co. SNB's market share of deposits was fifth among the competing financial institutions in El Paso with 7 percent of the deposits in El Paso. The leaders in market share were Wells Fargo, JP Morgan Chase, Bank of America, and Bank of the West.

As of December 31, 2003, net loans were \$730 million or 65 percent of total assets. A substantial majority, \$433 million, or 58 percent of the bank's total loan portfolio were secured by real estate. Approximately \$200 million or 27 percent of total loans were commercial loans. Agricultural loans were the next largest loan product at \$65 million or 9 percent of total loans. Consumer lending volume was \$37 million or 5 percent of total loans. All other loans were insignificant. Tier 1 Capital was \$91 million or 8 percent of total assets.

SNB's primary lending product is a full service bank offering a full line of lending and deposit products. In addition, SNB offers equipment leasing, investment services, and trust services. SNB has an emphasis in commercial and real estate lending. The bank has expanded its locations significantly. The newest branches are the result of the merger with SNB-EP in early 2003.

SNB's assessment areas in the state of Texas include the Metropolitan Areas of Abilene, Azle (Fort Worth), El Paso, Lubbock, Odessa/Midland, and San Angelo, and the non-Metropolitan Areas of Hale, Howard, Runnels, and Jones Counties. SNB's assessment areas in the state of New Mexico include the MA of Las Cruces and the Non-Metropolitan Areas of Lincoln, Luna, Otero, and Sierra Counties.

There are no legal, financial, or other factors that impede the bank's ability to help meet the credit needs of its assessment area. SNB was rated "Satisfactory" in its last CRA Performance Evaluation, dated February 23, 1998.

Scope of the Evaluation

Evaluation Period/Products Evaluated

The evaluation period is from February 24, 1998, the day after the date of the last evaluation, to May 3, 2004, the day that analysis of the data began. The evaluation period for HMDA-reported loans is January 1, 2001 to December 31, 2003. The evaluation for CRA-reported loans is January 1, 2002 to December 31, 2003. SNB did not begin collecting CRA loan data until January 1, 2002. The evaluation period for community development loans, investments and services is February 24, 1998 to May 3, 2004.

The evaluation period for HMDA and CRA loans in the State of New Mexico is January 1, 2003 to December 31, 2003 because SNB filed consolidated loan application registers to include the entire year of activity in the year in which the merger occurred. This evaluation contains no comparison to peers for loans reported in 2003 because market share data is not yet available.

Qualifying community development loans and investments that were made prior to the merger in either the State of New Mexico or the State of Texas, not considered in a previous CRA evaluation, and still on the bank's books on the merger date of January 14, 2003, were considered during this evaluation.

Data Integrity

A data integrity review was performed in October 2003 to determine the accuracy and reliability of data to be used at this evaluation. Samples of HMDA loans made by the bank in 2001, 2002, and year-to-date June 2003, and CRA loan data collected for 2002 and year-to-date June 2003 were included in the review as well as all bank information regarding community development loans, investments, and services. Information regarding HMDA and CRA loan data was substantially inaccurate, and community development loan and service data was generally inaccurate. A follow-up data integrity review in February 2004 verified that HMDA and CRA loan data, and community development loan, investment and service data to be used at this evaluation were substantially accurate, which permitted this evaluation to be based on substantially accurate information.

HMDA data submitted prior to 2001 was not verified, because of the absence of some source data, which no longer existed after several mergers and acquisitions and because residential lending was a very nominal part of the bank's business at that time. This resulted in HMDA data for 1998-2000 not being included in this evaluation.

Selection of Areas for Full-Scope Review

The selection of areas for full-scope review was determined based on market presence before the merger and after the merger. Before the merger, full-scope areas were the Lubbock MA and the Abilene MA assessment areas (AAs). These two AAs combined

for 57percent of the bank’s total reported lending volume, 62 percent of the bank’s primary reported product, small business loans, and 44 percent of total deposits. Management concurred that lending in these two AAs before the merger was representative of lending throughout all AAs. HMDA and CRA loan activity prior to the merger, as well as Investment and Service Test performance are compared to demographic data from in the 1990 U.S. Census and presented separately in this evaluation.

After the merger with a larger affiliate, full-scope areas were the Lubbock MA, the El Paso MA, and the Las Cruces MA. The Lubbock MA and the El Paso MA account for 68 percent of total loan volume, 65 percent of small business lending, 80 percent of HMDA loans, and 54 percent of total deposits in the State of Texas. The Las Cruces MA is the largest lending market with 61 percent of total loans, 57 percent of small business loans, and 64 percent of the HMDA loans. It is also the only MA in the State of New Mexico. After the merger, HMDA and CRA loan activity, and Investment and Service Test performance were compared to demographic data from the 2000 U. S. Census.

Refer to the “Scope” section under each State Rating for additional details regarding how the areas were selected.

Ratings

Performance in the State of Texas was weighted more in determining the bank’s overall rating than performance in the State of New Mexico because a substantial majority of the bank’s deposits and reported lending activity is in Texas. As of February 2004 Texas deposits were 79 percent of total bank deposits and Texas loans were 74 percent of total bank loans. A substantial majority of SNB’s major loan products, which were reviewed at this evaluation, were also in Texas. Clear majorities of small business loans (77 percent), residential loans (64 percent), and community development loans (77 percent) were originated or purchased in the State of Texas. In addition, 70 percent of the bank’s branches are in the State of Texas.

Fair Lending Review

An analysis of the most recent public comments and consumer complaint information was performed according to the OCC's risk based fair lending approach. Based on its 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. The latest comprehensive fair lending exam was performed in February 23, 1998. The OCC found no evidence of illegal discrimination or other illegal credit practices.

Information Applicable to All Geographic Areas

The following activities apply in all Metropolitan Areas and states in which the bank operates.

Service Test

Retail Banking Services

SNB offers a standard range of loan and deposit banking services.

The “Fast Cash” service is specifically designed for and targeted to small businesses, which are concentrated in the low- and moderate-income geographies or that serve low- and moderate-income geographies. This account enables employers to establish a payroll deposit account and pay employees via cash disbursements from automatic teller machines. This is a more secure, low-cost payment system for the small businesses and LMI employees.

The “Business Manager” service is another product specifically designed and targeted to small businesses. It is account receivable financing that facilitates cash management for small businesses, with emphasis on those that are located in low- and moderate-income geographies. Positive consideration was given bank-wide for these two products that are targeted to small businesses in low and moderate-income geographies.

In addition to the branches, motor banks, and ATMs, service delivery systems include the Call Center, On-line Banking, and Xpress Phone Banking. Call Center representatives are available 8:00 am to 6:00 pm on weekdays and provide general customer services, account research, product information, and fund transfers. On-line Banking and Xpress Phone Banking are accessible anytime. Both have various account management and information features, although neither includes account opening or loan application features. We could not place significant weight on these alternative delivery systems because there was no data to show how low- and moderate-income geographies were affected.

State Rating State of Texas

CRA Rating for Texas:	Satisfactory
The lending test is rated:	High Satisfactory
The investment test is rated:	Low Satisfactory
The service test is rated:	High Satisfactory

The major factors that support this rating include

- Excellent lending to small businesses in full-scope areas, which is responsive to identified credit needs.
- An overall good level of residential mortgage lending to persons of different income levels, especially to low- and moderate-income borrowers, considering the high cost of residential housing in the El Paso MA.
- A good level of small business lending in low- and moderate-income geographies.
- An adequate level of residential lending in low- and moderate-income geographies for 2001-2002 and a poor level of residential lending in low- and moderate-income geographies in 2003.
- A good level of community development lending in the El Paso MA, which is responsive to affordable housing and small business needs.
- The level of community development investments is adequate in view of the limited investment opportunities in the assessment areas in which the bank operates.
- A branch network that is accessible to essentially all geographies and individuals of different income levels. A good overall responsiveness of SNB's community development services to the needs of the AA's, and an excellent responsiveness in the El Paso MA and in the Abilene MA.

Description of Institution's Operations in Texas

Refer to the market profiles for the state of Texas in appendix C for detailed demographics and other performance context information for assessment areas that received full-scope reviews.

SNB has ten assessment areas in Texas as of the date of this evaluation. The assessment areas include the entire MAs of Abilene, El Paso, Lubbock, Midland/Odessa, and San Angelo, part of the Fort Worth MA (Azle MA), and four Non-Metropolitan Areas. The headquarters is in Lubbock, Texas, and we completed a full

scope assessment of the bank's performance the state area using information from both the 1990 and 2000 census.

Scope of Evaluation in Texas

Ratings are based on the results of the full-scope reviews in Lubbock, El Paso, and Abilene MAs.

The bank's performance under the Lending Test in the State of Texas is good.
The bank's performance under the Investment Test in the State of Texas is adequate.
The bank's performance under the Service Test in the State of Texas is good.

The State of Texas evaluation is presented in two parts. The first part addresses the bank's performance under all three tests for the period ending December 31, 2002. That bank data is compared in its entirety to the 1990 U.S. Census Data. Tables, which contain the facts and data supporting these conclusions, are labeled Geography: West Texas. The second part addresses the bank's performance under all three tests from January 1, 2003 forward since that bank data is compared in its entirety to the 2000 U.S. Census. Tables, which contain the facts and data supporting these conclusions, are labeled Geography: Texas. Refer to appendix A for more information

For reported HMDA and CRA loans that originated in 2001 and 2002, demographic data from the 1990 U.S. Census was used as the basis for comparison, with consideration given to contextual issues. In this period, performance was more heavily weighted in small business lending because nearly 79 percent of the bank's reported lending activity was in this type of lending. The Lubbock MA and the Abilene MA were selected for full-scope reviews because they were the two largest markets. In volume, small farm lending was less than 14 percent and residential lending was less than 8 percent of reported lending activity; therefore, little to no weight was placed on these types of loans in this period.

For reported HMDA and CRA loans that originated in 2003, demographic data from the 2000 U.S. Census was used as the basis for comparison, again with consideration given to contextual issues. In this period, performance in small business lending was weighted slightly more than residential lending because approximately 56 percent of the bank's reported lending activity was in this type of lending compared to 35 percent in residential lending. The El Paso MA and the Lubbock MA were selected for full-scope reviews because they were the two largest markets. In volume, small farm lending was less than 7 percent; therefore, little to no weight was placed on this type of lending in this period.

The areas of Inside/Outside Ratio, Community Development (CD) Loans, Product Innovation, and Flexibility are presented with the discussion of 2003 Lending Performance and address performance at the bank level.

Community members were interviewed in the Lubbock MA and in the El Paso MA. A member in Lubbock stated that the greatest credit need in Lubbock is owner-occupied affordable housing with emphasis on special loan programs. Financial literacy and credit counseling were also identified as needs. Community development investment opportunities are very limited. Two community members in the El Paso MA stated that the primary credit needs are related to affordable housing, venture capital financing, and purchase, improvement, or rehabilitation loans. Economic development is also a strong need in view of the jobs lost to the maquiladora industry (manufacturing plants) in nearby Mexico. Another pronounced need is increased financial literacy. A community development opportunity with a local CDFI was cited. No community members were interviewed in the Abilene MA.

LENDING TEST

LENDING TEST CONCLUSIONS FOR TIME PERIOD FEBRUARY 24, 1998 to DECEMBER 31, 2002.

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the lending test is rated "High Satisfactory" for lending performance. Based on full-scope reviews of the specific AAs, the bank's overall lending performance in the Lubbock MA and in the Abilene MA is good.

SNB has a good record of lending in relation to the size and locations of the bank. SNB is primarily a small business lender, which is reflected by the volume of lending in each product type throughout the AAs.

The conclusion about the bank's lending performance is based primarily on the level of small business lending. The majority of loans are small loans to businesses representing 70.51 percent of the total number of reportable loans made during this evaluation period. Small loans to farms represent 16.99 percent of loans originated, and residential real estate loans represent 12.50 percent of loans originated during this evaluation period. Although residential real estate lending is not a primary product, SNB originates residential real estate loans for home purchase, home improvement, refinancing, and multifamily residences. The bank makes residential real estate loans for sale on the secondary market. Very little weight was placed on residential lending in determining the overall lending performance conclusion. CD lending had a neutral effect on the Lending Test conclusions because of the low volume of loans made in the Lubbock MA. There is less opportunity in the Abilene MA to make CD loans.

Lending Activity

Refer to Table 1 Lending Volume in the Texas (Geography: West Texas) section of appendix D for the facts and data used to evaluate the bank's lending activity.

Lending activity is good. The overall level of lending for small business, small farm, and real estate loans is comparable with the deposit base throughout the AAs. The Lubbock MA represented 29.35 percent of reportable loans originated in the evaluation period, compared to 23.27 percent of the bank's deposits. The Abilene MA represented 19.27 percent of reportable loans originated in the evaluation period, compared to 20.50 percent of the bank's deposits. Lending levels in the seven assessment areas that received limited scope reviews are also comparable to the bank's deposit bases in those areas.

Lubbock MA

The bank's loan volume in this assessment area is good within the CRA performance context. SNB's primary product in the assessment area is small business lending, ranking 12th among local banks in the number of loans at 3.67 percent of loans originated in the AA. If the market share ranking were adjusted to exclude credit card institutions, SNB's rank would increase to 6th. The bank also makes small loans for farms, ranking 5th in number of loans with a market share of 4.24 percent. SNB ranks 9th in deposit market share with 3.59 percent of total Lubbock deposits. These figures the high level of competition for both loans and deposit funds in the AA. The bank's market rank and market share for small loans to businesses and small loans for farms compares to the bank's deposit market rank and market share.

Based on HMDA aggregate data for 2002, SNB's overall market share for mortgage lending products is 0.38 percent, which ranks 40th. SNB's overall market share for the origination and purchase of home purchase loans is 0.55 percent, and home mortgage refinance is 0.08 percent. In home improvement lending, SNB had an overall market share of 1.08 percent. The lower market share presence is primarily due to mortgage lending not being a primary product in this evaluation period and the large number of competitors and aggressive level of competition in this AA for residential real estate loans.

Abilene MA

The bank's loan volume in this assessment area is good in the context of the CRA assessment factors. SNB ranks fifth among local banks in deposit market share at 7.68 percent. SNB ranks seventh in the number of small business loans, with a market share of 5.04 percent. The bank ranks third in loans to farms in the number loans in the AA with a market share of 14.86 percent. SNB ranks 37th in residential mortgage lending with a market share of 0.30 percent of total loans originated during the 2002 HMDA reporting period.

Based on HMDA aggregate data for 2002, SNB's overall market share for mortgage lending products is 0.57 percent, which ranks 31st. SNB's overall market share for the origination and purchase of home purchase loans is 0.30 percent and for home mortgage refinance loans it is 0.40 percent. In home improvement lending, SNB had an overall market share of 3.01 percent.

Distribution of Loans by Income Level of the Geography

Home Mortgage Loans

Refer to Tables 2, 3, 4, and 5 in the state of Texas (Geography: West Texas) section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations/purchases.

For the 2001 – 2002 period, SNB's overall distribution of loans by income level of geographies is good.

Lubbock MA

SNB's geographic distribution of home purchase loans is good in the Lubbock MA. The percentage distribution of home purchase loans exceeds the percentage of owner-occupied housing units in low-income CTs. The percentage distribution of home purchase loans is somewhat lower than the percentage of owner-occupied housing units in moderate-income CTs. The bank's market share in low- and moderate-income CTs significantly exceeds its overall market share in the AA. In the Lubbock MA, 4.77 percent or 2,265 owner-occupied housing units are available in low-income geographies. This results in limited opportunities to make loans for home purchases in low-income geographies.

Abilene MA

SNB's geographic distribution of home purchase loans is excellent in the Abilene MA in view of the limited lending opportunities in low-income geographies. There were no home purchase loans made in the low-income CT. Most weight is given to performance in the moderate-income CTs, given the level of opportunities for lending. The volume of loans required to meet the demographic in the low-income CT is low and does not provide a significant basis for comparison. There is only one low-income CT in this AA. In the Abilene MA, only 0.75 percent or 202 owner-occupied housing units are available in the low-income geography. This results in very limited opportunities to make loans for home purchases in low-income geographies. The percentage distribution of home purchase loans exceeds the percentage of owner-occupied housing units in the moderate-income CTs. Also, the market share in the moderate-income CTs exceeds the bank's overall market share in the AA.

Home Improvement Loans

Lubbock MA

SNB's geographic distribution of home improvement loans is good in the Lubbock MA. There were no home improvement loans made in the low-income CTs. This performance is mitigated for performance context issues as described previously for home purchase loans. The percentage distribution of home improvement loans is somewhat lower than the percentage of owner-occupied housing units in the moderate-income CTs. The market share of loans in moderate-income CTs exceeds the overall market share. The performance in moderate-income areas for both the percentage of

loans and market share received equal consideration in assessing performance in this category.

Abilene MA

SNB's geographic distribution of home improvement loans is poor in the Abilene MA. There were no home improvement loans made in the one low-income CT in this AA. Also, the percentage distribution of home improvement loans in the moderate-income CTs is significantly lower than the level of owner-occupied housing units in that geography. SNB's market share in low-and moderate-income geographies is less than the bank's overall market share in the AA.

Home Mortgage Refinance:

Lubbock MA

SNB's geographic distribution of home refinance loans is excellent in the Lubbock MA. The percentage distribution of home refinance loans exceeds the percentage of owner-occupied housing units in low- and moderate income CTs. The bank's market share in moderate-income CTs exceeds the overall market share.

Abilene MA

SNB's geographic distribution of home refinance loans is adequate in the Abilene MA. There were no home refinance loans made in the one low-income CT. The absence of home refinance lending in the low-income CT is mitigated for performance context issues. These have been discussed previously for home purchase loans. The percentage of loans in moderate-income CTs is lower than the percentage of owner-occupied units in moderate-income CTs. SNB does not reflect a market share in the low- and moderate-income CTs.

Multi-Family Loans:

The geographic distribution of multi-family loans is not relevant because to the small volume of loans generated during the evaluation period.

Small Loans to Businesses

Refer to Table 6 in the state of Texas (Geography: West Texas) section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

Lubbock MA

SNB's geographic distribution of small business loans in the Lubbock MA is good. The percentage of small business loans made in low- and moderate-income CTs is somewhat lower than the percentage of small businesses in these CTs. SNB's market share in low-income CTs exceeds the bank's overall market share in the AA. Also, the market share in moderate-income CTs is near the bank's overall market share in the AA.

Abilene MA

SNB's geographic distribution of small business loans in the Abilene MA is good. There were no small business loans made in the one low-income CT. The absence of small business lending in the low-income CT is mitigated by the limited lending opportunities for small business lending in this geography. Overall, the percentage of small business loans made in the moderate-income CTs is near the percentage of small businesses in this CT. Additionally, SNB's market share in moderate-income CTs exceeds its overall market share in the AA.

Small Loans to Farms

Refer to Table 7 in the state of Texas (Geography: West Texas) section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to farms.

Lubbock MA

SNB's geographic distribution of small farm loans in the Lubbock MA is adequate. The percentage of small farm loans made in low-income CTs is near the percentage of small farms in these CTs. The percentage of small farm loans made in moderate-income tracts is significantly lower than the percentage of small farms in these CTs. The bank's market share in the low-income CTs exceeds the bank's overall market share. As previously noted in the Performance Context section of this evaluation, agricultural lending is not a primary loan product in the Lubbock MA. Small farm loans comprises a very small portion of the bank's lending activities, representing 7.10 percent of the CRA reportable loans for the Lubbock MA during this evaluation period. As a result, little weight is given to small farm lending.

Abilene MA

SNB's geographic distribution of small farm loans in the Abilene MA is poor. There was no lending in the one low-income CT in this AA because there are no farms and hence, no opportunities. The percentage of small farm loans in the moderate-income CTs is significantly lower than the percentage of small farms in the CT. The bank's market share in the low-income CT significantly exceeds its overall market share.

Lending Gap Analysis

Our review included an evaluation of SNB's lending throughout the Lubbock MA and Abilene MA AAs including low- and moderate-income tracts. This was done using maps and reports showing the bank's lending in each tract. No unexplained gaps in lending were identified.

Inside/Outside Ratio

This analysis was performed at the bank level. See Inside/Outside Ratio contained in the Lending Test for 2003 lending performance.

Distribution of Loans by Income Level of the Borrower

Home Mortgage Loans

Refer to Tables 8, 9 and 10 in the state of Texas (Geography: West Texas) section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

SNB's overall distribution of loans by income level of borrowers is good.

Home Purchase Loans:

Lubbock MA

SNB's distribution of home purchase loans by borrower income levels is poor in the Lubbock MA AA. No loans were made to low-income borrowers. The percentage of home purchase loans to moderate-income borrowers is significantly lower than the reported percentage of families in those income levels. This is somewhat mitigated by performance context issues for low-income borrowers, but not for moderate-income borrowers because of the bank's performance is significantly lower than the comparable demographic. Approximately 21.08 percent of families are low-income and 17.79 percent are moderate-income. Based on the updated median family income for the area of \$45,500, low-income families make less than \$22,750 per year. In addition, roughly 13.23 percent of the families in this AA are below poverty level. Based on 1990 census data, the median housing cost is \$53,112. It is very difficult for families living below the poverty level to qualify for home purchase mortgages. In addition, the Lubbock MA AA has a high level of competition and mortgage lending is not a primary product of the bank during this evaluation period. The bank's market share to low- and moderate-income borrowers is lower than the overall market share.

Abilene MA

SNB's distribution of home purchase loans by borrower income levels is good in the Abilene MA AA. No home purchase loans were made to low-income borrowers. This performance is mitigated for performance context issues. The percentage of home purchase loans to moderate-income borrowers exceeds the reported percentage of families. Approximately 19.37 percent of families are low-income and 18.40 percent are moderate-income. In addition, roughly 11.24 percent of the families in this AA are below poverty level. Based on updated 2002 information, it is difficult for families at low-income levels and at poverty level income to qualify for home purchase mortgages without significant down payment assistance. Mortgage lending is not a primary product of the bank during this period. The bank's market share to moderate-income borrowers is higher than the overall market share.

Home Improvement Loans:

Lubbock MA

SNB's distribution of home improvement loans by borrower income levels is good in the Lubbock MA. The percentage of home improvement loans to low- and moderate-

income borrowers is lower than the percentage of families in these income categories in the AA; however, this performance is mitigated by low affordability by low- or moderate-income families in the AA. The bank's market share to low- and moderate-income borrowers exceeds their overall market share. Home improvement loan opportunities to very low-income borrowers are very limited based on the affordability to purchase a home in the AA.

Abilene MA

SNB's borrower distribution of home improvement loans is adequate in the Abilene MA. No loans were made to low-income borrowers. The percentage of loans to moderate-income borrowers is lower than the percentage of low- and moderate-income families. Home improvement opportunities to very low-income borrowers are limited based on the low affordability in purchasing a home. SNB exceeds the overall market share to low-income borrowers in the AA. The bank's market share to moderate-income borrowers is lower than their overall market share.

Home Mortgage Refinance Loans:

Lubbock MA

The bank's distribution of home refinance loans by borrower income levels is poor in the Lubbock MA. No loans were made to low-income borrowers. The percentage of home refinance loans to moderate-income borrowers is significantly lower than the percentage of these families in the AA. This performance is mitigated for performance context issues. Approximately 21.08 percent of families are low-income and 17.79 percent are moderate-income. Based on the updated median family income for the area of \$45,500, low-income families make less than \$22,750 per year. In addition, roughly 13.23 percent of the families in this AA are below poverty level. Home refinance loan opportunities to very low-income borrowers are limited based on the affordability to purchase a home in the AA. The bank's has no market share for home refinance lending to either low- or moderate-income borrowers.

Abilene MA

The bank's distribution of home refinance loans by borrower income levels is poor in the Abilene MA. No home refinance loans were made to low- or moderate-income borrowers. This performance is partially mitigated by performance context issues. Approximately 19.37 percent of families are low-income and 18.40 percent are moderate-income. In addition, roughly 11.24 percent of the families in this AA are below poverty level. Based on updated 2002 information, it is difficult for families at low-income levels and at poverty level income to qualify for home purchase mortgages without significant down payment assistance. Home refinance opportunities to very low-income borrowers are limited based on the affordability to purchase a home in the AA. The bank's market share to low- and moderate-income borrowers is lower than the overall market share.

Small Loans to Businesses

Refer to Table 11 in the state of Texas (Geography: West Texas) section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

Lubbock MA

The bank's loan distribution to small businesses in the Lubbock MA is excellent. For loans made in this AA, SNB made 78.2 percent of small business loans to businesses with revenues of \$1 million or less. This exceeds the 73.5 percent of AA businesses reporting revenues of less than \$1 million. The bank's market share to businesses with revenues of \$1 million or less exceeds its overall market share. Additionally, a substantial majority of loans are for amounts of \$100,000 or less.

Abilene MA

The bank's loan distribution to small businesses in the Abilene MA is adequate. The percentage of bank loans to businesses with revenues of \$1 million or less is lower than the percentage of businesses with revenues of \$1 million or less. However, the bank's market share to businesses with revenues of \$1 million or less exceeds its overall market share. Additionally, a substantial majority of loans are for amounts of \$100,000 or less.

Small Loans to Farms

Refer to Table 12 in the state of Texas (Geography: West Texas) section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

Lubbock MA

SNB's loan distribution to small farms is good in the Lubbock MA. The percentage of bank loans to farms with revenues of \$1 million or less is near the percentage of farms with revenues of \$1 million or less. The bank's market share to farms with revenues of \$1 million or less is lower than its overall market share. Additionally, a majority of loans are for amounts of \$100,000 or less. Small farm loans comprises a very small portion of the bank's lending activities, representing 7.10 percent of the CRA reportable loans for the Lubbock MA during this evaluation period. As a result, little weight is given to small farm lending.

Abilene MA

The bank's loan distribution to small farms is good in the Abilene MA. The percentage of bank loans to farms with revenues of \$1 million or less is near to the percentage of farms with revenues of \$1 million or less. The bank's market share to farms with revenues of \$1 million or less is lower than its overall market share. In addition, a substantial majority of loans are for amounts of \$100,000 or less.

INVESTMENT TEST PERFORMANCE – FEBRUARY 24, 1998 TO DECEMBER 31, 2002.

Conclusions for Areas Receiving Full-Scope Reviews

Refer to Table 14 in the state of Texas (Geography: West Texas) section of appendix D for the facts and data used to evaluate the bank's level of qualified investments. The bank's performance under the investment test is adequate. Based on full-scope reviews, the bank's performance in the Lubbock MA and the Abilene MA is adequate.

Lubbock MA

SNB has an adequate level of qualified investments in the Lubbock MA in view of the very limited investment opportunities in this AA as reported by a community member, and as demonstrated by bank management's efforts with several investment firms, mortgage companies, and other local lenders, which are documented. One of the major reasons is the large rehabilitation and revitalization project in the low- and moderate-income geographies that are in the north and east sections of the city. This project is led by the City of Lubbock and is still in its very early stages. It involves acquiring many distressed properties. Plans call for tearing down the properties so that the land can be redeveloped. Another reason is the recent formation of a new CDC by local banks in June 2002, which is still being organized. While opportunities have been very limited, prospects for future CD activities are good.

The bank has provided a grant for \$1 thousand to Lubbock InterFaith Hospitality Network. This nonprofit organization's main purpose is to provide temporary living arrangements for low- or no-income homeless families with children, primarily in the Lubbock area. Lubbock Interfaith Hospitality Network is the only organization in Lubbock that serves families with children until they find permanent housing.

The bank also has one legally binding unfunded commitment for \$55 thousand in the High Plains Community Capital, LLC, a community development corporation (CDC) in Lubbock Texas. The High Plains CDC was formed in June 2002 by eight Lubbock area banks to provide financing to existing small businesses in the South Plains' low-income communities that could not otherwise qualify for conventional financing.

Abilene MA

The bank has an adequate level of investments in the Abilene MA in view of the very limited investment opportunities in this AA as reported by bank management. SNB has sought assistance in finding qualifying community development securities in the Abilene MA without success. The bank has provided 13 qualified grants totaling \$15 thousand to 11 different organizations. The most significant are three donations totaling \$12 thousand to the United Way of Abilene. A majority of this organization's clients have low- and moderate-income. The bank also made one donation for \$1 thousand to the Day Nursery of Abilene. This non-profit organization is a local child-care center, which serves over 600 children monthly in four licensed facilities. A majority of children served are from low-income families. Other donation recipients include the Habitat for

Humanity and The Taylor County Adult Literacy Council, which targets its services to low- and moderate-income adults in the county.

Statewide/Regional Investments

The bank made a \$500 thousand equity investment in The Community Reinvestment Act Qualified Investment Fund (CRA Fund) and has reinvested \$8 thousand in dividend in the CRA Fund. The total investment of \$508 thousand is considered a statewide/regional investment based on allocations to areas that include the bank's assessment areas. The CRA Fund is a national fund that takes equity investments from bank investors and locates CRA qualified investments in the bank's trade area or broader statewide area that includes the bank's AAs. These bonds support community development, job creation programs, health care, and/or low-income housing.

The CRA Fund has allocated SNB funds to several CRA qualified investments securities, including the Texas Public Finance Authority Unemployment Compensation Obligation Assessment Revenue Bonds. The proceeds from these bonds will provide financial support for ongoing unemployment benefits including the programs of the Texas Workforce Commission. The main programs of the Commission include job training and childcare programs, which assist unemployed, low- to moderate-income Texans with obtaining employment. A wide array of services is provided for job seekers at 270 Workforce Centers around the state, including very rural areas of Texas. The primary goal of the Commission is to enable the unemployed to find jobs.

Another SNB allocated CRA Fund investment includes the Abilene Health Facilities Development Corporation issue, which finances the Hendrick Medical Center. Hendrick Medical Center serves 22 counties in the Texas Midwest. A substantial majority of the persons served by the hospital have low- and moderate-income.

Other CRA Fund allocations include investments in 5 Federal Home Loan Mortgage Corporation (Freddie Mac) Pools. These loan pools are secured by mortgages of low- and moderate-income borrowers in Texas. The CRA Fund has also allocated to SNB an investment in a Government National Mortgage Association (GNMA) bond for the Chaparral Apartments, a HUD Section 8 low-income property in Midland, Texas.

Conclusions for Area Receiving Limited-Scope Reviews

Based on limited-scope reviews and on the statewide investment in the CRA Fund, the bank's performance under the Investment Test in all of the limited-scope AAs is not inconsistent with the bank's overall "Low Satisfactory" performance under the Investment Test. Refer to Table 14 in the state of Texas (Geography: Texas) section in appendix D for the facts and data that support these conclusions.

SERVICE TEST PERFORMANCE – FEBRUARY 24, 1998 TO DECEMBER 31, 2002.

Refer to Table 15 in the “State of Texas (Geography: West Texas)” section of Appendix D for the facts and data used to evaluate the distribution of the bank’s branch delivery system and branch openings and closings. Based on full-scope reviews, the bank’s performance in the Lubbock MA is good and performance in the Abilene MA is excellent. Positive consideration was given to bank-wide activities discussed under “Information Applicable to All Geographic Areas” found earlier in this Public Evaluation.

Conclusions for Areas Receiving Full-Scope Reviews

Retail Banking Services

Alternate delivery systems are generally accessible by geographies and persons of different income levels, in particular those in low- and moderate-income geographies. The distribution of automatic teller machines is the same as the branch distribution because all ATMs are all located at a branch site. Each branch includes a full service lobby operation, motor bank service with extended hours beyond lobby hours, and a 24-hour ATM. Hours of operation and services do not vary in a way that inconveniences individuals throughout the MA. Significant weight could not be placed on alternative delivery systems when drawing performance conclusions because no data was available on the effectiveness of these systems

Lubbock MA

In the Lubbock MA, SNB Lubbock’s service delivery systems are accessible to essentially all geographies and individuals of different income levels in its assessment area. The percentage of branches in low-income geographies significantly exceeds the percentage of individuals residing in those geographies. There are no branches in moderate-income geographies. However, the branch in the low-income tract is easily accessible by those in moderate-income tracts because it is one block from a major thoroughfare and near a major highway. Individuals of different income levels who reside in the MA have not been adversely affected by branch closings, as one branch in an upper-income CT was closed. The bank did not open any branches during the assessment period in the Lubbock MA.

Abilene MA

In the Abilene MA, SNB’s service delivery systems are readily accessible to all geographies and individuals of different income levels. The percentage of branches in moderate-income geographies significantly exceeds the percentage of individuals residing in those geographies. There are no branches in the one low-income geography in the Abilene MA. The absence of branches in the low-income geography is mitigated by the very low percentage of the population residing in that low-income geography. Branch openings and closings in the Abilene MA have not adversely affected the accessibility of the bank’s delivery systems, particularly in low- and moderate-income geographies. SNB closed four branches, all in middle-income

geographies during the evaluation period due to market overlap that resulted from the mergers. No branches were opened during the evaluation period.

Community Development Services

Overall community development services are adequate. The following are examples of qualified community development activity in the bank's full-scope assessment areas:

Lubbock MA

The level of qualified community development services is adequate. Bank officers have provided technical financial assistance to organizations, which provide community services for low- and moderate-income persons, or serve the financial needs of small businesses of the MA. The following are examples of qualifying community development services:

High Plains Community Capital, LLC. This organization is a multi-bank community development corporation (CDC) based in Lubbock, Texas. Its primary purpose is make loans to small businesses in the low- and moderate-income areas of the MA. The target small businesses would not normally qualify for conventional bank financing. A bank officer has helped to develop lending guidelines and has provided other technical financial services as a vice president of this organization.

Early Learning Centers of Lubbock. This organization's purpose is to provide childcare for primarily low- and moderate-income single women parents. An officer has provided sustained financial services to this organization as its former board president, treasurer, finance committee member, and current board member.

Abilene MA

The level of qualified community development services is good. Bank officers have provided technical financial assistance to organizations, which provide community services or affordable housing for low- and moderate-income persons of the MA. The following are examples of qualifying community development services:

Habitat for Humanity. This nonprofit organization's primary purpose is to exclusively provide affordable housing for low- and moderate-income families in the MA. A bank officer provides financial services as a member of this organization's board.

Salvation Army. This organization's primary purpose is to provide community services for the low- and moderate-income of the Abilene area. Services include shelter and food for the homeless and impoverished. Two bank officers provided key fundraising assistance services for this nonprofit organization.

Meals on Wheels Plus, Inc. This organization's primary purpose is to provide free meals for primarily elderly low-income persons in the MA. A bank officer provides financial services as a member of this organization's board.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, performance in the Howard County (Big Spring) and Jones County (Stamford) Non-Metropolitan Areas is stronger than the bank's overall "High Satisfactory" performance under the Service Test in Texas because the percentage of branches in these areas is significantly higher than the percentage of individuals residing in those geographies. Performance under the service test in the Azle, Odessa/Midland, and San Angelo MAs, and in the Hale County (Plainview) Non-Metropolitan Areas is weaker than the bank's overall performance in the State of Texas for the evaluation period February 24, 1998 to December 31, 2002. This weaker performance is primarily due to branch distributions in low- and moderate-income geographies that are lower than the percentage of the people residing in those geographies. This weaker performance did not affect the overall rating due to the low volume of deposits in these assessment areas and the branches in middle- and upper-income geographies are reasonably accessible by persons and geographies that are low- and moderate-income. An analysis of the Runnels County Non-Metropolitan Area was not meaningful to this analysis because there are no low- or moderate-income geographies in that assessment area.

LENDING TEST PERFORMANCE – JANUARY 1, 2003 TO DECEMBER 31, 2003

The following discussion reflects the merger of SNB West Texas and SNB of El Paso. The merger resulted in SNB having branch locations in Texas and New Mexico. The full-scope assessment areas for Texas are the El Paso and Lubbock MAs.

Based on full-scope reviews, performance in the Lubbock MA AA is adequate and performance in the EL Paso MA AA is good. SNB has a good record of lending in relation to the size and locations of the bank. SNB continues to be primarily a small business lender, which is reflected by the volume of lending in each product type throughout the AAs. The overall level of lending for small business, small farm, and real estate loans is comparable with the deposit base throughout the AAs. The El Paso MA represents 32.20 percent of reportable loans originated in the evaluation period, compared to 37.25 percent of the bank's deposits. The Lubbock MA represents 26.28 percent of reportable loans originated in the evaluation period, compared to 16.91 percent of the bank's deposits.

For the full-scope reviews in Texas in this evaluation period, the bank's residential lending was considered more in determining conclusions about overall lending performance. While small business lending remains the most prominent loan product at 55.37 percent of originated loans, residential real estate loans represent 41.67 percent of loans originated. This compares to 12.50 percent in the 2001-2002 evaluation period. Farm loans represent 2.97 percent of loans originated during this evaluation period. Residential real estate lending has more prominence in this evaluation period due to the merger. SNB originates residential real estate loans for home purchase, home improvement, refinancing, and multifamily residences. The bank makes

residential real estate loans for sale on the secondary market. CD lending had an overall positive effect on the Lending Test conclusions because the loans made in the El Paso MA, SNB's largest market, reflect the bank's efforts to identify and respond to community development credit needs.

Lending levels in the eight assessment areas that received limited scope reviews are comparable to the bank's deposit bases in those areas.

Lending activity

Refer to Table 1 – Lending Volume in the State of Texas (Geography: Texas) section of appendix D for the facts and data used to evaluate the bank's lending activity.

A comparison of the bank's market share and market rank for each loan product to the bank's deposit market share and market rank could not be performed because peer-lending data was not available.

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the lending test in Texas for 2003 is good. Based on full-scope reviews, the bank's performance in the El Paso MA is good and in the Lubbock MA is good.

Distribution of Loans by Income Level of the Geography

Home Mortgage Loans

Refer to Tables 2, 3, 4 and 5 in the state of Texas (Geography: Texas) section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

For the 2003 evaluation period, SNB's overall distribution of loans by income level of geographies is adequate.

Home Purchase Loans:

El Paso MA AA

SNB's geographic distribution of home purchase loans is poor in the El Paso MA. More consideration is given to performance in the moderate-income CTs, given the level of opportunities for lending. The volume of loans required to meet the demographic in low-income CTs is low and does not provide a significant basis for comparison. In moderate-income CTs, the percentage of loans is significantly lower than the percentage of owner-occupied housing units. There are also performance context issues resulting in fewer home purchase lending opportunities in the moderate-income CTs. Homes located in the low- and moderate-income CTs are typically passed down generation to generation, resulting in fewer home purchase opportunities. SNB has

addressed the need for affordable housing in this AA indirectly by making CD loans. See the community development lending section of this public evaluation for further information.

Lubbock MA

SNB's geographic distribution of home purchase loans is poor in the Lubbock MA. More consideration is given to performance in the moderate-income CTs, given the level of opportunities for lending. There were no home purchase loans made in the low-income CT. However, there is only one low-income CT in this AA. The volume of loans required to meet the demographic in the low-income CT is low and does not provide a significant basis for comparison. The percentage distribution of home purchase loans significantly lower than the percentage of owner-occupied housing units in moderate-income CTs. In the Lubbock MA, 22.15 percent, or 12,130 owner-occupied housing units are located in moderate-income geographies.

Home Improvement Loans

El Paso MA

SNB's geographic distribution of home improvement loans is poor in the El Paso MA AA. No loans were made in the low-income CTs. The absence of lending in these geographies is mitigated by the few lending opportunities. More consideration is given to performance in the moderate-income CTs given the level of opportunities for lending. The percentage of loans in moderate-income CTs is significantly lower than the percentage of owner-occupied housing units in these CTs.

Lubbock MA

SNB's geographic distribution of home improvement loans is poor in the Lubbock MA. More consideration is given to performance in the moderate-income CTs, given the level of opportunities for lending. There were no home improvement loans made in the low-income CT or in moderate-income geographies. There is only one low-income CT in this AA. The volume of loans required to meet the demographic in the low-income CT is low and does not provide a significant basis for comparison. No loans were made in moderate-income CTs.

Home Mortgage Refinance:

El Paso MA

SNB's geographic distribution of home refinance loans is poor in the El Paso MA. More consideration is given to performance in the moderate-income CTs, given the level of opportunities for lending. The volume of loans required to meet the demographic in low-income CTs is low and does not provide a significant basis for comparison. In moderate-income CTs, the percentage of loans is significantly lower than the percentage of owner-occupied housing units. There are also performance context issues resulting in fewer home purchase lending opportunities in the moderate-income CTs. Ownership of homes located in the low- and moderate-income CTs typically passes from generation to generation, resulting in fewer home refinance opportunities.

Lubbock MA

SNB's geographic distribution of home refinance loans is adequate in the Lubbock MA. More consideration is given to performance in the moderate-income CTs, given the level of opportunities for lending. The volume of loans required to meet the demographic in low-income CTs is low and does not provide a significant basis for comparison. The percentage distribution of home refinance loans is near the percentage of owner-occupied housing units in moderate-income CTs.

Multi-Family Loans:

A geographic analysis of multi-family loans is not meaningful due to the small volume of multi-family loans generated during the evaluation period.

Small Loans to Businesses

Refer to Table 6 in the state of Texas (Geography: Texas) section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

El Paso MA

SNB's geographic distribution of small business loans in the El Paso MA is good. Approximately 37 percent of the small business loans made in this AA are located in low- or moderate-income CTs. The percentage of small business loans made in low- and moderate-income CTs is near the percentage of small businesses in these CTs.

Lubbock MA

SNB's geographic distribution of small business loans in the Lubbock MA is adequate. Twenty one percent of the small business loans made in this AA are located in low- or moderate-income CTs. The percentage of small business loans made in low- income geographies is lower than the percentage of small business in these geographies. This distribution is mitigated by the few lending opportunities in these geographies. The percentage of small business loans in moderate-income CTs is somewhat lower than the percentage of small businesses in these geographies.

Small Loans to Farms

Refer to Table 7 in the state of Texas (Geography: Texas) section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to farms.

El Paso MA

Small farm loans represent a very small portion of the bank's lending activities, at less than 2 percent of the CRA reportable loans for the El Paso MA during this period. As a result, little consideration is given to small farm lending. SNB's geographic distribution of small farm loans in the El Paso MA is adequate. No small farm loans were made in low-income CTs. The absence of lending in this AA is mitigated by the very low

population of small farms in the AA's low-income geographies, which results in a very low number of lending opportunities.

Lubbock MA

Small farm loans represent a very small portion of the bank's lending activities, representing 9.80 percent of the CRA reportable loans for the Lubbock MA during this evaluation period. As a result, little consideration is given to small farm lending. SNB's geographic distribution of small farm loans in the Lubbock MA is poor. No small farm loans were made in low-income CTs; this absence of lending in the Lubbock MA is mitigated by the very low population of small farms in the AA's low-income geographies, which results in a very low number of the few lending opportunities in these geographies. The percentage of small farm loans in moderate-income geographies is significantly lower than the percentage of small farms in those geographies.

Lending Gap Analysis

Our review included an evaluation of SNB's lending throughout the Lubbock MA and the El Paso MA including low- and moderate-income tracts. This was done using maps and reports showing the bank's lending in each tract. No unexplained gaps in lending were identified.

Inside/Outside Ratio

This analysis was performed at the bank level and not at the assessment area level. The analysis of data includes bank originations and purchases only. A substantial majority of the home mortgage loans, small loans to businesses and farms, and CD loans originated/purchased by SNB over the evaluation period were within its AAs. Approximately 85.69 percent of the number of loans and 82.06 percent of the dollar volume of CRA reportable loans and home mortgage loans were located within the AAs. Approximately 91.79 percent of small business loans, 89.45 percent of home mortgage loans, 58.16 percent of small farm loans, and 100 percent of the CD loans were within its AAs.

Distribution of Loans by Income Level of the Borrower

Home Mortgage Loans

Refer to Tables 8, 9 and 10 in the state of Texas (Geography: Texas) section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

SNB's overall distribution of loans by income level of borrowers is good.

Home Purchase Loans:**El Paso MA**

SNB's distribution of home purchase loans by borrower income levels is adequate in the El Paso MA. The percentage of home purchase loans to low- or moderate-income borrowers is significantly lower than the reported percentage of families in those income levels. This is somewhat mitigated by performance context issues. Approximately 22.11 percent of families are low-income and 17.46 percent are moderate-income. Based on the updated median family income of \$37,000 for the area, low-income families make less than \$18,500 and moderate-income families earn less than \$29,600 per year. In addition, approximately 20.48 percent of the families in this AA are below poverty level. Based on 2000 census data, the median housing cost is \$70,141. It is very difficult for families living below the poverty level to qualify for home purchase mortgages without down payment assistance, and somewhat difficult for a moderate-income family. Also, the El Paso MA is highly competitive for mortgage lending. These factors combined with the relatively low availability of affordable housing stock for low- and moderate-income levels reduce the opportunities for lending.

Lubbock MA

SNB's distribution of home purchase loans by borrower income level in the Lubbock MA is good in light of performance context issues. The percentage of home purchase loans to low-income borrowers is significantly lower than the reported percentage of families in this AA. Approximately 20.82 percent of families are low-income. Based on the updated median family income of \$46,700 for the area, low-income families make less than \$23,350. Additionally, 12.02 percent of the families in this area are below the poverty level. The median housing cost is \$64,726, based on 2000 census data. The percent of home purchase loans to moderate-income borrowers exceeds the percentage of moderate-income families in the AA.

Home Improvement Loans:**El Paso MA**

SNB's distribution of home improvement loans by borrower income levels is good in the El Paso MA. The percentage of home improvement loans to low- income families is significantly lower than the percentage of families, and the percentage of home improvement loans to moderate-income borrowers is near the percentage of families in these income categories in the AA. This performance is mitigated for performance context issues. Approximately 22.11 percent of families are low-income and 17.46 percent are moderate-income. Based on the updated median family income of \$37,000 for the area, low-income families make less than \$18,500 per year. In addition, approximately 20.48 percent of the families in this AA are below poverty level. At these income levels, it is very difficult for families to qualify for shorter term home improvement loans. Also, the El Paso MA is high competitive for mortgage lending. These factors combined with the relatively low availability of affordable housing stock for low- and moderate-income levels reduce the opportunities for home improvement lending. Less emphasis was placed on home improvement lending due to the low volume of this type of lending in the AA.

Lubbock MA

SNB's borrower distribution of home improvement loans is adequate in the Lubbock MA. The percentage of loans to low-income borrowers is lower than the percentage of the low-income families in the AA. Actually, no home improvement loans were made to low-income borrowers. This performance is partially mitigated when considering that the home improvement opportunities to very low-income borrowers are limited based on the affordability in purchasing a home in the AA. The percentage of loans to moderate-income borrowers is somewhat lower than the percentage of moderate-income families. Less emphasis was placed on home improvement loans due to the low volume of this type of lending.

Home Mortgage Refinance Loans:El Paso MA

The bank's distribution of home refinance loans by borrower income levels is adequate in the El Paso MA. The percentage of home refinance loans to low-income borrowers is significantly lower than the percentage of low-income families in the AA. The percentage of home refinance loans to moderate-income borrowers is lower than the percentage of moderate-income families in the AA. This is somewhat mitigated by performance context issues. Approximately 22.11 percent of families are low-income and 17.46 percent are moderate-income. Based on the updated median family income of \$37,000 for the area, low-income families make less than \$18,500 and moderate-income families earn less than \$29,600 per year. In addition, approximately 20.48 percent of the families in this AA are below poverty level. Based on 2000 census data, the median housing cost is \$70,141. It is difficult for families at the low- and moderate-income levels, and much more so at or below the poverty level to qualify for home purchase mortgages, which, in turn limits refinancing opportunities.

Lubbock MA

The bank's distribution of home refinance loans by borrower income levels is adequate in the Lubbock MA. The percentage of home refinance loans to low-income borrowers is significantly lower than the percentage of low-income families in the AA. The percentage of home refinance loans to moderate-income borrowers is lower than the percentage of moderate-income families in the AA. This is somewhat mitigated by performance context issues. Approximately 20.82 percent of families are low-income. Based on the updated median family income of \$46,700 for the area, low-income families make less than \$23,350. Additionally, 12.02 percent of the families in this are below poverty level. The median housing cost is \$64,726, based on 2000 census data. It is difficult for families at the low-income levels, and much more so at or below the poverty level to qualify for home purchase mortgages, which, in turn limits refinancing opportunities.

Small Loans to Businesses

Refer to Table 11 in the state of Texas (Geography: Texas) section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

El Paso MA

The bank's loan distribution to small businesses in the El Paso MA is excellent. The percentage of bank loans to businesses with revenues of \$1 million or less exceeds the percentage of businesses with revenues of \$1 million or less. SNB made 64.94 percent of loans to businesses with revenues of \$1 million or less, which is compared to 63.27 percent of AA businesses reporting revenues of less than \$1 million. Additionally, a majority of loans are for amounts of \$100,000 or less.

Lubbock MA

The bank's loan distribution to small businesses in the Lubbock MA is good. The percentage of bank loans to businesses with revenues of \$1 million or less is near the percentage of businesses with revenues of \$1 million or less. Additionally, a substantial majority of reported loans are for \$100,000 or less.

Small Loans to Farms

Refer to Table 12 in the state of Texas (Geography: Texas) in appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to farms.

El Paso MA

SNB's loan distribution to small farms is adequate in the El Paso MA. The percentage of bank loans to farms with revenues of \$1 million or less is somewhat lower than the percentage of farms with revenues of \$1 million or less. No emphasis was placed on small farm lending in the El Paso MA, as small farm lending represented less than one percent of the CRA reportable loans in this AA during evaluation period.

Lubbock MA

SNB's loan distribution to small farms is adequate in the Lubbock MA. The percentage of bank loans to farms with revenues of \$1 million or less is somewhat lower than the percentage of farms with revenues of \$1 million or less. In addition, a majority of loans are for amounts of \$100,000 or less. Less emphasis was placed on small farm lending in the El Paso MA, as small farm lending represented 9.64 percent of the CRA reportable loans in this AA during evaluation period.

Community Development Lending

Refer to Table 1 Lending Volume in the state of Texas (Geography: Texas) section of appendix D for the facts and data used to evaluate the bank's level of community development lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans. In addition, Table 5 includes geographic lending data on all multi-family loans, including those that also qualify as CD loans. Table 5 does not separately list CD loans, however.

CD lending performance in Texas has had a positive impact on the Lending Test performance, especially in the El Paso MA AA. Opportunities have been limited in the

Lubbock area as indicated by community contacts. One of the major reasons is the large rehabilitation and revitalization project in the low- and moderate-income geographies that are in the north and east sections of the city. This project is led by the City of Lubbock and is still in its early stages. It involves acquiring many distressed properties and tearing them down to build anew. Another reason is the formation of a new CDC by local banks in 2002, which is just beginning to increase its involvement. While opportunities have been very limited, prospects for future CD activities are good. The number, amount, and purpose of CD loans in the El Paso MA indicates excellent CD lending performance. This performance has been accomplished in an area that has limited opportunities and the performance has been concentrated in providing affordable housing, which is a primary credit need in the El Paso MA. CD lending is not considered innovative or complex.

Lubbock MA

Five loans totaling \$69 thousand were originated to a local non-profit entity for the purpose of providing its services to its low- and moderate-income clients. None of the loans are secured by real estate. Examples include loans for vehicles used to transport low- and moderate-income handicapped clients to or from sheltered housing, medical services, or other community-based services. These loans are not considered complex or innovative but do address community service needs in the Lubbock MA.

El Paso MA

SNB originated a loan for \$928 thousand to a local housing corporation to fund the construction of 29 affordable homes in the Rancho Los Mesquites Subdivision in El Paso's Lower Valley. Homes range in price from \$50-\$65 thousand. This is a non-profit organization, which works in conjunction with the Rural Development Division of the U.S. Department of Agriculture. The purpose of the housing corporation is primarily to organize, establish and operate programs that assist low- and moderate-income families working in the State of Texas and help them obtain adequate housing, social services and employment opportunities. Since 1990, this organization has helped build a total of 828 affordable units at a cost of approximately \$35 million. The USDA partners with this housing corporation to provide grants and monies to help support the program, which has significantly addressed affordable housing needs in the El Paso MA. Additionally, SNB originated a \$1.3 million interim loan to a local real estate developer for land development of residential lots for affordable housing in El Paso's Lower Valley. The homes are targeted to low- and moderate-income households and sell for \$50-\$60 thousand. The Greater El Paso Housing Development Corporation purchased 72 lots in Phase I with HUD's Community Development Block Grant funding. A local builder constructed affordable homes on all of these lots. These were "starter" houses at an average price of \$60 thousand. The above loan financed the development of Phases II, III and IV. With these CD loans, SNB has addressed a primary need for affordable housing in the El Paso MA.

Product Innovation and Flexibility

SNB did not introduce any innovative or flexible lending practices that targeted low- or moderate-income individuals or geographies in the Texas AAs during the evaluation period.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the lending test in the Howard County AA, Jones County AA, Lincoln County AA, Luna County AA, Odessa/Midland MA AA, Otero County AA, Runnels County AA, San Angelo MA AA and Sierra County AA is not inconsistent with the bank's overall "High Satisfactory" rating performance under the lending test. In addition, SNB originated a \$1.5 million loan to a small manufacturing business in the Odessa/Midland MA to expand manufacturing capacity. This loan promotes economic development through the permanent creation and retention of jobs for low- and moderate-income people and geographies. This loan is not considered complex or innovative. Performance in the Abilene MA AA, Azle MA AA and Hale County AA is weaker than the bank's overall "High Satisfactory" because lending levels are lower than the comparable demographics. Refer to Tables 1 through 12 in appendix C for the facts and data that support these conclusions.

INVESTMENT TEST PERFORMANCE – JANUARY 1, 2003 TO MAY 3, 2004.

Conclusions for Areas Receiving Full-Scope Reviews

Refer to Table 14 in the state of Texas (Geography: Texas) section of appendix D for the facts and data used to evaluate the bank's level of qualified investments. The bank's performance under the investment test in the state of Texas is adequate. Based on full-scope reviews, the bank's performance in the Lubbock MA and in the El Paso MA is adequate.

Lubbock MA

SNB has an adequate level of qualified investments in the Lubbock MA in view of the very limited investment opportunities as reported by a community contact and as demonstrated by bank management's efforts with several investment firms, mortgage companies, and other local lenders, which are documented. The bank made a \$10 thousand equity investment in the High Plains Community Capital, LLC. This CDC was formed in 2003 by eight local banks to provide financing to existing small businesses in the South Plains' lower-income communities that could not otherwise qualify for conventional financing. After the \$10 thousand equity investment, SNB continues with the remaining unfunded commitment to this CDC of \$45 thousand. SNB has a binding unfunded commitment for \$888 thousand to purchase a qualified GNMA MBS (CRA) Pool, which provides financing for multi-family affordable housing project in Lubbock, Texas.

Two qualified donations were made in the Lubbock MA totaling \$3 thousand. These donations were to the Lubbock Interfaith Hospitality Network for the Samaritan House. This is a non-profit organization that provides interdenominational help for homeless families through a partnership of 18 churches and one synagogue. More than a thousand volunteers from 19 congregations provide services to low-income families and children in need of home cooked meals, warm clothing, and safe accommodations.

El Paso MA

SNB has an adequate level of investments in the El Paso MA in view of the limited investment opportunities as reported by two community contacts and as demonstrated by bank management's efforts with several investment firms, mortgage companies, and other local lenders, which are properly documented.

Statewide/Regional Investments

Qualified investments include another equity investment of \$762 thousand in The Community Reinvestment Act Qualified Investment Fund (CRA Fund). Subsequently, dividends and capital gains totaling \$71 thousand were reinvested 15 times. The CRA Fund is a national fund that takes equity investments from bank investors and locates CRA qualified investments in the bank's trade area or broader statewide area that includes the bank's AAs. These bonds support community development, job creation programs, health care, and low-income housing. The fund was designed to help financial institutions meet CRA obligations. CRA Fund Advisors assemble all of the necessary documentation to verify the "qualified" nature of its investments and thereby relieves much of the administrative burden typically associated with finding and tracking CRA investments.

The CRA Fund has allocated SNB funds to several CRA qualified investments securities, such as, the Texas Public Finance Authority Unemployment Compensation Obligation Assessment Revenue Bonds. The proceeds from these bonds will provide financial support for ongoing unemployment benefits including the programs of the Texas Workforce Commission. The main programs of the Commission include job training and childcare programs, which assist unemployed, low- to moderate-income Texans with obtaining employment. A wide array of services is provided for job seekers at 270 Workforce Centers around the state, including very rural areas of Texas. The primary goal of the Commission is to enable the unemployed to find jobs by overcoming some of the most difficult barriers of sustainable employment.

Another SNB allocated CRA Fund investment includes funds to the Abilene Health Facilities Development Corporation issue financing Hendrick Medical Center. Hendrick Medical Center serves 22 counties in the Texas Midwest. The hospital is largely dependent on Medicare and Medicaid revenues. In addition, it serves a largely indigent population.

Other CRA Fund allocations include investments in 5 Freddie Mac (CRA) Pools. These securities are comprised of loans to low- and moderate-income borrowers in Texas. The CRA Fund has also allocated to SNB an investment in a GNMA for the Chaparral Apartments, a Section 8 rent-assisted property in Midland, Texas.

Conclusions for Area Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Investment Test in the limited-scope AAs is not inconsistent with the bank's overall "Low Satisfactory" performance under the Investment Test. SNB has indirectly met the needs of many low- and moderate-income individuals in west Texas through investment in the CRA Fund. Refer to Table 14 in the state of Texas (Geography: Texas) section in appendix D for the facts and data that support these conclusions.

SERVICE TEST PERFORMANCE – JANUARY 1, 2003 TO MAY 3, 2004.

Refer to Table 15 in the "State of Texas (Geography: Texas)" section of Appendix D for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings. Performance in the Lubbock MA is adequate, and performance in the El Paso MA is excellent. Positive consideration was given to bank-wide activities discussed under "Information Applicable to All Geographic Areas" found earlier in this Public Evaluation.

Conclusions for Areas Receiving Full-Scope Reviews

Retail Banking Services

Hours and services do not vary in a way that inconveniences individuals throughout the two Texas MAs. There are no material differences in hours of operation or services and products offered in these branches. Alternate delivery systems are readily accessible by geographies and persons of different income levels, in particular, those in low- and moderate-income geographies. The distribution of automatic teller machines is exactly the same as the branch distribution because all bank ATMs in the state are located at a branch site. Significant weight could not be placed on alternative delivery systems when drawing performance conclusions because no data was available on the effectiveness of these systems.

Geographies and individuals of different income levels who reside in the Lubbock and El Paso MAs have not been adversely affected by branch closings in these geographies. The bank did not open or close any branches during the period.

Lubbock MA

SNB Lubbock's service delivery systems are reasonably accessible to essentially all geographies and individuals of different income levels in its assessment area. There are no branches in low-income geographies compared to a nominal percentage of the populations residing in those geographies. There are also no branches in moderate-income geographies; however, the Main Office on Broadway Street is located in a census tract that was classified as low-income in 2002 but has been reclassified as middle-income in the 2000 U.S. Census. This full-service office is one block from a moderate-income tract and in a middle-income tract that is adjacent to two moderate-income tracts. It is one block from a major thoroughfare and near a major highway,

which enables easy access from any part of the city, especially those who reside in those moderate-income geographies. Residents of the Lubbock area are accustomed to driving intermediate distances to obtain consumer products and services, including banking services. These factors easily mitigate this significantly lower branch distribution. No branches were opened or closed during this period.

El Paso MA

SNB Lubbock's service delivery systems are readily accessible to essentially all geographies and individuals of different income levels in its assessment area. The percentage of branches in low-income geographies significantly exceeds the percentage of individuals residing in those geographies. The percentage of branches in moderate-income geographies is near to than the percentage of individuals residing in those geographies.

For security purposes, the ATM at the El Paso Downtown branch is housed in the branch lobby and is available for use 7 hours daily on Monday through Thursday and 8 hours on Fridays, which makes this service reasonably accessible to persons and geographies of different income levels.

Community Development Services

Lubbock MA

The level of qualified community development services is adequate. Bank officers have provided technical financial assistance to organizations, which provide community services or affordable housing for low- and moderate-income persons, economic development for small businesses, and revitalization and stabilization for the low-and moderate-income areas of the MA. The following are examples of qualifying community development services:

High Plains Community Capital, LLC. This organization is a multi-bank community development corporation (CDC) based in Lubbock, Texas. Its primary purpose is make loans to small businesses in the low- and moderate-income areas of the MA. The target small businesses would not normally qualify for conventional bank financing. The bank has continued to provide financial services to this organization. A bank officer has helped to implement lending guidelines, review financial information, and provide other technical financial services as a vice president of this organization.

Lubbock Housing Finance Corporation (LHFC). This organization's purpose is to help increase the level of affordable housing in the Lubbock area by using private partnerships to provide financing for low- and moderate-income persons. Residents of Lubbock County are the primary emphasis, although eligible properties could be in any one of the 14 surrounding counties. LHFC also provides down payment and closing cost assistance, homebuyer and general credit counseling, and arranges for financing. As a member of the board, a bank officer has provided valuable technical financial assistance to LHFC.

El Paso MA

The level of qualified community development services is excellent. The bank has been a leader in providing technical financial assistance to a variety of organizations throughout the MA. Bank officers have provided financial technical advice to 15 different organizations in the evaluation period. The financial services have benefited affordable housing, community services, or small businesses. The following are examples of qualifying community development services:

El Paso Collaborative for Community and Economic Development. The primary purpose of this organization is to increase affordable housing production in the El Paso area. It does this by coordinating the Transborder Shelter Network for the area's homeless population. This organization helps to coordinate the provision of affordable housing in the MA. A bank director has provided sustained financial technical leadership to this organization as the chairman of its Finance Committee, and as treasurer of the Board of Directors.

ACCION Texas, El Paso. This organization is one of the leading micro-business lenders in the state. A bank director has provided ongoing financial technical advice as a member of this organization's statewide board and as a member of the finance committee of the local office.

El Paso Coalition for the Homeless. This organization serves as a clearinghouse for 79 other local groups that provide affordable housing and related services the area's homeless. A bank officer has provided financial assistance as treasurer of this organization for the last two years.

El Paso HUD Empowerment Zone Once Stop Capital Shop. This organization provides counseling to primarily small businesses and potential entrepreneurs who wish to do business in the El Paso Empowerment Zone, consistent with the Zone's overall plan for redevelopment. Two bank officers serve as financial advisors regarding available loan programs, tax incentives, and other benefits

Financial Literacy Programs. The bank has had a strong presence in providing financial literacy programs that are targeted to low- and moderate-income persons or small businesses. The bank has been a leader in the MA in providing financial literacy education. Organizations or events, which have facilitated the bank's efforts include Aoy Elementary Career Day, El Paso County Self-Help Center (Bootstrap Program), Ysleta Middle School – Think College Now, The Opportunity Center for the Homeless, The University of Texas at El Paso Franchise Center, and the El Paso Center on Family Violence, which was known as the Battered Women's Shelter of El Paso. Eight different officers served in various capacities from instructors to moderator/coordinators of these efforts.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, performance in the Abilene MA, and in the Howard County (Big Spring) and Runnels County (Winters) Non-Metropolitan Areas is stronger than the bank's overall "High Satisfactory" performance under the Service Test in Texas for the period of January 1, 2003 to May 3, 2004. Stronger performance is due to branch distributions in low- and moderate-income geographies, which significantly exceed the percentage of the people residing in those geographies. Performance in the Azle, Odessa/Midland and San Angelo MAs, and in the Hale County (Plainview) Non-Metropolitan Areas is weaker than the bank's overall performance. This weaker performance is primarily due to branch distributions in low- and/or moderate-income geographies that are lower than the percentage of the people residing in those geographies. This weaker performance did not affect the overall rating due to the low volume deposits in these assessment areas, the low percentage of person residing in low-income geographies, and that the branches in middle- and upper-income geographies are reasonably accessible by persons and geographies that are low- and moderate-income. An analysis of the Jones County (Stamford) Non-Metropolitan Area was not meaningful to this analysis since there are no low- or moderate-income areas in this assessment area.

State Rating

State of New Mexico

CRA Rating for New Mexico:	Satisfactory
The lending test is rated:	Low Satisfactory
The investment test is rated:	Low Satisfactory
The service test is rated:	Low Satisfactory

The major factors that support this rating include:

- Adequate residential lending to persons of different income levels, with emphasis to low- and moderate-income borrowers.
- An overall good borrower distribution as shown by excellent lending to small businesses and adequate home mortgage lending to borrowers of different income levels.
- Adequate geographic distribution, good small business lending, and poor home mortgage lending in low- and moderate-income geographies.
- An adequate level of community development investments.
- A branch network that is reasonably accessible to geographies and individuals of different income levels.
- An adequate responsiveness of SNB's community development services to the needs of the AA.

Description of Institution's Operations in New Mexico

Refer to the market profiles for the state of New Mexico in appendix C for detailed demographics and other performance context information for assessment areas that received full-scope reviews.

State National Bank (SNB) has five assessment areas in New Mexico. SNB's main product lines in the state are residential lending followed by small business lending, and lending levels for these two lines are approximately equal.

Scope of Evaluation in New Mexico

The Las Cruces MA was selected as the full-scope area for the State of New Mexico. It is the largest lending market with 61 percent of total loans, 57 percent of small business loans, and 64 percent of the HMDA loans. It is also the only MA in the State of New Mexico. After the merger, HMDA and CRA loan activity is compared to demographic data from the 2000 U. S. Census. The rating for the State of New Mexico is primarily based on results of the full-scope review of the Las Cruces MA. Refer to appendix A for more information.

Performance in the State of New Mexico under the Lending Test was weighted slightly more for residential lending as it represented 48 percent of the lending volume compared to 44 percent for small business lending.

A local community leader in Las Cruces stated that housing starts and prices are at a very high level, the product of a fast-growing residential market. The average sales price of a new home was \$259 thousand in early 2004. Lesser-priced new homes range from \$80 to \$120 thousand, which makes it very difficult for low- and moderate-income persons to qualify for financing without significant down payment assistance. Although opportunities for direct loans for small businesses are good, opportunities for community development investments and services are limited.

The limited scope areas are the Non-Metropolitan Areas of Lincoln County, Luna County, Otero County, and Sierra County.

LENDING TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the lending test in New Mexico is rated "Low Satisfactory". Based on a full-scope review, the bank's performance in the Las Cruces MA is adequate

SNB has an adequate record of lending in relation to the size and locations of the bank. SNB is primarily a residential mortgage lender, which is reflected by the volume of lending in each product type throughout the AA. The overall level of lending for real estate loans, small business, and small farm loans exceeds the deposit base in the Las Cruces full-scope AA. The Las Cruces MA AA represents 46.52 percent of reportable loans originated in New Mexico during the evaluation period, compared to 35.10 percent of the bank's deposits. Lending levels in the four assessment areas that received limited scope reviews are also comparable to the bank's deposit bases in those areas.

For the full-scope review in New Mexico, the conclusion about the bank's lending performance is based primarily on the level of real estate loans. The majority of loans are real estate representing 58.60 percent of the total number of reportable loans made during this evaluation period. Small loans to businesses represent 37.63 percent of

loans originated, and farm loans represent only 3.76 percent of loans originated during this evaluation period.

Community development (CD) lending had a positive effect on the Lending Test Conclusions because of the loans made in the Las Cruces MA AA reflect SNB's efforts to identify community development needs and to respond to those needs.

Las Cruces MA

The bank's loan volume in this assessment area could not be assessed because peer-lending data was unavailable for the evaluation period. HMDA aggregate data for 2003, and small business and small farm loan peer data for 2003 was not available during this evaluation.

Lending Activity

Refer to Tables 1 Lending Volume in the state of New Mexico section of appendix D for the facts and data used to evaluate the bank's lending activity. Tables 1 Other Products have been eliminated from the Public Evaluation since other lending products were not considered in this Public Evaluation.

Distribution of Loans by Income Level of the Geography

Home Mortgage Loans

Refer to Tables 2, 3, 4, and 5 in the state of New Mexico section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations/purchases.

SNB's overall distribution of loans by income level of geographies is adequate.

Home Purchase Loans:

SNB's geographic distribution of home purchase loans is poor in the Las Cruces MA AA. Most weight is given to performance in the moderate-income CTs, given the level of opportunities for lending. There are no owner-occupied housing units in the low-income CT, which is the location of New Mexico State University. The percentage distribution of home purchase loans is lower than the percentage of owner-occupied housing units in the moderate-income CT. In the Las Cruces MA AA, 27.58 percent or 11,086 owner-occupied housing units are located in moderate-income geographies.

Home Improvement Loans

SNB's geographic distribution of home improvement loans is excellent in the Las Cruces MA AA. Most weight is given to performance in the moderate-income CTs, given the level of opportunities for lending. There are no owner-occupied housing units in the low-income CT. Also, the percentage distribution of home improvement loans in

the moderate-income BNA exceeds the level of owner-occupied housing units in that geography.

Home Mortgage Refinance Loans:

SNB's geographic distribution of home refinance loans is poor in the Las Cruces MA AA. More consideration is given to performance in the moderate-income CTs, given the level of opportunities for lending. There are no owner-occupied housing units in the low-income CT. The percentage of loans in the moderate-income CT is lower than the percentage of owner-occupied units in the moderate-income BNA.

Multi-Family Loans:

Geographic distribution of multi-family loans is not relevant due to the small volume of loans generated during the evaluation period.

Small Loans to Businesses

Refer to Table 7 in the state of New Mexico section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

Small Loans to Businesses

SNB's geographic distribution of small business loans in the Las Cruces MA AA is good. There were no small business loans made in the low-income CT. As noted previously, there is only one low-income CTs in this AA. Overall, the percentage of small business loans made in the moderate-income BNA is near the percentage of small businesses in this CT.

Small Loans to Farms

Refer to Table 7 in the state of New Mexico section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to farms.

Small farm loans represent a very small portion of the bank's lending activities, representing 8.97 percent of the CRA reportable loans for the Las Cruces MA AA during this evaluation period. As a result, little consideration is given to small farm lending. SNB's geographic distribution of small farm loans in the Las Cruces MA AA is poor. No small farm loans were made in the low-income CT, however performance context issues mitigate this level of performance. The low-income CT is the location for New Mexico State University. The percentage of small farm loans is lower than the percentage of small farms in moderate-income CTs.

Lending Gap Analysis

Our review included an evaluation of SNB's lending throughout the AA including low- and moderate-income tracts. This was done using maps and reports showing the bank's lending in each tract. No unexplained gaps in lending were identified.

Inside/Outside Ratio

A substantial majority of the home mortgage loans, small loans to businesses and farms, and community development (CD) loans originated/purchased by SNB over the evaluation period were within its AAs. Approximately 85.69 percent of the number of loans and 82.06 percent of the dollar volume of CRA reportable loans and home mortgage loans were located within the AAs. Approximately 91.79 percent of small business loans, 89.45 percent of home mortgage loans, 58.16 percent of small farm loans, and 100 percent of the CD loans were within its AAs.

Distribution of Loans by Income Level of the Borrower

Home Mortgage Loans

Refer to Tables 8, 9 and 10 in the state of New Mexico section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

SNB's overall distribution of loans by income level of borrowers is good. Small business lending performance is excellent and home mortgage lending performance is adequate.

Home Purchase Loans:

SNB's distribution of home purchase loans by borrower income level in the Las Cruces MA is good in light of performance context issues. The percentage of home purchase loans to low-income borrowers is lower than the reported percentage of families in this AA. Approximately 23.12 percent of families are low-income and 16.27 percent are moderate-income. Based on the updated median family income for the area of \$37,200, low-income families make less than \$18,600. Additionally, 20.18 percent of the families in this are below poverty level. The median housing cost is \$81,751, based on 2000 census data. It is very difficult for families with low-income or who live below the poverty level to qualify for home purchase mortgages. Moderate-income borrowers also may have difficulty purchasing homes because their income levels are below \$29,760. These factors combined with the relatively low availability of affordable housing stock for low- and moderate-income levels reduce the opportunities for lending. The percent of home purchase loans to moderate-income borrowers is somewhat below the percentage of moderate-income families in the AA.

Home Improvement Loans:

SNB's borrower distribution of home improvement loans is adequate in the Las Cruces MA AA. The percentage of home improvement loans to low-income borrowers exceeds the comparable demographic, while no loans were made to moderate-income families in the AA. Less emphasis was placed on home improvement loans due to the low volume of this type of lending in the AA.

Home Mortgage Refinance:

The bank's distribution of home refinance loans by borrower income levels is adequate in the Las Cruces MA AA when considering mitigating factors discussed below. The percentage of home refinance loans to low-income borrowers is significantly lower than the percentage of low-income families in the AA. The percentage of home refinance loans to moderate-income borrowers is lower than the percentage of moderate-income families in the AA. Approximately 23.12 percent of families are low-income. Based on the updated median family income for the area of \$37,200, low-income families make less than \$18,600. Additionally, 20.18 percent of the families in this area are below poverty level. The median housing cost is \$81,751, based on 2000 census data. It is very difficult for families living below the poverty level to qualify for home refinance mortgages. Moderate-income borrowers also may have difficulty purchasing homes because their income levels are below \$29,760. These mitigating factors limit the opportunities for home refinance loans to low- and moderate-income borrowers.

Small Loans to Businesses

Refer to Table 11 in the state of New Mexico section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

The bank's loan distribution to small businesses in the Las Cruces MA AA is excellent. The percentage of bank loans to businesses with revenues of \$1 million or less exceeds the percentage of businesses with revenues of \$1 million or less. Additionally, a majority of loans are for amounts of \$100,000 or less.

Small Loans to Farms

Refer to Table 12 in the state of New Mexico section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

SNB's loan distribution to small farms is adequate in the Las Cruces MA. The percentage of bank loans to farms with revenues of \$1 million or less is somewhat lower than the percentage of farms with revenues of \$1 million or less. Less emphasis was

placed on small farm lending in the Las Cruces MA, as small farm lending represented 8.97 percent of the CRA reportable loans in this AA during evaluation period.

Community Development Lending

Refer to Table 1 Lending Volume in the state of New Mexico section of appendix D for the facts and data used to evaluate the bank's level of community development lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans. In addition, Table 5 includes geographic lending data on all multi-family loans, including those that also qualify as CD loans. Table 5 does not separately list CD loans, however.

Community development lending performance in New Mexico had no impact on the Lending Test performance.

Las Cruces MA

The bank did not originate any qualified community development loans during the evaluation period in the Las Cruces MA. CD lending opportunities in the Las Cruces MA are considered very limited.

Product Innovation and Flexibility

In the Las Cruces MA, the bank has participated with the New Mexico Retail Association in the "EARN A CAR" program. This program is a pilot project designed to assist recipients of Temporary Assistance to Needy Families in overcoming the largest barrier they face, the lack of transportation. The "EARN A CAR" program allows qualified participants to obtain low interest car loans to purchase low cost cars in order to provide dependable transportation to work and school. SNB has been participating since April 2003, and has made four loans totaling \$6,100 to qualified participants. This participation had a positive impact on the Lending Test rating as it demonstrates the efforts of the bank to meet the credit needs of low-income borrowers.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the lending test in the, Lincoln County AA, Luna County AA, Otero County AA, and Sierra County AAs is stronger than the bank's overall "Low Satisfactory" rating performance under the lending test. Stronger performance is due to lending performance, which exceeds the comparable demographic numbers. SNB also originated a \$60 thousand loan to a non-profit corporation located in Sierra County (City of Truth or Consequences), New Mexico, for the construction of affordable housing. This non-profit agency provides workforce development and affordable housing to low- and moderate-income families. Affordable housing has been identified as a primary need in the State of New Mexico. These loans are not considered complex or innovative. Refer to Tables 1 through 12 in State of New Mexico section of appendix D for the facts and data that support these conclusions.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Investment Test is rated "Low Satisfactory." Based on a full scope-review, the bank's performance in the Las Cruces MA is adequate. Refer to Table 14 in the State of New Mexico section of appendix D for the facts and data used to evaluate the bank's level of qualified investments.

During the evaluation period, SNB purchased \$257 thousand of a Federal Home Loan Mortgage Corporation Mortgage-Backed Security (CRA) Pool whose underlying security consists of eight single-family mortgage loans to low- and moderate-income borrowers in the state of New Mexico. While the mortgages are located in the Albuquerque and Santa Fe MAs, which are not bank-designated assessment areas, these investments benefit the broader statewide area that includes SNB's AAs. These are shown in the Table 14, for the geography: New Mexico in the row, "Statewide/Regional."

Las Cruces MA

Performance in the Las Cruces MA is adequate despite the absence of investments in the MA and in view of the very limited investment opportunities in the MA. Bank management and community contacts made during this evaluation stated that investment opportunities in the Las Cruces MA are very limited. Management has made numerous attempts to identify investment opportunities. Several community contacts have been made by the bank to try and identify investment opportunities, and to include securities brokers in the search for qualified mortgage backed securities or other qualified securities in the Las Cruces MA, with no success. A community member interviewed during this evaluation confirmed the limited opportunities

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Investment Test in the limited-scope AAs in New Mexico, Lincoln, Luna, Otero and Sierra counties is not inconsistent with the bank's overall "Low Satisfactory" performance under the Investment Test in New Mexico. While there are no investments in the limited-scope AAs, SNB's investments in the FHLMC mortgage pool benefit the broader statewide need for affordable housing.

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

Retail Banking Services

The bank's performance under the Service Test in the State of New Mexico is rated "Low Satisfactory." Based on a full-scope review, the bank's performance in the Las Cruces MA is adequate. Refer to Table 15 in the "State of New Mexico" section of

Appendix D for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings. Positive consideration was given to bank-wide activities discussed under "Information Applicable to All Geographic Areas" found earlier in this Public Evaluation.

Las Cruces MA

In the Las Cruces MA, SNB Lubbock's service delivery systems are reasonably accessible to essentially all geographies and individuals of different income levels. There are no branches in either low-income or moderate-income geographies. However, the Idaho Street branch, which is in a middle-income tract, is across the street from a moderate-income tract and easily accessible by low- and moderate-income persons in that tract and it's adjacent low-income tract. And the Telshor branch, although in an upper-income tract, is nearby the County Road thoroughfare, which provides ready access from a moderate-income tract that is less than two miles away. Residents in this part of New Mexico are willing to drive intermediate distances to obtain consumer products and services, including banking services. These factors somewhat mitigate the absence of branches in low- or moderate-income branches.

Hours and services do not vary in a way that inconveniences individuals throughout the MA. Since the February 14, 2003 merger, there have been no branch openings or closings. Alternate delivery systems are reasonably accessible by geographies and persons of different income levels, in particular, those in moderate-income geographies. There are 3 full service branches in the MA. Each facility has an extended hours motor bank, offers Saturday morning motor bank services, and has a 24-hour full service ATM. The bank has no other proprietary ATMs in this assessment area but customers can access their accounts via nonproprietary ATMs on a fee basis and can use POS (point of sale) check cards issued by the bank to make debit card purchases.

Community Development Services

SNB provides an adequate level of community development services in the Las Cruces MA in view of the limited opportunities in the MA. The following are examples of qualifying services:

- New Mexico Mortgage Finance Authority. This organization provides loans for low-income housing. A bank officer has served on the Housing Tax Credit Allocation Review Committee since 1997, which decides on applications for housing tax credit and allocates the credits to housing projects in the state of New Mexico.
- Families and Youth, Inc. of Sierra County. This organization typically targets orphanages. This Las Cruces organization provides qualified community services primarily for children such as free lunches, a homeless shelter, foster care, a shelter for runaways, and services for battered/abused families. A bank officer is a board member and in this capacity, helps review applications for care, which is provided to predominately low- and moderate-income persons.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on New Mexico limited-scope reviews, performance in the Otero County and Luna County Non-Metropolitan Areas is stronger than the bank's overall bank's overall "Low Satisfactory" performance under the Service Test in New Mexico. The bank's only branch in Otero County is in a moderate-income geography, significantly, exceeding the demographic, and in Luna County the only branch is in the downtown area, in the only middle-income geography, which is surrounded by all of the county's moderate-income geographies. This location is readily accessible by the moderate-income geographies and low- and moderate-income persons in areas of the county. Analyses of the Lincoln County and Sierra County Non-Metropolitan Areas were not meaningful to our analysis since there are no low- or moderate-income areas in those assessment areas.

Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the metropolitan and non-metropolitan areas that received comprehensive examination review (designated by the term “full-scope”) and those that received a less comprehensive review (designated by the term “limited-scope”).

Time Period Reviewed	Lending Test (excludes CD loans): 01/01/01 to 12/31/03 (HMDA) Lending Test (excludes CD loans): 01/01/02 to 12/31/03 (CRA) Investment and Service Tests and CD Loans: 02/23/98 to 05/03/04	
Financial Institution	Products Reviewed	
State National Bank, Lubbock, Texas	HMDA Loans, Small Business Loans Community Development Loans	
Affiliate(s)	Affiliate Relationship	Products Reviewed
N/A		
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Texas Metropolitan Areas El Paso MA # Lubbock MA # Abilene MA # Abilene MA # Azle Area MA # Odessa/Midland MA # San Angelo MA # Non-metropolitan Areas Hale County Howard County Jones County Runnels County New Mexico Metropolitan Areas Las Cruces MA # Non-metropolitan Areas Lincoln County Luna County Otero County Sierra County	Full-Scope Full-Scope Limited-Scope Full-Scope Limited-Scope Limited-Scope Limited-Scope Limited-Scope Limited-Scope Limited-Scope Limited-Scope Full-Scope Limited-Scope Limited-Scope Limited-Scope Limited-Scope	2000 Census 1990 & 2000 Census 2000 Census 1990 Census 1990 and 2000 Census 1990 and 2000 Census 1990 and 2000 Census 1990 and 2000 Census 1990 and 2000 Census 1990 and 2000 Census 1990 and 2000 Census 2000 Census 2000 Census 2000 Census 2000 Census 2000 Census

Appendix B: Summary of State Ratings

RATINGS		STATE NATIONAL BANK		
Overall Bank:	Lending Test Rating*	Investment Test Rating	Service Test Rating	Overall Bank/State/ Multi-state Rating
State National Bank	High Satisfactory	Low Satisfactory	High Satisfactory	Satisfactory
State:				
Texas	High Satisfactory	Low Satisfactory	High Satisfactory	Satisfactory
New Mexico	Low Satisfactory	Low Satisfactory	Low Satisfactory	Satisfactory

(*) The lending test is weighted more heavily than the investment and service tests in the overall rating.

Appendix C: Market Profiles for Full-Scope Areas

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Market Profiles for Areas Receiving Full-Scope Reviews

State of Texas – Abilene MA..... 2
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State of Texas – Abilene MA

Abilene MA

Demographic Information for Full-Scope Area: Abilene Metropolitan Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	36	2.78	38.89	36.11	16.67	5.55
Population by Geography	119,655	0.77	29.46	47.21	20.91	1.65
Owner-Occupied Housing by Geography	26,922	0.75	24.00	49.26	25.99	0.00
Businesses by Geography	8,718	1.78	34.78	44.09	18.93	.42
Farms by Geography	278	0.00	16.19	67.26	16.55	0.00
Family Distribution by Income Level	31,107	19.37	18.40	23.43	38.80	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	11,750	1.45	41.19	49.16	8.20	0.00
Median Family Income	\$29,317	Median Housing Value				\$44,027
HUD Adjusted Median Family Income for 2002	\$41,200	Unemployment Rate				2.98%
Households Below the Poverty Level	15.28%					

(*) The NA category consists of geographies that have not been assigned an income classification.
 Source: 1990 U.S. Census, and 2002 HUD updated MFI.

The Abilene Metropolitan Area consists of Taylor County. The city of Abilene is in the northeast corner of the county. The city was established in 1881 after the completion of the Texas and Pacific railways. In more than 100 years, Abilene developed from an almost entirely agricultural economy to a diversified economy based on oil, agriculture, commerce, light manufacturing, and service. The population of the MA was 127 thousand and the city population was 117 thousand in 2000 according to the Abilene Chamber of Commerce. City unemployment was historically low at 3.3 percent, again according to the local Chamber.

According to the 1990 U.S. Census the population of the area was approximately 120 thousand. Less than one percent of the households in the area were considered low-income, 29 percent were classified as moderate-income, 47 percent were middle-income, and the remaining 21 percent were upper-income. Median family income reported in 1990 was \$29,317.

For 2002, the HUD Updated median family income is \$41,200 and the median sales price from the Real Estate Center at Texas A&M University is \$69,900. Population as estimated by the U.S. Census Bureau is 125,017. The unemployment rate is 4.2 percent as determined by the Texas Workforce Commission.

The leading type of business in the area is the service sector with almost 40 percent of all businesses in the MA, followed by the retail sector with 22 percent, and the finance, insurance, and real estate markets with 9 percent. Also, there remains significant oil and gas production in the area. Eighty percent of these businesses employ less than ten people and 83 percent report revenues of less than \$500 thousand. The economy depends heavily on Dyess Air Force base with over 5 thousand employees, the largest employer, and other government entities such as the City of Abilene and the Texas Department of Criminal Justice. Other major employers include Hendrick Health System. Although employing less than 1 thousand, other major employers include Blue Cross Blue Shield, Abilene Christian University, and Abilene Regional Medical Center.

A community member in the Abilene MA was not interviewed during this evaluation.

State of Texas – El Paso MA

El Paso MA

Demographic Information for Full-Scope Area: EL Paso Metropolitan Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	126	6.35	31.75	33.33	28.57	0.00
Population by Geography	679,622	3.70	30.04	34.86	31.40	0.00
Owner-Occupied Housing by Geography	133,596	0.92	25.78	35.81	37.48	0.00
Businesses by Geography	29,807	9.00	30.44	25.36	35.19	0.00
Farms by Geography	423	3.07	31.91	29.55	35.46	0.00
Family Distribution by Income Level	167,276	22.11	17.46	18.92	41.51	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	66,179	6.71	41.55	34.75	16.99	0.00
Median Family Income	\$33,410	Median Housing Value				\$70,142
HUD Adjusted Median Family Income for 2003	\$37,000	Unemployment Rate				3.71%
Households Below the Poverty Level	21.55%					

(*) The NA category consists of geographies that have not been assigned an income classification.
 Source: 2000 U.S. Census, and 2003 HUD updated MFI.

The El Paso MA consists of El Paso County. The population of the El Paso MA in 2000 was approximately 680 thousand with the majority (78 percent) being Hispanic. The city of El Paso is the largest United States city on the Mexican border. Also, it is the fourth largest city in Texas, and the 28th largest city in the United States. The closest major U. S. metropolitan area is Albuquerque, New Mexico, which is 265 miles north of El Paso. Directly across the Rio Grande River from El Paso is Ciudad Juarez, which is the largest Mexican city on the U.S. border with an estimated population in excess of 750 thousand. The combined population of the EL Paso MA and the Ciudad Juarez area is nearly 2 million.

The “twin plants” (Maquiladoras) concept is actively used in El Paso and Ciudad Juarez. In this concept, U. S. industries have twin operations in Mexico where the more labor-intensive aspects of production are provided. A large supply of skilled and unskilled labor provides El Paso with a varied industrial base. The city is one of the nation’s principal centers for manufacturing outdoor clothing and boots although the garment industry has been in decline. Major service sector employers in El Paso include Sierra Providence Health Network, EchoStar, MCI/GC Services, Del Sol Medical Center, West Teleservices Corporation, Providian Financial, Brylane, Inc, and Las Palmas Medical Center. Manufacturing sector employers include VF Jeanswear (Wrangler, Lee), Eureka, Elcom, Toro Co., Tony Lama, Sun Apparel of Texas, The Hoover Company,

Phelps Dodge Mining Company, Allegiance Healthcare Corp., and Internal Garment Processors. Government remains the largest employer, led by Fort Bliss and the school districts of El Paso and Ysleta. Fort Bliss, with the world's largest Air Defense Artillery Training Center, has over 12,000 active duty soldiers and 7,000 civilian employees. And there are an estimated 33,000 retired soldiers in the area. The University of Texas at El Paso has a total enrollment of approximately 16,000.

Poverty is pervasive with the unemployment rate estimated at 8.2 percent in the year 2000 for the El Paso MA compared to 4.4 percent for Texas and 4.0 percent for the United States. The per capita income is \$13,421 in the year 2000 compared to the national per capital income of \$21,690. Affordable housing for the 23 percent of households that are low-income comprise less than 5 percent of the houses for sale or rent in El Paso. The lack of affordable housing has resulted in numerous substandard subdivisions known as "colonias" outside the city limits. These colonias lack enforceable building codes, adequate infrastructure, health, and public safety.

Two community members were interviewed during this evaluation. The first was with the executive director of a local housing finance corporation. This individual indicated that opportunities for investment by the smaller institutions are limited because of the typically large size of the bonds. Usually, one investor – the Federal National Mortgage Association (FNMA) buys all the bonds. The executive director is currently working with the city of El Paso and one bank on a venture capital model and hopes to involve other banks in the area. Some plans to develop affordable housing are in process, which may increase opportunities for community development investments, although the director believed that affordable housing opportunities for banks were mainly in lending. This would address the type of lending that the director see as the primary credit need. He acknowledged that with the area's low MFI, it is difficult for low- and moderate-income families to qualify for home loans without down payment assistance. Other pressing needs are for financial literacy/credit counseling and increased economic development. The director believed that local banks could possibly participate in financial literacy/credit counseling programs.

Another interview was with an individual representing an organization whose efforts are focused in increasing affordable housing and economic development in the MA. Housing needs are mainly for multi-family and single family projects. The primary credit is affordable housing, followed by improved access to banking services, and mainly in the impoverished colonias. Another important need is financial literacy in view of the overall low education of the area. This individual reported the existence of an investment opportunity for banks with a CDFI (Certified Development Financial Institution).

State of Texas – Lubbock MA

Lubbock MA

Demographic Information for Full-Scope Area: Lubbock Metropolitan Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	61	1.64	31.15	42.62	24.59	0.00
Population by Geography	242,628	1.26	29.52	43.75	25.46	0.00
Owner-Occupied Housing by Geography	54,763	0.27	22.15	44.41	33.17	0.00
Businesses by Geography	17,256	1.05	24.76	44.05	30.13	0.00
Farms by Geography	730	1.51	16.16	47.67	34.66	0.00
Family Distribution by Income Level	60,685	20.82	17.92	20.79	40.47	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	23,509	1.80	41.35	43.03	13.83	0.00
Median Family Income	\$41,067	Median Housing Value		\$64,726		
HUD Adjusted Median Family Income for 2003	\$46,700	Unemployment Rate		2.93%		
Households Below the Poverty Level	18.15%					

(*) The NA category consists of geographies that have not been assigned an income classification.
 Source: 2000 U.S. Census, and 2003 HUD updated MFI.

SNB has 3 branches in the Lubbock MA. The bank’s primary business focus is small business loans.

The MA consists of Lubbock County, which includes the city of Lubbock. Major competitors in Lubbock include American State Bank that has approximately the same asset size and is also locally owned. Other local competitors headquartered in Lubbock include City Bank, Lubbock National Bank and PNB Financial Bank. In addition, SNB faces significant competition from branches of large multi-national banks including Wells Fargo and Bank of America. The bank is ninth in market share of deposits in the area.

Economic conditions in Lubbock are on an upward trend, and the unemployment rate was stable at 3 percent according to both 1990 and 2000 U. S. census information. In 2003, construction contributed to an upward trend. The total value of all building permits issued exceeds prior year totals by over 30 percent. Homebuilding activity rose 3 percent compared to 2002, and home market sales were nearly \$354 million, approximately 13 percent more than 2002. The economy is under some temporary cyclical pressures in retail spending and employment as affected by state and national weaknesses and a reduced cotton crop in the South Plains. Lubbock is a major regional center for business and industry and has an overall strong, diverse economy grounded in agriculture, manufacturing, and wholesale and retail trade, as well as

government, education, and health care. It is the ninth largest city in Texas with a population of about 240 thousand people. Major employers include Covenant Health Systems, Texas Tech University, and Lubbock Independent School District, all with more than 4 thousand employees. Other major employers include TTU Health Sciences Center, the City of Lubbock, University Medical Center, and United Supermarkets. Cingular and Convergys also have a presence in Lubbock. In addition to Texas Tech University with a fall 2003 enrollment of 28 thousand, the Lubbock MA has TTU Health Sciences Center, Lubbock Christian University, South Plains College, and a branch of Wayland Baptist University. Lubbock is the medical center for the entire West Texas and Eastern New Mexico region.

An interview was conducted with the executive director of a local housing finance corporation. The primary mission is to provide affordable housing to low- and moderate-income people, and the corporation also provides credit and budget counseling. Lubbock is the primary focus, but the corporation works with the administrative services of the Council of Governments and is involved in fourteen other surrounding counties. The greatest credit need in Lubbock is loans for owner-occupied affordable housing. Rental housing is less of an issue, but the market is tight because of Texas Tech University. Credit counseling is also a high priority. The director stated that opportunities exist for banks to partner on loan programs and to develop special loan programs. Also, banks could participate in financial literacy programs. Further, the director stated that CRA qualified investment opportunities for local banks in the Lubbock area are very limited and was not aware of any local community development banks, organizations engaged in affordable housing other than Habitat for Humanity, Small Business Investment Corporations, or the availability of low-income housing tax credit. However, eight local banks recently partnered to create a Community Development Corporation (CDC) that will provide small business loans to businesses in low- to moderate-income areas that would not qualify for conventional financing. In addition, the City of Lubbock is in the planning stages of developing a CDC (City of Lubbock's North and East side) to revitalize low- and moderate-income neighborhoods in Lubbock's North and East sections of town. Opportunities for local banks to participate in the revenue bonds of the corporation are limited. Most local banks are not large enough to purchase the entire revenue bond issue. The Director spoke favorably of all local financial institutions.

Lubbock experienced changes between the 1990 and 2000 census. According to the 1990 census, the Lubbock MA included 63 census tracts and a total population of 223 thousand. Eight of the MA census tracts were low-income, eleven were moderate-income, twenty-eight were middle-income, and fourteen were upper-income. Two of the tracts were not classified, and Texas Tech University occupied those tracts. Census tract characteristics changed in 2000. The Lubbock MA now has 61 census tracts and all of the tracts are classified. Only one tract is now designated as low-income, moderate-income tracts have risen to nineteen, twenty-six are middle-income, and fifteen are upper-income. Other significant differences include the weighted average of median housing rising from \$53,112 in 1990 to \$64,726 but the updated median family income only rose from \$45,500 in 1990 to \$46,700 in the 2000 census.

State of New Mexico – Las Cruces MA

Las Cruces MA

Demographic Information for Full-Scope Area: Las Cruces Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	32	3.13	31.25	34.38	31.25	0.00
Population by Geography	174,682	1.59	32.86	35.36	30.20	0.00
Owner-Occupied Housing by Geography	40,201	0.00	27.58	37.80	34.62	0.00
Businesses by Geography	7,020	0.33	19.26	44.36	36.05	0.00
Farms by Geography	304	0.00	40.13	27.96	31.91	0.00
Family Distribution by Income Level	42,983	23.12	16.27	18.83	41.78	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	16,933	1.54	43.38	36.30	18.79	0.00
Median Family Income HUD Adjusted Median Family Income for 2003 Households Below the Poverty Level	= \$33,576 = \$37,200 = 22.27%	Median Housing Value Unemployment Rate				\$81,751 3.93%

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 2000 U.S. Census, and 2003 HUD updated MFI.

The Las Cruces MA consists of Dona Ana County, in the Mesilla Valley in south central New Mexico. The city of Las Cruces is the county seat, approximately 45 miles north of El Paso, Texas. Because of its proximity to Mexico, the city has strong trade ties with the Mexican economy. It is the second largest city in the state after Albuquerque with a population of 74 thousand. The economy is based on agriculture, technology, and education. It is the home of New Mexico State University with an enrollment of about 15 thousand. The university is the largest employer in the city and accounts for 12 percent of total employment. SNB is 6th in deposit market share with 5.81 percent of deposits. Major competitors consist of large multinational banks - Wells Fargo and Bank of America, branches of regional banks headquartered outside of the state - Community First Bank and Matrix Capital Bank, and the largest local community bank - Citizens Bank of Las Cruces.

The city is among the fastest growing metropolitan areas in the United States because of good year-round weather. Both Las Cruces and Dona Ana County have shown tremendous growth over the past twenty-five years. The most recent census figures reflect the Las Cruces population at 74 thousand and Dona Ana County at 175 thousand. At this growth rate the MA's population is projected to be 227 thousand by 2010. This should have a tremendous impact on the economy through an increased demand for goods, services, and housing. For 2002 and 2003, new home starts have risen dramatically from prior years. New home starts were 531 in 2002 and 798 in 2003

for single-family homes up from 335 in 2001 and 288 in 2000. Starting in 2001 and continuing through the end of 2003, Las Cruces has seen significant growth in residential sales figures with each year exceeding the prior year. Each year has set a new record for the number of homes sold in Las Cruces, and the overall growth trend is over 50 percent greater than the number of sales in the year 2000. As of the end of 2000, the median price for an existing three bedroom home was \$95,000, and a new three bedroom home was priced at \$128,750.

Service, wholesale, trade, and the agricultural sectors provide approximately 64 percent of employment opportunities in the area. Unemployment has gradually dropped from 8.5 percent in 1997 and 1998 to 6.7 percent for 2001 and 2002. The most recent unemployment rate as of February 2004 was 6.9 percent higher than the state unemployment rate of 5.6 percent. As with El Paso, Texas, the Maquiladora (twin plants) industry has had an impact on the southern part of Dona Ana County. Several new manufacturing companies have relocated to an industrial park near the Las Cruces airport. The military has a significant presence because of the White Sands Missile Range. In addition to the White Sands Missile Range, major employers include Memorial Medical Center, NASA LBJ Test Facility, Honeywell Technology, Wal-Mart, Excell Agent Services, Tresco Inc., ADC Telecommunications, and IBP Prepared Foods.

We spoke with the executive director of an economic development organization in Las Cruces. The organization is a central point of contact for new industry relocating or expanding in the area. This contact stated the economy is growing rapidly and is strong. Annually, the labor market has grown 3 percent, and the population growth has been 2 percent. Business growth has been high for retail, services, and industrial markets. Also, housing starts have been high at 57 percent. Recently, the average sales price of a new home was \$259 thousand. Lesser-priced new homes are in the \$80 thousand to \$120 thousand ranges. Population growth has been from retirees and people relocating from California. The job market is strengthening, and there are a large number of agriculture-based jobs for lower-income people. The Director stated the greatest need in the MA, and particularly in Las Cruces is small business financing. Although opportunities for direct loans to small businesses are good, opportunities for investments and services are limited.

Appendix D: Tables of Performance Data

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TABLES OF PERFORMANCE DATA.....ERROR! BOOKMARK NOT DEFINED.

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Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan areas are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the lending test tables, the following are applicable: purchased loans are treated as originations/purchases and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/assessment area. Deposit data are compiled by the FDIC and are available as of June 30th of each year. Tables without data are not included in this PE.

The following is a listing and brief description of the tables included in each set:

Table 1. Lending Volume - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MA/assessment area. Community development loans to statewide or regional entities or made outside the bank’s assessment area may receive positive CRA consideration. Refer to Interagency Q&As __.12(i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans. When such loans exist, insert a line item with the appropriate caption, such as “Statewide/Regional” or “Out of Assessment Area,” in the MA/Assessment Area column and record the corresponding numbers and amounts in the “Community Development Loans” column.

Table 1. Other Products - Presents the number and dollar amount of any unreported category of loans originated and purchased by the bank, if applicable, over the evaluation period by MA/assessment area. Examples include consumer loans or other data that a bank may provide, at its option, concerning its lending performance. This is a two-page table that lists specific categories.

Table 2. Geographic Distribution of Home Purchase Loans - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.

Table 3. Geographic Distribution of Home Improvement Loans - See Table 2.

Table 4. Geographic Distribution of Home Mortgage Refinance Loans - See Table 2.

Table 5. Geographic Distribution of Multifamily Loans - Compares the percentage distribution of the number of multifamily loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income

geographies to the percentage distribution of multifamily housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.

- Table 6.** Geographic Distribution of Small Loans to Businesses - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small business data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 7.** **Geographic Distribution of Small Loans to Farms** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 8.** **Borrower Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MA/assessment area. The table also presents market share information based on the most recent aggregate market data available.
- Table 9.** **Borrower Distribution of Home Improvement Loans** - See Table 8.
- Table 10.** **Borrower Distribution of Refinance Loans** - See Table 8.
- Table 11.** **Borrower Distribution of Small Loans to Businesses** - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.
- Table 12.** **Borrower Distribution of Small Loans to Farms** - Compares the percentage distribution of the number of small loans (less than or equal to

\$500,000) originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm. Market share information is presented based on the most recent aggregate market data available.

Table 13. Geographic and Borrower Distribution of Consumer Loans (OPTIONAL) - For geographic distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households within each geography. For borrower distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage of households by income level in each MA/assessment area.

Table 14. Qualified Investments - Presents the number and dollar amount of qualified investments made by the bank in each MA/AA. The table separately presents investments made during prior evaluation periods that are still outstanding and investments made during the current evaluation period. Prior-period investments are reflected at their book value as of the end of the evaluation period. Current period investments are reflected at their original investment amount even if that amount is greater than the current book value of the investment. The table also presents the number and dollar amount of unfunded qualified investment commitments. In order to be included, an unfunded commitment must be legally binding and tracked and recorded by the bank's financial reporting system.

A bank may receive positive consideration for qualified investments in statewide/regional entities or made outside of the bank's assessment area. See Interagency Q&As __.12(i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such investments. When such investments exist, insert a line item with the appropriate caption, such as "Statewide/Regional" or "Out of Assessment Area," in the MA/Assessment Area column and record the corresponding numbers and amounts in the "Qualified Investments" column.

Table 15. Distribution of Branch Delivery System and Branch Openings/Closings - Compares the percentage distribution of the number of the bank's branches in low-, moderate-, middle-, and upper-income geographies to the percentage of the population within each geography in each MA/AA. The table also presents data on branch openings and closings in each MA/AA.

State of Texas (Geography: West Texas)

Does not include Table 1 – Other Products, Table 13 – Geographic and Borrower Distribution of Consumer Loans

Table 1. Lending Volume

LENDING VOLUME												Geography: WEST TEXAS		Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002	
MA/Assessment Area:	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***			
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)				
Full Review:															
Abilene MA 1990	19.27	28	1,309	219	16,523	32	681	0	0	279	18,513	20.50			
Lubbock MA 1990	29.35	59	2,564	340	30,945	26	2,697	0	0	425	36,206	23.27			
Limited Review:															
Azle (Portion of Ft Worth M 1990	7.04	18	588	69	2,628	15	428	0	0	102	3,644	13.13			
Hale County 1990	12.22	18	974	104	9,027	55	4,735	0	0	177	14,736	10.82			
Howard County 1990	6.28	5	209	43	2,566	43	1,734	0	0	91	4,509	9.43			
Jones County 1990	6.63	21	488	45	1,411	30	496	0	0	96	2,395	4.84			
Odessa/Midland MA 1990	10.70	19	664	132	10,031	4	379	0	0	155	11,074	12.59			
Runnels County 1990	3.25	6	142	17	380	24	981	0	0	47	1,503	3.52			
San Angelo MA 1990	5.25	7	324	52	2,643	17	917	0	0	76	3,884	1.91			

* Loan Data as of December 31, 2002. Rated area refers to either the state or multi-state MA rating area.

** The evaluation period for Community Development Loans is February 23, 1998 to May 4, 2004.

*** Deposit Data as of June 30, 2002. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE		GEOGRAPHY: WEST TEXAS					EVALUATION PERIOD: JANUARY 1, 2001 TO DECEMBER 31, 2002								
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp
Full Review:															
Abilene MA 1990	8	9.41	0.75	0.00	24.00	37.50	49.26	62.50	25.99	0.00	0.30	0.00	0.97	0.30	0.00
Lubbock MA 1990	33	38.82	4.77	9.09	17.91	15.15	47.70	60.61	29.61	15.15	0.55	3.70	0.65	0.70	0.20
Limited Review:															
Azle (Portion of Ft Worth MA) 1990	7	8.24	0.00	0.00	18.03	0.00	66.51	100.00	15.46	0.00	0.12	0.00	0.00	0.20	0.00
Hale County 1990	7	8.24	0.00	0.00	24.20	14.29	53.03	57.14	22.76	28.57	1.11	0.00	5.41	0.61	0.63
Howard County 1990	2	2.35	6.37	0.00	10.17	0.00	47.70	50.00	35.76	50.00	0.35	0.00	0.00	0.66	0.00
Jones County 1990	16	18.82	0.00	0.00	22.97	81.25	68.29	18.75	8.74	0.00	4.92	0.00	13.3 3	2.86	0.00
Odessa/Midland MA 1990	5	5.88	6.52	0.00	21.14	0.00	37.05	60.00	35.29	40.00	0.10	0.00	0.00	0.12	0.09
Runnels County 1990	3	3.53	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	3.64	0.00	0.00	3.64	0.00
San Angelo MA 1990	4	4.71	1.73	0.00	17.31	0.00	52.89	75.00	28.07	25.00	0.16	0.00	0.00	0.00	0.41

* Based on 2002 Peer Mortgage Data: TX Region.

** Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

*** Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by the number of owner occupied housing units in the area based on 1990 Census information.

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT															
GEOGRAPHY: WEST TEXAS															
EVALUATION PERIOD: JANUARY 1, 2001 TO DECEMBER 31, 2002															
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total*	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp
Full Review:															
Abilene MA 1990	11	20.75	0.75	0.00	24.00	9.09	49.26	45.45	25.99	45.45	3.07	0.00	0.00	3.37	4.95
Lubbock MA 1990	12	22.64	4.77	0.00	17.91	8.33	47.70	75.00	29.61	16.67	1.08	0.00	1.45	1.52	0.49
Limited Review:															
Azle (Portion of Ft Worth MA) 1990	9	16.98	0.00	0.00	18.03	0.00	66.51	100.00	15.46	0.00	1.05	0.00	0.00	1.82	0.00
Hale County 1990	4	7.55	0.00	0.00	24.20	25.00	53.03	75.00	22.76	0.00	6.56	0.00	0.00	12.50	0.00
Howard County 1990	3	5.66	6.37	0.00	10.17	0.00	47.70	66.67	35.76	33.33	5.88	0.00	0.00	5.56	7.14
Jones County 1990	3	5.66	0.00	0.00	22.97	100.00	68.29	0.00	8.74	0.00	4.55	0.00	14.29	0.00	0.00
Odessa/Midland MA 1990	10	18.87	6.52	0.00	21.14	40.00	37.05	40.00	35.29	20.00	0.87	0.00	0.00	0.65	1.47
Runnels County 1990	0	0.00	0.00	0.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
San Angelo MA 1990	1	1.89	1.73	0.00	17.31	100.00	52.89	0.00	28.07	0.00	0.33	0.00	2.44	0.00	0.00

* Based on 2002 Peer Mortgage Data: TX Region.

** Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

*** Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 1990 Census information.

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE													GEOGRAPHY: WEST TEXAS			EVALUATION PERIOD: JANUARY 1, 2001 TO DECEMBER 31, 2002				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*									
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp					
Full Review:																				
Abilene MA 1990	9	21.95	0.75	0.00	24.00	11.11	49.26	66.67	25.99	22.22	0.40	0.00	0.00	0.53	0.33					
Lubbock MA 1990	14	34.15	4.77	7.14	17.91	21.43	47.70	64.29	29.61	7.14	0.08	0.00	0.25	0.09	0.05					
Limited Review:																				
Azle (Portion of Ft Worth MA) 1990	2	4.88	0.00	0.00	18.03	0.00	66.51	100.00	15.46	0.00	0.12	0.00	0.00	0.20	0.00					
Hale County 1990	6	14.63	0.00	0.00	24.20	16.67	53.03	33.33	22.76	50.00	2.17	0.00	2.22	2.63	1.71					
Howard County 1990	0	0.00	6.37	0.00	10.17	0.00	47.70	0.00	35.76	0.00	0.00	0.00	0.00	0.00	0.00					
Jones County 1990	2	4.88	0.00	0.00	22.97	100.00	68.29	0.00	8.74	0.00	1.22	0.00	14.29	0.00	0.00					
Odessa/Midland MA 1990	3	7.32	6.52	0.00	21.14	0.00	37.05	33.33	35.29	66.67	0.09	0.00	0.00	0.09	0.11					
Runnels County 1990	3	7.32	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	4.84	0.00	0.00	4.84	0.00					
San Angelo MA 1990	2	4.88	1.73	0.00	17.31	0.00	52.89	50.00	28.07	50.00	0.00	0.00	0.00	0.00	0.00					

* Based on 2002 Peer Mortgage Data: TX Region.

** Home mortgage refinance loans originated and purchased in the MA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

*** Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 1990 Census information.

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY																
GEOGRAPHY: WEST TEXAS																
EVALUATION PERIOD: JANUARY 1, 2001 TO DECEMBER 31, 2002																
MA/Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*					
	#	% of Total**	% of MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Over all	Low	Mod	Mid
Full Review:																
Abilene MA 1990	0	0.00	0.69	0.00	18.60	0.00	64.39	0.00	16.32	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Lubbock MA 1990	0	0.00	20.96	0.00	14.63	0.00	39.82	0.00	24.59	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Limited Review:																
San Angelo MA 1990	0	0.00	7.08	0.00	20.93	0.00	47.40	0.00	24.58	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Runnels County 1990	0	0.00	0.00	0.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Odessa/Midland MA 1990	1	50.00	1.96	0.00	10.26	0.00	32.33	100.00	55.45	0.00	8.33	0.00	0.00	33.33	0.00	0.00
Jones County 1990	0	0.00	0.00	0.00	65.05	0.00	34.95	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Howard County 1990	0	0.00	8.74	0.00	4.60	0.00	71.07	0.00	15.58	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Hale County 1990	1	50.00	0.00	0.00	32.80	0.00	47.20	100.00	20.00	0.00	100.00	0.00	0.00	100.00	0.00	0.00
Azle (Portion of Ft Worth MA) 1990	0	0.00	0.00	0.00	9.89	0.00	87.79	0.00	2.32	0.00	0.00	0.00	0.00	0.00	0.00	0.00

* Based on 2002 Peer Mortgage Data: TX Region.

** Multifamily loans originated and purchased in the MA/AA as a percentage of all multifamily loans originated and purchased in the rated area.

*** Percentage of multifamily units is the number of multifamily housing units in a particular geography divided by number of multifamily housing units in the area based on 1990 Census information.

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES																
GEOGRAPHY: WEST TEXAS																
EVALUATION PERIOD: JANUARY 1, 2001 TO DECEMBER 31, 2002																
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*					
	#	% of Total*	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	Overall	Low	Mod	Mid
Full Review:																
Abilene MA 1990	219	21.45	1.78	0.00	34.78	32.42	44.09	44.29	18.93	23.29	5.04	0.00	6.18	4.56	6.63	
Lubbock MA 1990	340	33.30	12.98	10.29	16.51	14.41	38.67	38.82	30.77	36.47	3.67	3.87	3.14	3.65	4.57	
Limited Review:																
Azle (Portion of Ft Worth MA) 1990	69	6.76	0.00	0.00	15.83	1.45	66.36	98.55	17.81	0.00	0.26	0.15	0.07	0.58	0.13	
Hale County 1990	104	10.19	0.00	0.00	21.87	21.15	55.24	38.46	22.89	40.38	11.28	0.00	8.47	11.68	18.63	
Howard County 1990	43	4.21	3.56	4.65	28.99	34.88	45.26	16.28	22.19	44.19	8.21	25.00	10.42	4.71	11.63	
Jones County 1990	45	4.41	0.00	0.00	29.88	80.00	62.47	20.00	7.65	0.00	13.78	0.00	48.72	3.16	6.90	
Odessa/Midland MA 1990	132	12.93	8.65	6.82	16.81	15.15	42.42	38.64	32.12	39.39	1.99	2.01	2.20	2.13	2.51	
Runnels County 1990	17	1.67	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	6.64	0.00	0.00	7.51	0.00	
San Angelo MA 1990	52	5.09	14.82	7.69	17.19	17.31	41.17	46.15	26.82	28.85	1.92	1.63	2.38	2.15	1.96	

* Based on 2002 Peer Small Business Data: US.

** Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

*** Source Data - Dun and Bradstreet 2002.

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS															GEOGRAPHY: WEST TEXAS					EVALUATION PERIOD: JANUARY 1, 2001 TO DECEMBER 31, 2002				
MA/Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*													
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	Overall	Low	Mod	Mid	Upp							
Full Review:																								
Abilene MA 1990	32	13.01	0.00	0.00	16.19	6.25	67.27	84.38	16.55	9.38	14.86	100.00	12.50	16.50	8.16									
Lubbock MA 1990	26	10.57	4.39	3.85	17.42	3.85	56.36	50.00	21.82	42.31	4.24	9.09	0.00	3.02	12.36									
Limited Review:																								
Azle (Portion of Ft Worth MA) 1990	15	6.10	0.00	0.00	30.29	6.67	51.47	93.33	18.24	0.00	4.55	0.00	1.16	9.40	0.00									
Hale County 1990	55	22.36	0.00	0.00	9.04	10.91	76.27	61.82	14.69	27.27	17.96	0.00	15.38	17.09	24.44									
Howard County 1990	43	17.48	4.76	2.33	7.62	0.00	62.86	58.14	24.76	39.53	50.00	0.00	0.00	36.59	68.75									
Jones County 1990	30	12.20	0.00	0.00	20.00	60.00	76.30	40.00	3.70	0.00	50.94	0.00	89.47	31.03	20.00									
Odessa/Midland MA 1990	4	1.63	3.76	0.00	13.48	0.00	51.41	75.00	31.35	25.00	13.79	0.00	0.00	13.33	20.00									
Runnels County 1990	24	9.76	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	62.07	0.00	0.00	62.07	0.00									
San Angelo MA 1990	17	6.91	4.21	0.00	5.50	0.00	57.28	58.82	33.01	41.18	14.81	0.00	0.00	10.81	32.00									

* Based on 2002 Peer Small Business Data: US.

** Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

*** Source Data - Dun and Bradstreet 2002.

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		GEOGRAPHY: WEST TEXAS					EVALUATION PERIOD: JANUARY 1, 2001 TO DECEMBER 31, 2002										
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*						
	#	% of Total*	% Families**	% BANK Loans**	% Families**	% BANK Loans****	% Families**	% BANK Loans****	% Families**	% BANK Loans****	% Families**	% BANK Loans****	Over all	Low	Mod	Mid	Upp
Full Review:																	
Abilene MA 1990	8	9.41	19.37	0.00	18.40	25.00	23.43	12.50	38.80	62.50	0.39	0.00	0.67	0.19	0.46		
Lubbock MA 1990	33	38.82	21.08	0.00	17.79	3.13	20.98	28.13	40.16	68.75	0.71	0.00	0.00	0.71	0.98		
Limited Review:																	
Azle (Portion of Ft Worth MA) 1990	7	8.24	20.71	14.29	19.68	14.29	25.47	42.86	34.14	28.57	0.14	0.40	0.14	0.12	0.10		
Hale County 1990	7	8.24	21.22	0.00	17.56	0.00	22.82	28.57	38.39	71.43	1.43	0.00	0.00	1.19	2.01		
Howard County 1990	2	2.35	21.34	0.00	15.01	0.00	18.26	50.00	45.40	50.00	0.42	0.00	0.00	2.63	0.00		
Jones County 1990	16	18.82	22.72	12.50	18.58	37.50	19.13	25.00	39.57	25.00	5.50	12.50	15.79	0.00	4.00		
Odessa/Midland MA 1990	5	5.88	22.18	0.00	17.03	20.00	20.49	0.00	40.30	80.00	0.11	0.00	0.00	0.12	0.16		
Runnels County 1990	3	3.53	20.44	0.00	16.94	33.33	26.81	33.33	35.80	33.33	4.17	0.00	0.00	5.88	5.56		
San Angelo MA 1990	4	4.71	19.92	0.00	18.55	0.00	22.22	0.00	39.31	100.00	0.19	0.00	0.00	0.24	0.29		

* Based on 2002 Peer Mortgage Data: TX Region.

** As a percentage of loans with borrower income information available. No information was available for 1.18% of loans originated and purchased by Bank.

*** Percentage of Families is based on the 1990 Census information.

**** Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT			GEOGRAPHY: WEST TEXAS				EVALUATION PERIOD: JANUARY 1, 2001 TO DECEMBER 31, 2002								
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total**	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	Over all	Low	Mod	Mid	Upp
Full Review:															
Abilene MA 1990	11	20.75	19.37	0.00	18.40	9.09	23.43	9.09	38.80	81.82	3.09	4.55	0.00	1.23	4.69
Lubbock MA 1990	12	22.64	21.08	8.33	17.79	16.67	20.98	16.67	40.16	58.33	1.14	3.33	2.78	0.00	0.74
Limited Review:															
Azle (Portion of Ft Worth MA) 1990	9	16.98	20.71	12.50	19.68	25.00	25.47	37.50	34.14	25.00	1.09	0.00	1.56	2.91	0.41
Hale County 1990	4	7.55	21.22	0.00	17.56	0.00	22.82	0.00	38.39	100.00	6.56	0.00	0.00	6.67	9.38
Howard County 1990	3	5.66	21.34	0.00	15.01	0.00	18.26	0.00	45.40	100.00	5.88	0.00	0.00	0.00	8.33
Jones County 1990	3	5.66	22.72	33.33	18.58	0.00	19.13	0.00	39.57	66.67	4.55	0.00	0.00	0.00	12.50
Odessa/Midland MA 1990	10	18.87	22.18	10.00	17.03	20.00	20.49	40.00	40.30	30.00	0.98	0.00	0.00	0.00	1.71
Runnels County 1990	0	0.00	20.44	0.00	16.94	0.00	26.81	0.00	35.80	0.00	0.00	0.00	0.00	0.00	0.00
San Angelo MA 1990	1	1.89	19.92	0.00	18.55	0.00	22.22	100.00	39.31	0.00	0.34	0.00	0.00	1.45	0.00

* Based on 2002 Peer Mortgage Data: TX Region.

** As a percentage of loans with borrower income information available. No information was available for 1.89% of loans originated and purchased by Bank.

*** Percentage of Families is based on the 1990 Census information.

**** Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE			GEOGRAPHY: WEST TEXAS				EVALUATION PERIOD: JANUARY 1, 2001 TO DECEMBER 31, 2002								
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total**	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	Over all	Low	Mod	Mid	Upp
Full Review:															
Abilene MA 1990	9	21.95	19.37	0.00	18.40	0.00	23.43	11.11	38.80	88.89	0.57	0.00	0.00	0.36	0.74
Lubbock MA 1990	14	34.15	21.08	0.00	17.79	7.14	20.98	0.00	40.16	92.86	0.11	0.00	0.00	0.00	0.16
Limited Review:															
Azle (Portion of Ft Worth MA) 1990	2	4.88	20.71	50.00	19.68	0.00	25.47	50.00	34.14	0.00	0.15	0.53	0.00	0.44	0.00
Hale County 1990	6	14.63	21.22	16.67	17.56	16.67	22.82	16.67	38.39	50.00	2.74	0.00	3.70	2.17	2.82
Howard County 1990	0	0.00	21.34	0.00	15.01	0.00	18.26	0.00	45.40	0.00	0.00	0.00	0.00	0.00	0.00
Jones County 1990	2	4.88	22.72	0.00	18.58	0.00	19.13	0.00	39.57	100.00	1.47	0.00	0.00	0.00	2.22
Odessa/Midland MA 1990	3	7.32	22.18	0.00	17.03	0.00	20.49	0.00	40.30	100.00	0.12	0.00	0.00	0.00	0.17
Runnels County 1990	3	7.32	20.44	0.00	16.94	0.00	26.81	33.33	35.80	66.67	5.45	0.00	0.00	5.88	6.67
San Angelo MA 1990	2	4.88	19.92	0.00	18.55	0.00	22.22	100.00	39.31	0.00	0.00	0.00	0.00	0.00	0.00

* Based on 2002 Peer Mortgage Data: TX Region.

** As a percentage of loans with borrower income information available. No information was available for 0.00% of loans originated and purchased by Bank.

*** Percentage of Families is based on the 1990 Census information.

**** Home mortgage refinance loans originated and purchased in the MA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES									
GEOGRAPHY: WEST TEXAS					EVALUATION PERIOD: JANUARY 1, 2001 TO DECEMBER 31, 2002				
MA/Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share*	
	#	% of Total**	% of Businesses ***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev \$1 Million or Less
Full Review:									
Abilene MA 1990	219	21.45	73.94	59.36	79.91	14.16	5.94	5.04	7.41
Lubbock MA 1990	340	33.30	73.48	78.24	79.12	10.88	10.00	3.67	4.76
Limited Review:									
Azle (Portion of Ft Worth MA) 1990	69	6.76	72.49	69.57	91.30	7.25	1.45	0.26	0.54
Hale County 1990	104	10.19	70.54	71.15	72.12	21.15	6.73	11.28	13.90
Howard County 1990	43	4.21	73.00	97.67	90.70	4.65	4.65	8.21	23.57
Jones County 1990	45	4.41	68.51	66.67	95.56	2.22	2.22	13.78	13.54
Odessa/Midland MA 1990	132	12.93	73.33	59.09	78.79	16.67	4.55	1.99	2.58
Runnels County 1990	17	1.67	70.98	100.00	100.00	0.00	0.00	6.64	13.73
San Angelo MA 1990	52	5.09	76.38	86.54	90.38	3.85	5.77	1.92	3.62

* Based on 2002 Peer Small Business Data: US.

** Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

*** Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2002).

**** Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 11.95% of small loans to businesses originated and purchased by the Bank.

Table 12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS									
GEOGRAPHY: WEST TEXAS					EVALUATION PERIOD: JANUARY 1, 2001 TO DECEMBER 31, 2002				
MA/Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share*	
	#	% of Total**	% of Farms***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev \$1 Million or Less
Full Review:									
Abilene MA 1990	32	13.01	93.88	87.50	96.88	3.13	0.00	14.86	10.04
Lubbock MA 1990	26	10.57	91.06	84.62	65.38	30.77	3.85	4.24	3.36
Limited Review:									
Azle (Portion of Ft Worth MA) 1990	15	6.10	93.49	93.33	100.00	0.00	0.00	4.55	3.14
Hale County 1990	55	22.36	89.55	78.18	76.36	14.55	9.09	17.96	13.55
Howard County 1990	43	17.48	96.19	81.40	93.02	6.98	0.00	50.00	40.68
Jones County 1990	30	12.20	96.30	76.67	100.00	0.00	0.00	50.94	34.21
Odessa/Midland MA 1990	4	1.63	94.98	100.00	75.00	25.00	0.00	13.79	10.53
Runnels County 1990	24	9.76	94.64	100.00	91.67	8.33	0.00	62.07	57.14
San Angelo MA 1990	17	6.91	92.88	94.12	88.24	5.88	5.88	14.81	10.00

* Based on 2002 Peer Small Business Data: US.

** Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

*** Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2002).

**** Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 11.79% of small loans to farms originated and purchased by Bank.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS									
GEOGRAPHY: WEST TEXAS									
EVALUATION PERIOD: FEBRUARY 24, 1998 TO DECEMBER 31, 2002									
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
Abilene MA 1990	0	0	13	15	13	15	2.83	0	0
Lubbock MA 1990	0	0	1	2	1	2	0.38	1	10
Limited Review:									
Azle (Portion of Ft Worth MA) 1990	0	0	0	0	2	0	0.00	0	0
Hale County 1990	0	0	3	1	3	1	0.19	0	0
Howard County 1990	0	0	2	1	2	1	0.19	0	0
Jones County 1990	0	0	0	0	0	0	0.00	0	0
Odessa/Midland MA 1990	0	0	2	1	2	1	0.19	0	0
Runnels County 1990	0	0	2	1	2	1	0.19	0	0
San Angelo MA 1990	0	0	0	0	0	0	0.00	0	0
Statewide/Regional Investments 1990			5	508	5	508	96.03	0	0

* 'Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.

** 'Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

Table 15. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS																	
GEOGRAPHY: WEST TEXAS																	
EVALUATION PERIOD: FEBRUARY 24, 1998 TO DECEMBER 31, 2002																	
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full Review:																	
Lubbock MA 1990	23.27	3	18.75	33.33	0.00	0.00	66.67	0	1	0	0	0	-1	8.73	19.41	45.31	24.00
Abilene MA 1990	20.50	4	25.00	0.00	50.00	25.00	25.00	0	4	0	0	-4	0	0.77	29.46	47.20	20.91
Limited Review:																	
Azle (Portion of Ft Worth MA) 1990	13.13	2	12.50	0.00	0.00	100.00	0.00	0	0	0	0	0	0	0.00	17.69	68.03	14.28
Hale County 1990	10.82	1	6.25	0.00	0.00	0.00	100.00	0	0	0	0	0	0	0.00	29.24	53.09	17.67
Howard County 1990	9.43	1	6.25	0.00	100.00	0.00	0.00	0	0	0	0	0	0	8.14	11.74	50.45	29.67
Jones County 1990	4.84	1	6.25	0.00	100.00	0.00	0.00	0	0	0	0	0	0	0.00	23.70	67.55	8.75
Odessa/Midland MA 1990	12.59	2	12.50	0.00	0.00	50.00	50.00	0	2	0	-1	0	-1	7.24	22.75	36.01	33.99
Runnels County 1990	3.52	1	6.25	0.00	0.00	100.00	0.00	0	0	0	0	0	0	0.00	0.00	100.0	0.00
San Angelo MA 1990	1.91	1	6.25	0.00	0.00	100.00	0.00	0	0	0	0	0	0	2.82	20.95	51.69	24.55

State of Texas (Geography: Texas)

Does not include Table 1 – Other Products; and Table 13 – Geographic and Borrower Distribution of Consumer Loans

Table 1. Lending Volume

LENDING VOLUME												
Geography: TEXAS												
Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003												
MA/Assessment Area:	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
Full Review:												
El Paso MA 2000	32.20	313	37,166	462	53,996	7	1,060	2	2,228	784	94,450	37.25
Lubbock MA 2000	26.28	277	26,528	322	28,316	35	3,048	6	2,220	640	60,112	16.91
Limited Review:												
Abilene MA 2000	11.58	60	5,527	206	15,797	16	372	0	0	282	21,696	11.49
Azle (Portion of Ft Worth M 2000	3.53	27	1,773	52	1,951	7	140	0	0	86	3,864	7.88
Hale County 2000	7.47	29	2,054	99	8,964	54	5,823	0	0	182	16,841	6.38
Howard County 2000	4.52	15	840	43	1,374	52	2,361	0	0	110	4,575	5.31
Jones County 2000	2.63	11	276	31	942	22	517	0	0	64	1,735	3.18
Odessa/Midland MA 2000	6.69	43	4,680	116	11,994	3	353	1	1,500	163	18,527	8.42
Runnels County 2000	1.64	3	111	12	208	25	966	0	0	40	1,285	1.85
San Angelo MA 2000	3.45	12	841	58	2,773	14	792	0	0	84	4,406	1.33

* Loan Data as of December 31, 2003. Rated area refers to either the state or multi-state MA rating area.

** The evaluation period for Community Development Loans is February 23, 1998 to May 3, 2003.

*** Deposit Data as of June 30, 2003. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE		GEOGRAPHY: TEXAS					EVALUATION PERIOD: JANUARY 1, 2003 TO DECEMBER 31, 2003									
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*					
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp	
Full Review:																
El Paso MA 2000	171	42.01	0.92	0.00	25.78	2.92	35.81	34.50	37.48	62.57	0.00	0.00	0.00	0.00	0.00	
Lubbock MA 2000	162	39.80	0.27	0.00	22.15	6.79	44.41	19.75	33.17	73.46	0.00	0.00	0.00	0.00	0.00	
Limited Review:																
Abilene MA 2000	20	4.91	0.00	0.00	17.98	15.00	45.63	40.00	36.39	45.00	0.00	0.00	0.00	0.00	0.00	
Azle (Portion of Ft Worth MA) 2000	12	2.95	0.00	0.00	4.81	0.00	77.09	100.00	18.10	0.00	0.00	0.00	0.00	0.00	0.00	
Hale County 2000	18	4.42	0.00	0.00	23.86	5.56	52.53	44.44	23.61	50.00	0.00	0.00	0.00	0.00	0.00	
Howard County 2000	5	1.23	0.00	0.00	14.80	20.00	54.60	40.00	30.60	40.00	0.00	0.00	0.00	0.00	0.00	
Jones County 2000	5	1.23	0.00	0.00	0.00	0.00	88.95	100.00	11.05	0.00	0.00	0.00	0.00	0.00	0.00	
Odessa/Midland MA 2000	8	1.97	1.13	0.00	23.87	0.00	42.00	50.00	33.00	50.00	0.00	0.00	0.00	0.00	0.00	
Runnels County 2000	1	0.25	0.00	0.00	22.35	0.00	77.65	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
San Angelo MA 2000	5	1.23	0.95	0.00	16.19	0.00	53.10	60.00	29.77	40.00	0.00	0.00	0.00	0.00	0.00	

* Peer Mortgage Data is not available.

** Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

*** Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT		GEOGRAPHY: TEXAS					EVALUATION PERIOD: JANUARY 1, 2003 TO DECEMBER 31, 2003					Market Share (%) by Geography*				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Over all	Low	Mod	Mid	Upp	
	#	% of Total*	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans						
Full Review:																
El Paso MA 2000	12	21.43	0.92	0.00	25.78	8.33	35.81	25.00	37.48	66.67	0.00	0.00	0.00	0.00	0.00	
Lubbock MA 2000	11	19.64	0.27	0.00	22.15	0.00	44.41	9.09	33.17	90.91	0.00	0.00	0.00	0.00	0.00	
Limited Review:																
Abilene MA 2000	11	19.64	0.00	0.00	17.98	9.09	45.63	36.36	36.39	54.55	0.00	0.00	0.00	0.00	0.00	
Azle (Portion of Ft Worth MA) 2000	4	7.14	0.00	0.00	4.81	0.00	77.09	100.00	18.10	0.00	0.00	0.00	0.00	0.00	0.00	
Hale County 2000	3	5.36	0.00	0.00	23.86	0.00	52.53	100.00	23.61	0.00	0.00	0.00	0.00	0.00	0.00	
Howard County 2000	4	7.14	0.00	0.00	14.80	0.00	54.60	0.00	30.60	100.00	0.00	0.00	0.00	0.00	0.00	
Jones County 2000	4	7.14	0.00	0.00	0.00	0.00	88.95	100.00	11.05	0.00	0.00	0.00	0.00	0.00	0.00	
Odessa/Midland MA 2000	5	8.93	1.13	0.00	23.87	20.00	42.00	60.00	33.00	20.00	0.00	0.00	0.00	0.00	0.00	
Runnels County 2000	0	0.00	0.00	0.00	22.35	0.00	77.65	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
San Angelo MA 2000	2	3.57	0.95	0.00	16.19	0.00	53.10	0.00	29.77	100.00	0.00	0.00	0.00	0.00	0.00	

* Peer Mortgage Data is not available.

** Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

*** Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 2000 Census information.

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE			GEOGRAPHY: TEXAS				EVALUATION PERIOD: JANUARY 1, 2003 TO DECEMBER 31, 2003									
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*					
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp	
Full Review:																
El Paso MA 2000	124	39.49	0.92	0.81	25.78	5.65	35.81	26.61	37.48	66.94	0.00	0.00	0.00	0.00	0.00	
Lubbock MA 2000	103	32.80	0.27	0.00	22.15	9.71	44.41	50.49	33.17	39.81	0.00	0.00	0.00	0.00	0.00	
Limited Review:																
Abilene MA 2000	25	7.96	0.00	0.00	17.98	8.00	45.63	32.00	36.39	60.00	0.00	0.00	0.00	0.00	0.00	
Azle (Portion of Ft Worth MA) 2000	11	3.50	0.00	0.00	4.81	0.00	77.09	100.00	18.10	0.00	0.00	0.00	0.00	0.00	0.00	
Hale County 2000	8	2.55	0.00	0.00	23.86	0.00	52.53	50.00	23.61	50.00	0.00	0.00	0.00	0.00	0.00	
Howard County 2000	6	1.91	0.00	0.00	14.80	0.00	54.60	16.67	30.60	83.33	0.00	0.00	0.00	0.00	0.00	
Jones County 2000	2	0.64	0.00	0.00	0.00	0.00	88.95	50.00	11.05	50.00	0.00	0.00	0.00	0.00	0.00	
Odessa/Midland MA 2000	29	9.24	1.13	0.00	23.87	6.90	42.00	55.17	33.00	37.93	0.00	0.00	0.00	0.00	0.00	
Runnels County 2000	2	0.64	0.00	0.00	22.35	100.00	77.65	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
San Angelo MA 2000	4	1.27	0.95	0.00	16.19	25.00	53.10	0.00	29.77	75.00	0.00	0.00	0.00	0.00	0.00	

* Peer Mortgage Data is not available.

** Home mortgage refinance loans originated and purchased in the MA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

*** Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 2000 Census information.

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY		GEOGRAPHY: TEXAS						EVALUATION PERIOD: JANUARY 1, 2003 TO DECEMBER 31, 2003								
MA/Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*					
	#	% of Total**	% of MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Over all	Low	Mod	Mid
Full Review:																
Lubbock MA 2000	1	7.69	9.26	0.00	29.57	100.00	43.16	0.00	18.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00
El Paso MA 2000	6	46.15	11.43	16.67	31.32	50.00	26.25	33.33	31.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Limited Review:																
Abilene MA 2000	4	30.77	0.00	0.00	45.11	50.00	41.21	50.00	13.67	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Azle (Portion of Ft Worth MA) 2000	0	0.00	0.00	0.00	10.03	0.00	87.90	0.00	2.07	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Hale County 2000	0	0.00	0.00	0.00	42.90	0.00	38.76	0.00	18.34	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Howard County 2000	0	0.00	0.00	0.00	4.73	0.00	81.87	0.00	13.40	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Jones County 2000	0	0.00	0.00	0.00	0.00	0.00	91.67	0.00	8.33	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Odessa/Midland MA 2000	1	7.69	0.36	0.00	16.04	100.00	31.19	0.00	52.40	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Runnels County 2000	0	0.00	0.00	0.00	7.35	0.00	92.65	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
San Angelo MA 2000	1	7.69	1.95	0.00	22.15	0.00	37.89	100.00	38.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00

* Peer Mortgage Data is not available.

** Multifamily loans originated and purchased in the MA/AA as a percentage of all multifamily loans originated and purchased in the rated area.

*** Percentage of multifamily units is the number of multifamily housing units in a particular geography divided by number of multifamily housing units in the area based on 2000 Census information.

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES			GEOGRAPHY: TEXAS				EVALUATION PERIOD: JANUARY 1, 2003 TO DECEMBER 31, 2003					Market Share (%) by Geography*				
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total*	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans						
Full Review:																
El Paso MA 2000	462	32.98	9.00	8.44	30.44	28.57	25.36	14.50	35.19	48.48	0.00	0.00	0.00	0.00	0.00	
Lubbock MA 2000	322	22.98	1.05	0.31	24.76	20.81	44.05	39.75	30.13	39.13	0.00	0.00	0.00	0.00	0.00	
Limited Review:																
Abilene MA 2000	206	14.70	0.00	0.00	32.89	17.96	40.84	45.63	25.75	36.41	0.00	0.00	0.00	0.00	0.00	
Azle (Portion of Ft Worth MA) 2000	52	3.71	0.00	0.00	4.24	0.00	77.44	100.00	18.33	0.00	0.00	0.00	0.00	0.00	0.00	
Hale County 2000	99	7.07	0.00	0.00	22.31	25.25	52.42	34.34	25.27	40.40	0.00	0.00	0.00	0.00	0.00	
Howard County 2000	43	3.07	0.00	0.00	28.03	25.58	52.47	32.56	19.50	41.86	0.00	0.00	0.00	0.00	0.00	
Jones County 2000	31	2.21	0.00	0.00	0.00	0.00	92.53	83.87	7.37	16.13	0.00	0.00	0.00	0.00	0.00	
Odessa/Midland MA 2000	116	8.28	0.59	0.86	31.98	26.72	36.65	32.76	30.78	39.66	0.00	0.00	0.00	0.00	0.00	
Runnels County 2000	12	0.86	0.00	0.00	19.15	25.00	80.85	75.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
San Angelo MA 2000	58	4.14	2.47	0.00	16.27	22.41	51.97	39.66	29.28	37.93	0.00	0.00	0.00	0.00	0.00	

* Peer Small Business Data is not available.

** Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

*** Source Data - Dun and Bradstreet 2003.

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS			GEOGRAPHY: TEXAS				EVALUATION PERIOD: JANUARY 1, 2003 TO DECEMBER 31, 2003					Market Share (%) by Geography*				
MA/Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans						
Full Review:																
El Paso MA 2000	7	2.98	3.07	0.00	31.91	14.29	29.55	28.57	35.46	57.14	0.00	0.00	0.00	0.00	0.00	
Lubbock MA 2000	35	14.89	1.51	0.00	16.16	5.71	47.67	51.43	34.66	42.86	0.00	0.00	0.00	0.00	0.00	
Limited Review:																
Abilene MA 2000	16	6.81	0.00	0.00	13.36	0.00	41.10	31.25	45.55	68.75	0.00	0.00	0.00	0.00	0.00	
Azle (Portion of Ft Worth MA) 2000	7	2.98	0.00	0.00	4.86	0.00	75.71	100.00	19.43	0.00	0.00	0.00	0.00	0.00	0.00	
Hale County 2000	54	22.98	0.00	0.00	7.22	18.52	76.55	48.15	16.24	33.33	0.00	0.00	0.00	0.00	0.00	
Howard County 2000	52	22.13	0.00	0.00	3.82	0.00	77.86	84.62	18.32	15.38	0.00	0.00	0.00	0.00	0.00	
Jones County 2000	22	9.36	0.00	0.00	0.00	0.00	96.13	100.00	3.87	0.00	0.00	0.00	0.00	0.00	0.00	
Odessa/Midland MA 2000	3	1.28	0.24	0.00	15.00	0.00	55.48	66.67	29.29	33.33	0.00	0.00	0.00	0.00	0.00	
Runnels County 2000	25	10.64	0.00	0.00	5.71	28.00	94.29	72.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
San Angelo MA 2000	14	5.96	0.56	0.00	5.62	0.00	66.29	64.29	27.53	35.71	0.00	0.00	0.00	0.00	0.00	

* Peer Small Farm Data is not available.

** Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

*** Source Data - Dun and Bradstreet 2003.

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		GEOGRAPHY: TEXAS					EVALUATION PERIOD: JANUARY 1, 2003 TO DECEMBER 31, 2003									
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*					
	#	% of Total*	% Families**	% BANK Loans**	% Families**	% BANK Loans****	% Families**	% BANK Loans****	% Families**	% BANK Loans****	Over all	Low	Mod	Mid	Upp	
Full Review:																
El Paso MA 2000	171	42.01	22.11	0.59	17.46	5.92	18.92	21.30	41.51	72.19	0.00	0.00	0.00	0.00	0.00	
Lubbock MA 2000	162	39.80	20.82	5.00	17.92	18.75	20.79	29.38	40.47	46.88	0.00	0.00	0.00	0.00	0.00	
Limited Review:																
Abilene MA 2000	20	4.91	19.07	15.00	18.30	10.00	23.71	15.00	38.92	60.00	0.00	0.00	0.00	0.00	0.00	
Azle (Portion of Ft Worth MA) 2000	12	2.95	18.90	25.00	19.69	25.00	24.45	33.33	36.95	16.67	0.00	0.00	0.00	0.00	0.00	
Hale County 2000	18	4.42	19.61	0.00	20.60	11.11	22.31	22.22	37.48	66.67	0.00	0.00	0.00	0.00	0.00	
Howard County 2000	5	1.23	20.84	0.00	16.89	20.00	21.46	0.00	40.81	80.00	0.00	0.00	0.00	0.00	0.00	
Jones County 2000	5	1.23	20.84	60.00	19.03	0.00	22.80	0.00	37.33	40.00	0.00	0.00	0.00	0.00	0.00	
Odessa/Midland MA 2000	8	1.97	20.90	0.00	17.71	25.00	20.60	25.00	40.80	50.00	0.00	0.00	0.00	0.00	0.00	
Runnels County 2000	1	0.25	23.70	0.00	17.39	0.00	24.13	0.00	34.78	100.00	0.00	0.00	0.00	0.00	0.00	
San Angelo MA 2000	5	1.23	19.36	0.00	18.32	20.00	22.82	40.00	39.50	40.00	0.00	0.00	0.00	0.00	0.00	

* Peer Mortgage Data is not available.

** As a percentage of loans with borrower income information available. No information was available for 0.98% of loans originated and purchased by the bank.

*** Percentage of Families is based on the 2000 Census information.

**** Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT		GEOGRAPHY: TEXAS					EVALUATION PERIOD: JANUARY 1, 2003 TO DECEMBER 31, 2003								
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total**	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	Over all	Low	Mod	Mid	Upp
Full Review:															
El Paso MA 2000	12	21.43	22.11	8.33	17.46	16.67	18.92	16.67	41.51	58.33	0.00	0.00	0.00	0.00	0.00
Lubbock MA 2000	11	19.64	20.82	0.00	17.92	10.00	20.79	0.00	40.47	90.00	0.00	0.00	0.00	0.00	0.00
Limited Review:															
Abilene MA 2000	11	19.64	19.07	0.00	18.30	0.00	23.71	10.00	38.92	90.00	0.00	0.00	0.00	0.00	0.00
Azle (Portion of Ft Worth MA) 2000	4	7.14	18.90	25.00	19.69	25.00	24.45	0.00	36.95	50.00	0.00	0.00	0.00	0.00	0.00
Hale County 2000	3	5.36	19.61	0.00	20.60	0.00	22.31	0.00	37.48	100.00	0.00	0.00	0.00	0.00	0.00
Howard County 2000	4	7.14	20.84	0.00	16.89	25.00	21.46	0.00	40.81	75.00	0.00	0.00	0.00	0.00	0.00
Jones County 2000	4	7.14	20.84	0.00	19.03	50.00	22.80	25.00	37.33	25.00	0.00	0.00	0.00	0.00	0.00
Odessa/Midland MA 2000	5	8.93	20.90	60.00	17.71	0.00	20.60	20.00	40.80	20.00	0.00	0.00	0.00	0.00	0.00
Runnels County 2000	0	0.00	23.70	0.00	17.39	0.00	24.13	0.00	34.78	0.00	0.00	0.00	0.00	0.00	0.00
San Angelo MA 2000	2	3.57	19.36	0.00	18.32	0.00	22.82	0.00	39.50	100.00	0.00	0.00	0.00	0.00	0.00

* Peer Mortgage Data is not available.

** As a percentage of loans with borrower income information available. No information was available for 3.57% of loans originated and purchased by the bank.

*** Percentage of Families is based on the 2000 Census information.

**** Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE			GEOGRAPHY: TEXAS				EVALUATION PERIOD: JANUARY 1, 2003 TO DECEMBER 31, 2003								
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total**	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	Over all	Low	Mod	Mid	Upp
Full Review:															
El Paso MA 2000	124	39.49	22.11	2.50	17.46	7.50	18.92	14.17	41.51	75.83	0.00	0.00	0.00	0.00	0.00
Lubbock MA 2000	103	32.80	20.82	7.92	17.92	9.90	20.79	12.87	40.47	69.31	0.00	0.00	0.00	0.00	0.00
Limited Review:															
Abilene MA 2000	25	7.96	19.07	4.00	18.30	8.00	23.71	16.00	38.92	72.00	0.00	0.00	0.00	0.00	0.00
Azle (Portion of Ft Worth MA) 2000	11	3.50	18.90	27.27	19.69	9.09	24.45	27.27	36.95	36.36	0.00	0.00	0.00	0.00	0.00
Hale County 2000	8	2.55	19.61	12.50	20.60	0.00	22.31	12.50	37.48	75.00	0.00	0.00	0.00	0.00	0.00
Howard County 2000	6	1.91	20.84	0.00	16.89	0.00	21.46	0.00	40.81	100.00	0.00	0.00	0.00	0.00	0.00
Jones County 2000	2	0.64	20.84	0.00	19.03	0.00	22.80	0.00	37.33	100.00	0.00	0.00	0.00	0.00	0.00
Odessa/Midland MA 2000	29	9.24	20.90	0.00	17.71	16.00	20.60	0.00	40.80	84.00	0.00	0.00	0.00	0.00	0.00
Runnels County 2000	2	0.64	23.70	0.00	17.39	50.00	24.13	0.00	34.78	50.00	0.00	0.00	0.00	0.00	0.00
San Angelo MA 2000	4	1.27	19.36	0.00	18.32	0.00	22.82	0.00	39.50	100.00	0.00	0.00	0.00	0.00	0.00

* Peer Mortgage Data is not available.

** As a percentage of loans with borrower income information available. No information was available for 4.46% of loans originated and purchased by the bank.

*** Percentage of Families is based on the 2000 Census information.

**** Home mortgage refinance loans originated and purchased in the MA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES					GEOGRAPHY: TEXAS		EVALUATION PERIOD: JANUARY 1, 2003 TO DECEMBER 31, 2003		
MA/Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share*	
	#	% of Total**	% of Businesses ***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev \$1 Million or Less
Full Review:									
El Paso MA 2000	462	32.98	63.27	64.94	69.70	18.61	11.69	0.00	0.00
Lubbock MA 2000	322	22.98	64.95	62.11	80.75	10.25	9.01	0.00	0.00
Limited Review:									
Abilene MA 2000	206	14.70	64.70	54.85	81.07	12.14	6.80	0.00	0.00
Azle (Portion of Ft Worth MA) 2000	52	3.71	69.04	61.54	90.38	7.69	1.92	0.00	0.00
Hale County 2000	99	7.07	62.27	73.74	79.80	11.11	9.09	0.00	0.00
Howard County 2000	43	3.07	62.99	88.37	95.35	4.65	0.00	0.00	0.00
Jones County 2000	31	2.21	60.30	67.74	96.77	0.00	3.23	0.00	0.00
Odessa/Midland MA 2000	116	8.28	64.18	66.38	75.00	13.79	11.21	0.00	0.00
Runnels County 2000	12	0.86	63.47	91.67	100.00	0.00	0.00	0.00	0.00
San Angelo MA 2000	58	4.14	66.71	82.76	91.38	6.90	1.72	0.00	0.00

* Peer Small Business Data is not available

** Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

*** Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B – 2003)

**** Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 14.92% of small loans to businesses originated and purchased by the Bank.

Table 12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS					GEOGRAPHY: TEXAS		EVALUATION PERIOD: JANUARY 1, 2003 TO DECEMBER 31, 2003		
MA/Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share*	
	#	% of Total**	% of Farms***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev \$1 Million or Less
Full Review:									
El Paso MA 2000	7	2.98	84.63	57.14	42.86	28.57	28.57	0.00	0.00
Lubbock MA 2000	35	14.89	87.95	74.29	62.86	31.43	5.71	0.00	0.00
Limited Review:									
Abilene MA 2000	16	6.81	91.10	75.00	93.75	6.25	0.00	0.00	0.00
Azle (Portion of Ft Worth MA) 2000	7	2.98	90.29	85.71	100.00	0.00	0.00	0.00	0.00
Hale County 2000	54	22.98	89.43	85.19	70.37	12.96	16.67	0.00	0.00
Howard County 2000	52	22.13	96.95	96.15	88.46	11.54	0.00	0.00	0.00
Jones County 2000	22	9.36	96.77	59.09	100.00	0.00	0.00	0.00	0.00
Odessa/Midland MA 2000	3	1.28	92.14	33.33	66.67	0.00	33.33	0.00	0.00
Runnels County 2000	25	10.64	95.71	100.00	96.00	4.00	0.00	0.00	0.00
San Angelo MA 2000	14	5.96	90.73	85.71	78.57	21.43	0.00	0.00	0.00

* Peer Small Farm Data is not available.

** Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

*** Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B 2003).

**** Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 11.05% of small loans to farms originated and purchased by Bank.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS		GEOGRAPHY: TEXAS				EVALUATION PERIOD: JANUARY 1, 2003 TO MAY 3, 2004			
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
El Paso MA 2000	0	0	0	0	0	0	0.00	0	0
Lubbock MA 2000	0	0	3	13	3	13	1.53	2	933
Limited Review:									
Abilene MA 2000	0	0	1	1	1	1	0.12	0	0
Azle (Portion of Ft Worth MA) 2000	0	0	3	2	3	2	0.23	0	0
Hale County 2000	0	0	0	0	0	0	0.00	0	0
Howard County 2000	0	0	0	0	0	0	0.00	0	0
Jones County 2000	0	0	0	0	0	0	0.00	0	0
Odessa/Midland MA 2000	0	0	0	0	0	0	0.00	0	0
Runnels County 2000	0	0	0	0	0	0	0.00	0	0
San Angelo MA 2000	0	0	0	0	0	0	0.00	0	0
Statewide/Regional Investments 2000	0	0	16	833	16	833	98.12	0	0

* 'Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.

** 'Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

Table 15. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS GEOGRAPHY: TEXAS EVALUATION PERIOD: JANUARY 1, 2003 TO May 3, 2004																	
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full Review:																	
El Paso MA 2000	37.25	7	30.43	14.29	28.57	14.29	42.86	0	0	0	0	0	0	3.70	30.04	34.86	31.40
Lubbock MA 2000	16.91	3	13.04	0.00	0.00	66.67	33.33	0	0	0	0	0	0	1.26	29.52	43.75	25.46
Limited Review:																	
Abilene MA 2000	11.49	4	17.39	0.00	50.00	25.00	25.00	0	0	0	0	0	0	0.00	24.34	45.56	28.92
Azle 2000 (Portion of Ft Worth MA)	7.88	2	8.70	0.00	0.00	100.00	0.00	0	0	0	0	0	0	0.00	5.17	78.43	16.40
Hale County 2000	6.38	1	4.35	0.00	0.00	0.00	100.00	0	0	0	0	0	0	0.00	26.85	54.99	18.17
Howard County 2000	5.31	1	4.35	0.00	100.00	0.00	0.00	0	0	0	0	0	0	0.00	17.09	60.24	22.67
Jones County 2000	3.18	1	4.35	0.00	0.00	100.00	0.00	0	0	0	0	0	0	0.00	0.00	69.84	30.15
Odessa/Midland MA 2000	8.42	2	8.70	0.00	0.00	100.00	0.00	0	0	0	0	0	0	0.94	27.47	40.08	31.51
Runnels County 2000	1.85	1	4.35	0.00	100.00	0.00	0.00	0	0	0	0	0	0	0.00	23.66	76.34	0.00
San Angelo MA 2000	1.33	1	4.35	0.00	0.00	100.00	0.00	0	0	0	0	0	0	1.52	18.06	52.65	27.76

State of New Mexico (Geography: New Mexico)

Does not include Table 1 – Other Products; and Table 13 – Geographic and Borrower Distribution of Consumer Loans

Table 1. Lending Volume

LENDING VOLUME		Geography: NEW MEXICO						Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003				
MA/Assessment Area:	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
Full Review:												
Las Cruces MA	46.52	218	26,486	140	21,770	14	3,344	2	1,673	374	53,273	35.10
Limited Review												
Lincoln County	26.12	77	6,641	128	9,088	5	222	0	0	210	15,951	39.99
Luna County	4.73	29	2,021	4	77	5	917	0	0	38	3,015	2.32
Otero County	9.33	43	3,605	31	3,152	1	12	0	0	75	6,769	2.35
Sierra County	13.31	53	2,625	46	4,420	7	862	1	60	107	7,967	20.24

* Loan Data as of December 31, 2003. Rated area refers to either the state or multi-state MA rating area.

** The evaluation period for Community Development Loans is from January 1, 2003 to May 03, 2004.

*** Deposit Data as of June 30, 2003. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE		Geography: NEW MEXICO					Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003									
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*					
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp	
Full Review:																
Las Cruces MA	83	50.00	0.00	0.00	27.58	2.41	37.80	48.19	34.62	49.40	0.00	0.00	0.00	0.00	0.00	
Limited Review:																
Lincoln County	19	11.45	0.00	0.00	0.00	0.00	54.25	47.37	45.75	52.63	0.00	0.00	0.00	0.00	0.00	
Luna County	12	7.23	0.00	0.00	92.40	75.00	7.60	25.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Otero County	28	16.87	0.00	0.00	6.03	0.00	84.72	92.86	9.25	7.14	0.00	0.00	0.00	0.00	0.00	
Sierra County	24	14.46	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	

*Peer Data is not available.

** Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area

*** Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT 31, 2003			Geography: NEW MEXICO						Evaluation Period: JANUARY 1, 2003 TO DECEMBER						
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total* *	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp
Full Review:															
Las Cruces MA	3	15.79	0.00	0.00	27.58	33.33	37.80	66.67	34.62	0.00	0.00	0.00	0.00	0.00	0.00
Limited Review:															
Lincoln County	7	36.84	0.00	0.00	0.00	0.00	54.25	71.43	45.75	28.57	0.00	0.00	0.00	0.00	0.00
Luna County	1	5.26	0.00	0.00	92.40	100.00	7.60	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Otero County	3	15.79	0.00	0.00	6.03	33.33	84.72	66.67	9.25	0.00	0.00	0.00	0.00	0.00	0.00
Sierra County	5	26.32	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

* Peer Mortgage is not available.

** Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

*** Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 2000 Census information.

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE			Geography: NEW MEXICO				Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003					Market Share (%) by Geography*				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies							
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp	
Full Review:																
Las Cruces MA	132	56.65	0.00	0.00	27.58	6.82	37.80	28.79	34.62	64.39	0.00	0.00	0.00	0.00	0.00	
Limited Review:																
Lincoln County	50	21.46	0.00	0.00	0.00	0.00	54.25	52.00	45.75	48.00	0.00	0.00	0.00	0.00	0.00	
Luna County	16	6.87	0.00	0.00	92.40	100.00	7.60	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Otero County	11	4.72	0.00	0.00	6.03	0.00	84.72	100.00	9.25	0.00	0.00	0.00	0.00	0.00	0.00	
Sierra County	24	10.30	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	

* Peer Data is not available.

** Home mortgage refinance loans originated and purchased in the MA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

*** Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 2000 Census information.

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY		Geography: NEW MEXICO						Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003							
MA/Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% of MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp
Full Review:															
Las Cruces MA	0	0.00	2.29	0.00	25.45	0.00	33.41	0.00	38.84	0.00	0.00	0.00	0.00	0.00	0.00
Limited Review:															
Lincoln County	1	50.00	0.00	0.00	0.00	0.00	25.81	0.00	74.19	100.00	0.00	0.00	0.00	0.00	0.00
Luna County	0	0.00	0.00	0.00	72.73	0.00	27.27	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Otero County	1	50.00	0.00	0.00	2.38	0.00	73.19	0.00	24.43	100.00	0.00	0.00	0.00	0.00	0.00
Sierra County	0	0.00	0.00	0.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

* Peer Mortgage Data is not available.

** Multifamily loans originated and purchased in the MA/AA as a percentage of all multifamily loans originated and purchased in the rated area.

*** Percentage of multifamily units is the number of multifamily housing units in a particular geography divided by number of multifamily housing units in the area based on 2000 Census information.

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES			Geography: NEW MEXICO						Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003						
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total*	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
Las Cruces MA	140	40.11	0.33	0.00	19.26	17.14	44.36	40.71	36.05	42.14	0.00	0.00	0.00	0.00	0.00
Limited Review:															
Lincoln County	128	36.68	0.00	0.00	0.00	0.00	29.73	33.59	70.27	66.41	0.00	0.00	0.00	0.00	0.00
Luna County	4	1.15	0.00	0.00	84.94	75.00	15.06	25.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Otero County	31	8.88	0.00	0.00	19.85	25.81	76.62	67.74	3.53	6.45	0.00	0.00	0.00	0.00	0.00
Sierra County	46	13.18	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

* Peer Small Business Data is not available.

** Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

*** Source Data - Dun and Bradstreet (2003).

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS		Geography: NEW MEXICO						Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003							
MA/Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
Las Cruces MA	14	43.75	0.00	0.00	40.13	7.14	27.96	57.14	31.91	35.71	0.00	0.00	0.00	0.00	0.00
Limited Review:															
Lincoln County	5	15.63	0.00	0.00	0.00	0.00	67.65	40.00	32.35	60.00	0.00	0.00	0.00	0.00	0.00
Luna County	5	15.63	0.00	0.00	98.39	100.00	1.61	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Otero County	1	3.13	0.00	0.00	5.88	0.00	91.18	100.00	2.94	0.00	0.00	0.00	0.00	0.00	0.00
Sierra County	7	21.88	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

* Peer Small Farm Data is not available.

** Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

*** Source Data - Dun and Bradstreet (2003).

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE			Geography: NEW MEXICO				Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003					Market Share*				
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Over all	Low	Mod	Mid	Upp	
	#	% of Total*	% Families**	% BANK Loans**	% Families**	% BANK Loans****	% Families**	% BANK Loans****	% Families**	% BANK Loans****						
Full Review:																
Las Cruces MA	83	50.00	23.12	1.20	16.27	12.05	18.83	31.33	41.78	55.42	0.00	0.00	0.00	0.00	0.00	
Limited Review:																
Lincoln County	19	11.45	15.33	10.53	15.13	21.05	19.59	5.26	49.95	63.16	0.00	0.00	0.00	0.00	0.00	
Luna County	12	7.23	32.75	0.00	21.27	25.00	17.23	25.00	28.76	50.00	0.00	0.00	0.00	0.00	0.00	
Otero County	28	16.87	19.34	15.79	16.58	0.00	22.07	26.32	42.01	57.89	0.00	0.00	0.00	0.00	0.00	
Sierra County	24	14.46	22.14	4.17	20.42	20.83	23.50	4.17	33.95	70.83	0.00	0.00	0.00	0.00	0.00	

* Peer Mortgage Data is not available.

** As a percentage of loans with borrower income information available. No information was available for 5.42% of loans originated and purchased by the bank.

*** Percentage of Families is based on the 2003 Census information.

**** Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT			Geography: NEW MEXICO				Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003					Market Share*				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Over all	Low	Mod	Mid	Upp	
	#	% of Total**	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****						
Full Review:																
Las Cruces MA	3	15.79	23.12	33.33	16.27	0.00	18.83	0.00	41.78	66.67	0.00	0.00	0.00	0.00	0.00	
Limited Review:																
Lincoln County	7	36.84	15.33	0.00	15.13	0.00	19.59	14.29	49.95	85.71	0.00	0.00	0.00	0.00	0.00	
Luna County	1	5.26	32.75	0.00	21.27	0.00	17.23	100.00	28.76	0.00	0.00	0.00	0.00	0.00	0.00	
Otero County	3	15.79	19.34	33.33	16.58	0.00	22.07	33.33	42.01	33.33	0.00	0.00	0.00	0.00	0.00	
Sierra County	5	26.32	22.14	40.00	20.42	0.00	23.50	0.00	33.95	60.00	0.00	0.00	0.00	0.00	0.00	

* Peer Mortgage Data is not available

** As a percentage of loans with borrower income information available. No information was available for 0.00% of loans originated and purchased by the bank.

*** Percentage of Families is based on the 2000 Census information.

**** Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE			Geography: NEW MEXICO				Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003									
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*					
	#	% of Total**	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	Over all	Low	Mod	Mid	Upp	
Full Review:																
Las Cruces MA	132	56.65	23.12	2.27	16.27	7.58	18.83	18.94	41.78	71.21	0.00	0.00	0.00	0.00	0.00	
Limited Review:																
Lincoln County	50	21.46	15.33	10.00	15.13	2.00	19.59	22.00	49.95	66.00	0.00	0.00	0.00	0.00	0.00	
Luna County	16	6.87	32.75	18.75	21.27	12.50	17.23	18.75	28.76	50.00	0.00	0.00	0.00	0.00	0.00	
Otero County	11	4.72	19.34	0.00	16.58	18.18	22.07	27.27	42.01	54.55	0.00	0.00	0.00	0.00	0.00	
Sierra County	24	10.30	22.14	8.33	20.42	12.50	23.50	20.83	33.95	58.33	0.00	0.00	0.00	0.00	0.00	

* Peer Mortgage Data is not available

** As a percentage of loans with borrower income information available. No information was available for 0.00% of loans originated and purchased by the bank.

*** Percentage of Families is based on the 2000 Census information.

**** Home mortgage refinance loans originated and purchased in the MA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: NEW MEXICO			Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003				
MA/Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share*	
	#	% of Total**	% of Businesses ***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev \$1 Million or Less
Full Review:									
Las Cruces MA	140	40.11	64.15	72.86	57.86	25.00	17.14	0.00	0.00
Limited Review:									
Lincoln County	128	36.68	70.12	78.91	82.03	10.16	7.81	0.00	0.00
Luna County	4	1.15	64.96	75.00	100.00	0.00	0.00	0.00	0.00
Otero County	31	8.88	67.70	83.87	80.65	9.68	9.68	0.00	0.00
Sierra County	46	13.18	65.28	80.43	80.43	6.52	13.04	0.00	0.00

* Peer Small Business Data is not available

** Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

*** Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2003).

**** Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 10.03% of small loans to businesses originated and purchased by the bank.

Table 12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS				Geography: NEW MEXICO		Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003			
MA/Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share*	
	#	% of Total**	% of Farms***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev \$1 Million or Less
Full Review:									
Las Cruces MA	14	43.75	77.30	64.29	35.71	21.43	42.86	0.00	0.00
Limited Review:									
Lincoln County	5	15.63	89.71	100.00	80.00	20.00	0.00	0.00	0.00
Luna County	5	15.63	80.65	80.00	60.00	0.00	40.00	0.00	0.00
Otero County	1	3.13	89.71	100.00	100.00	0.00	0.00	0.00	0.00
Sierra County	7	21.88	91.18	85.71	57.14	42.86	0.00	0.00	0.00

* Peer Small Farm Data is not available.

** Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

*** Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B 2003)

**** Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 9.38% of small loans to farms originated and purchased by the bank.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography: NEW MEXICO				Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003			
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
Las Cruces MA	0	0	0	0	0	0	0	0	0
Limited Review:									
Lincoln County	0	0	0	0	0	0	0	0	0
Luna County	0	0	0	0	0	0	0	0	0
Otero County	0	0	0	0	0	0	0	0	0
Sierra County	0	0	0	0	0	0	0	0	0
Statewide/Regional Investments	0	0	1	257	1	257	100.00	0	0

* 'Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.

** 'Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

Table 15. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS Geography: NEW MEXICO Evaluation Period: FEBRUARY 24, 1998 TO MAY 3, 2004																		
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population				
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography				
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp	
Full Review:																		
Las Cruces MA	35.10	3	30.00	0.00	0.00	33.33	66.67	0	0	0	0	0	0	1.59	32.86	35.36	30.20	
Limited Review:																		
Lincoln County	39.99	3	30.00	0.00	0.00	33.33	66.67	0	0	0	0	0	0	0.00	0.00	55.39	44.61	
Luna County	2.32	1	10.00	0.00	0.00	100.00	0.00	0	0	0	0	0	0	0.00	89.61	10.39	0.00	
Otero County	2.35	1	10.00	0.00	100.00	0.00	0.00	0	0	0	0	0	0	0.00	9.79	81.38	8.83	
Sierra County	20.24	2	20.00	0.00	0.00	100.00	0.00	0	0	0	0	0	0	0.00	0.00	100.00	0.00	

