

# LARGE BANK

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Comptroller of the Currency  
Administrator of National Banks

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Washington, DC 20219

**Public Disclosure**

**June 27, 2005**

Community Reinvestment Act  
**Performance Evaluation**

**MetroBank, National Association**  
**Charter Number: 21017**

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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 **Outstanding**.

The following table indicates the performance level of **MetroBank, National Association** (Metro) with respect to the Lending, Investment, and Service Tests:

Performance Levels	(Name of Depository Institution) Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding	X	X	X
High Satisfactory			
Low Satisfactory			
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:

- The geographic distribution of Metro’s home mortgage loans, small loans to businesses, and consumer loans was excellent and exceeds the characteristics of the AAs.
- The distribution of loans by income level of the borrower of home mortgage loans was good. The distribution of small loans to businesses with revenues of \$1 million or less was excellent and exceeds the characteristics of the AAs. And, the distribution of consumer loans to low- and moderate-income borrowers was excellent and exceeds the characteristics of the AAs.
- A significant majority of loans were originated within the assessment area.
- Metro originated a significant number and dollar amount of community development loans during the evaluation period. This had a positive impact on the Lending Test rating.
- The bank has an excellent level of qualified community development investments considering its resources and capacity.
- Delivery systems are easily accessible to small businesses and individuals of different income levels in the AAs.
- Community development services support Metro’s other community development efforts and address community needs.

## 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.

**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 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 statistical 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). Beginning in 2004, the reports also include additional data on loan pricing, the lien status of the collateral, any requests for preapproval and loans for manufactured housing.

**Home Mortgage Loans:** Such loans include home purchase, home improvement and refinancings, as defined in the HMDA regulation. These include loans for multifamily (five or more families) dwellings, manufactured housing and one-to-four family dwellings other than manufactured housing.

**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 metropolitan statistical area or metropolitan division, as defined by the Office of Management and Budget and any other area designated as such by the appropriate federal financial supervisory agency.

**Metropolitan Division:** As defined by Office of Management and Budget, a county or group of counties within a Metropolitan Statistical Area that contains a population of at least 2.5 million. A Metropolitan Division consists of one or more counties that represent an

employment center or centers, plus adjacent counties associated with the main county or counties through commuting ties.

**Metropolitan Statistical Area:** An area, defined by the Office of Management and Budget, as having at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties, plus adjacent outlying counties having a high degree of social and economic integration with the central county as measured through commuting.

**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.

**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

MetroBank, National Association (Metro), with its main office in Houston, Texas is wholly owned by MC Bancshares of Delaware, Inc., a one-bank holding company organized in 1998 with most of its assets invested in the bank. Metro is an intrastate bank with eleven branches within Texas. The bank does not have any operating subsidiaries that influence the capacity to lend or invest in the community. During the evaluation period, Metro was not involved in any merger or acquisition activity. No legal, financial, or other factors impede the bank's ability to help meet the credit needs in its Assessment Areas (AAs). At the last CRA examination dated May 13, 2002, Metro received an "Outstanding" rating.

As of March 31, 2005, Metro reported total assets of \$891 million, and a Tier 1 Capital ratio of 9.31 percent. The loan-to-deposit ratio was 78 percent. The percentage of total assets represented by net loans was approximately 65 percent. The loan portfolio consisted of 68 percent real estate loans, 31 percent commercial loans, and 1 percent consumer loans. The real estate loan portfolio consists of 81 percent commercial loans, 17 percent construction and development loans, and 2 percent 1-4 family and multifamily residential loans.

Metro continues as a strong participant in the SBA lending program and was honored as the 2003 Texas Lender of the Year. Metro is certified to work with the SBA in both the Preferred Lenders and SBAExpress programs. As an SBA preferred lender, Metro is consistently one of the top lenders in the Houston AA and competes with several much larger institutions. For the Federal Government's Fiscal Year End (FYE) September 30, 2002, Metro ranked second in loan dollars (\$24.5 million) and fourth in the number of loans (61) originated. In FYE 2003, Metro ranked eighth in loan dollars (\$12 million) and thirteenth in the number of loans (36) originated. For FYE 2004, Metro ranked fourteenth in loan dollars (\$10.1 million) and fourteenth in the number of loans (35) originated.

Metro has two AAs. The Houston AA includes the two counties of Harris and Fort Bend. Harris County has 649 census tracts (CTs), and Fort Bend County has 58 CTs. The Dallas AA includes the two counties of Dallas and Collin. Dallas County has 487 CTs, and Collin County has 85 CTs. The full-scope AA is Houston, and it is described in detail in the market profile section of this evaluation. As of June 30, 2004, approximately 87 percent of Metro's rated area deposits were in the Houston AA and 13 percent were in the Dallas AA. Similarly, 84 percent of the loans were in the Houston AA and 16 percent were in the Dallas AA.

The bank's deposit market share rank in the Houston AA is twenty-first with less than a 1 percent market share of 77 institutions. Local banking competition is intense and includes affiliates of large national banking companies, regional banks, numerous small community banks, credit unions, and non-bank financial service providers. The largest five competitors in this market include: JPMorgan Chase Bank, Bank of American, N. A., Wells Fargo Bank, N. A., Washington Mutual, F. A., and Bank One, N. A.

Metro's business strategy is to serve small and medium size businesses operated by the owners and the bank's consumer customers. Although a large percentage of the customer base is from Asian and Hispanic communities, Metro has a wide and diverse customer base. The primary business lines are commercial and industrial, commercial mortgage, construction, residential mortgage brokerage, and government-guaranteed small business lending. Loans to consumers include residential mortgages, residential construction loans, auto loans, and personal lines of credit. In addition to a diverse customer base, Metro has a diverse employee base as well. The bank's employees speak many different languages, and the bank offers services in English, Chinese, Spanish, Korean, and Vietnamese.

## **Scope of the Evaluation**

### **Evaluation Period/Products Evaluated**

This Performance Evaluation assesses Metro's performance under the Lending, Investment, and Service Tests. In evaluating the lending performance, we reviewed loans to small businesses, residential mortgage loans subject to filing under the Home Mortgage Disclosure Act (HMDA), and consumer loans. The evaluation period for the Lending Test for loans to small businesses, home mortgage loans, and consumer loans was January 1, 2002 through December 31, 2004. For community development (CD) loans and the Investment and Service Tests, the evaluation period was from May 13, 2002 through June 27, 2005. The Investment Test included a review of investments, donations, and grants originated in the AAs that met the definition of community development investments. The Service Test included a review of retail and community development services provided in the bank's AAs.

During this period, the U. S. Census Bureau and U. S. Department of Housing and Urban Development released the 2000 Census of the United States data. This changed demographic information of Metro's AAs as well as the nation. New census tracts were formed as old tracts changed boundaries, merged, split, or disappeared. For this reason, evaluation of the bank's performance is presented under the Lending Test in two parts. The first set of tables in the appendix to this evaluation reflect Metro's performance during January 1, 2002 through December 31, 2002 using 1990 U. S. Census information. The second set present performance during the two-year period January 1, 2003 through December 31, 2004 using 2000 U. S. Census data. Greater weight was given to the bank's performance compared to 2000 Census information since this performance more closely reflects the bank's current performance context.

### **Data Integrity**

Prior to this CRA examination, OCC personnel verified the accuracy of data available to the public in accordance with the HMDA and the CRA regulation. This public data included HMDA lending and small loans to businesses and farms. In addition, Metro's management submitted non-public consumer loan information for our review. We tested the accuracy of HMDA loans, small loans to businesses, and consumer loans. Our review of the bank's HMDA data did not identify any errors or inconsistencies. For CRA data, management had not reported renewals as allowed by the CRA regulation. Management added renewal information and resubmitted the corrected information. We did not find any errors in the consumer loan data. Based on the verification work performed, we considered lending data to be accurate.

## **Selection of Areas for Full-Scope Review**

Metro has two AAs. The Houston AA was selected for a full-scope review because most of the bank's loans and deposits are in the Houston AA. In addition, the Houston AA has the largest number of branches, and the bank has a long history of serving this market. We completed a limited-scope review in the Dallas AA. Please refer to the tables in Appendix A for additional information about the bank's lending.

## **Ratings**

The bank's overall rating was based primarily on the Houston AA that received a full-scope review. For the Lending Test, small loans to businesses were assigned the greatest weight since they were the bank's primary loan product. Consumer lending had the second highest weight because bank management requested a review of consumer lending and also because the number of consumer loans was significant. Home mortgage lending was assigned the least amount of weight. Although an offered product, the number of loans originated was low compared to small loans to businesses and consumer loans. Within the Houston AA, greater weight was assigned to loans in Harris County. Although the bank has a presence in Fort Bend County, it was much less than in Harris County. Also, Fort Bend County is a predominantly middle-income and upper-income county. The County only has four moderate-income CTs and one low-income CT according the 2000 Census. And, these five CTs are not close to the bank's branch. By contrast, Harris County has significantly more opportunity for lending in low- and moderate-income areas. Harris County has 63 low-income and 223 moderate-income CTs.

Small loans to farms were not a product of the bank, and none were originated during the evaluation period.

## **Other**

We completed community contacts with two organizations in the area in connection with this and other CRA examinations. A Chamber of Commerce leader stated commercial real estate and commercial loans were the greatest need in the area nearest to the bank's Bellaire Boulevard location. In the Houston AA overall, the leader stated residential real estate loans were the greatest need. A second Chamber of Commerce leader from Northwest Houston stated that industry was the greatest need in Northwest Houston.

During the examination, we spoke with the director of a charitable organization in North Houston who stated that affordable rental housing was a primary need in that area.

Two of the four identified needs are a part of the bank's primary business strategy. These are commercial real estate loans and commercial loans.

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

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

## LENDING TEST

### Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the lending test is rated "Outstanding". Based on full-scope reviews, the bank's performance in the Houston AA was excellent.

### Lending Activity

Refer to Tables 1 Lending Volume and 1 Other in appendix C for the facts and data used to evaluate the bank's lending activity.

Metro's lending activity demonstrated excellent responsiveness to the credit needs of its AA considering its size, resources, and primary focus on commercial lending.

In the Houston AA, approximately 50 percent of the total number of reported loans or 1,077 loans were originated to small businesses. For consumer loans, approximately 46 percent of the total number or 985 loans were originated to consumers. Home mortgage lending comprised the remainder at 4 percent of the total number of loans or 75 loans.

Metro did not have a significant deposit or loan market share among financial institutions in the AA. Metro had less than a 1 percent market share in both loans and deposits because of intense competition from many large financial institution competitors in the AA. In deposit market share, Metro was ranked fifteenth in 2002, sixteenth in 2003, and twentieth in 2004.

Metro's loan-to-deposit ratio has averaged 76 percent since the prior CRA evaluation dated May 13, 2002. This ratio was similar to a peer group ratio of similar size competitor banks.

### Distribution of Loans by Income Level of the Geography

The geographic distribution of Metro's home mortgage loans, small loans to businesses, and consumer loans is excellent.

#### *Home Mortgage Loans*

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

#### 2002

The percentage of home purchase loans in low-income CTs exceeded the percentage of owner occupied units in Harris County. The percentage of loans in moderate-income CTs was near to the percentage of owner occupied units in Harris County. The bank did not originate any home purchase loans in Fort Bend County.

The percentage of home improvement loans in both low-income and moderate-income CTs exceeded the percentage of owner occupied units in Harris County. The bank originated only one home improvement loan in Fort Bend County in a middle-income CT.

The bank did not originate any home mortgage refinance loans in Harris or Fort Bend County.

The percentage of multifamily loans in both low-income and moderate-income CTs exceeded the percentage of multifamily units in Harris County. The bank did not originate any multifamily loans in Fort Bend County.

### **2003**

The percentage of home purchase loans in low-income CTs was significantly lower than the percentage of owner occupied units in Harris County. The bank did not originate any loans in low-income CTs. The percentage of loans in moderate-income CTs exceeded the percentage of owner occupied units in Harris County. The bank did not originate any loans in low-income or moderate-income CTs in Fort Bend County. All loans originated in Fort Bend County were in upper-income CTs.

The percentage of home improvement loans in both low-income and moderate-income CTs exceeded the percentage of owner occupied units in Harris County. The bank did not originate any home improvement loans in Fort Bend County.

The bank originated only one home mortgage refinance loan. Therefore, an analysis would not be meaningful.

The percentage of multifamily loans in both low-income and moderate-income CTs exceeded the percentage of multifamily units in Harris County. The bank did not originate any multifamily loans in Fort Bend County.

### **2004**

The percentage of home purchase loans in both low-income and moderate-income CTs exceeded the percentage of owner occupied units in Harris County. The bank did not originate any home purchase loans in Fort Bend County.

The percentage of home improvement loans in both low-income and moderate-income CTs exceeded the percentage of owner occupied units. The bank did not originate any home improvement loans in Fort Bend County.

The bank originated only one home mortgage refinance loan. Therefore, an analysis would not be meaningful.

The bank did not originate any multifamily loans in Harris or Fort Bend County.

### ***Small Loans to Businesses***

Refer to Table 6 in appendix C for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

**2002**

The percentage of small loans to businesses exceeded the percentage of businesses located in both low-income and moderate-income CTs in Harris County. The bank did not originate any small loans to businesses in the low-income CT in Fort Bend County. The percentage of small loans to businesses exceeded the percentage of businesses located in moderate-income CTs in Fort Bend County.

**2003**

The percentage of small loans to businesses exceeded the percentage of businesses located in both low-income and moderate-income CTs in Harris County. The bank did not originate any small loans to businesses in the low-income CT in Fort Bend County. The percentage of small loans to businesses was somewhat lower than the percentage of businesses located in moderate-income CTs in Fort Bend County.

**2004**

The percentage of small loans to businesses exceeded the percentage of businesses located in both low-income and moderate income CTs in Harris County. The bank did not originate any small loans to businesses in the low-income CT in Fort Bend County. The percentage of small loans to businesses was somewhat lower than the percentage of businesses located in moderate-income CTs in Fort Bend County.

***Consumer Loans***

Refer to Table 13 in appendix C for the facts and data used to evaluate the geographic distribution of the bank's consumer loan originations and purchases.

**2002**

The percentage of consumer loans exceeded the percentage of households located in both low-income and moderate-income CTs in Harris County. The bank did not originate any consumer loans in the low- and moderate-income CTs in Fort Bend County.

**2003**

The percentage of consumer loans exceeded the percentage of households located in both low-income and moderate-income CTs in Harris County. The bank did not originate any consumer loans in the low- and moderate-income CTs in Fort Bend County.

**2004**

The percentage of consumer loans exceeded the percentage of households located in both low-income and moderate-income CTs in Harris County. The bank did not originate any consumer loans in the low- and moderate-income CTs in Fort Bend County.

## **Lending Gap Analysis**

Our evaluation of Metro's lending activity for home mortgage lending, small loans to businesses, and consumer lending did not identify any unexplained conspicuous gaps.

### ***Inside/Outside Ratio***

A substantial majority of the home mortgage loans, small loans to businesses, and consumer loans originated or purchased by Metro during the evaluation period were within its AAs. Approximately 92 percent of the home mortgage loans originated, and 84 percent of the small loans to businesses originated were within the bank's assessment area. For consumer loans, approximately 93 percent of the loans originated during the evaluation period were within the bank's AAs. This performance was positively factored into the overall analysis of the geographic distribution of lending.

### **Distribution of Loans by Income Level of the Borrower**

Metro's distribution of home mortgage loans to low- and moderate-income individuals was good. The distribution of small loans to businesses in the AA with revenues of \$1 million or less was excellent. And, Metro's distribution of consumer loans to low- and moderate-income borrowers was excellent.

### ***Home Mortgage Loans***

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

### **2002**

The percentage of home purchase loans to low-income borrowers was significantly lower than the percentage of low-income families in Harris County. The bank did not originate any home loans to low-income borrowers. The percentage of loans to moderate-income borrowers exceeded the percentage of moderate-income families in Harris County. The bank did not originate any home purchase loans in Fort Bend County.

The percentage of home improvement loans to both low-income and moderate-income borrowers exceeded the percentage of low- and moderate-income borrowers in Harris County. The bank did not originate any loans to low-income borrowers in Fort Bend County. The one loan originated was to a moderate-income borrower, and the origination exceeded the percentage of moderate-income borrowers in Fort Bend County.

The bank did not originate any home mortgage refinance loans.

### **2003**

The percentage of home purchase loans to both low-income and moderate-income borrowers was significantly lower than the percentage of low-income families in Harris and Fort Bend Counties. The bank did not originate any home loans to low-income or moderate-income borrowers.

The percentage of home improvement loans to low-income borrowers exceeded the percentage of low-income borrowers in Harris County. The bank did not originate any loans to moderate-income borrowers in Harris County. The bank did not originate any loans in Fort Bend County.

The bank originated only one home mortgage refinance loans, and an analysis would not be meaningful.

#### **2004**

The percentage of home purchase loans to low-income and moderate-income borrowers exceed the percentage of low- and moderate-income families in Harris County. The bank did not originate any home purchase loans in Fort Bend County.

The bank originated only two home improvement loans, and an analysis would not be meaningful.

The bank originated only one home mortgage refinance loan, and an analysis would not be meaningful.

#### ***Small Loans to Businesses***

Refer to Table 11 in appendix C for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

#### **2002**

The percentage of loans to businesses with revenues of \$1 million or less exceeded the percentage of businesses in the AA with revenues of \$1 million or less in both Harris and Fort Bend County. In terms of loan size, Metro originated 52 percent of its loans for \$100 thousand or less in both counties.

#### **2003**

The percentage of loans to businesses with revenues of \$1 million or less exceeded the percentage of businesses in the AA with revenues of \$1 million or less in Harris County. The percentage of loans to businesses with revenues of \$1 million or less was somewhat lower than the percentage of businesses in the AA with revenues of \$1 million or less in Fort Bend County. In terms of loans size, Metro originated 48 percent of its loans for \$100 thousand or less in Harris County and 65 percent in Fort Bend County.

#### **2004**

The percentage of loans to businesses with revenues of \$1 million or less exceeded the percentage of businesses in the AA with revenues of \$1 million or less in both Harris and Fort Bend County. In terms of loan size, Metro originated 45 percent of its loans at \$100 thousand or less in Harris County and 56 percent in Fort Bend County.

## **Consumer Loans**

Refer to Table 13 in appendix C for the facts and data used to evaluate the borrower distribution of the bank's consumer loan originations and purchases.

### **2002**

The percentage of consumer loans to low-income and moderate-income borrowers exceeded the percentage of low- and moderate-income households in Harris County. The percentage of consumer loans to low-income borrowers was lower than the percentage of low-income borrowers in Fort Bend County. The percentage of consumer loans to moderate-income borrowers exceeded the percentage of moderate-income borrowers in Fort Bend County.

### **2003**

The percentage of consumer loans to low-income and moderate-income borrowers exceeded the percentage of low- and moderate-income households in both Harris County and Fort Bend County.

### **2004**

The percentage of consumer loans to low-income and moderate-income borrowers exceeded the percentage of low- and moderate-income households in both Harris County and Fort Bend County.

## **Community Development Lending**

Refer to Table 1 Lending Volume in appendix C 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.

Metro's CD lending had a positive impact on Lending Test conclusions. Metro's level of CD lending was excellent and enhanced the overall excellent level of lending in the Houston AA.

During the evaluation period, Metro originated a total of 29 loans totaling \$16 million that clearly met the definition of a CD loan. Most of the loans helped to address the pressing credit needs of economic development and affordable housing. Community contacts indicated that commercial and commercial real estate loans, industry, and affordable housing were three credit needs that are part of the bank's lending strategy. Another need identified was residential real estate. The bank did originate a significant number of 1-4 family residential real estate loans. They were not a major loan product. However, Metro did originate a significant number of commercial and commercial real estate loans and loans to small business loans. The following is a sample of the more significant CD loans:

- Metro originated a \$2 million loan to a nonprofit social services agency for a center in a low-income census tract that offers programs for low- and moderate-income individuals including job training, an after school program, and a senior employment program.

- The bank originated a \$1.3 million loan to a nonprofit agency to purchase and renovate an office building. The agency offers programs for micro-enterprises, community empowerment, and affordable multifamily housing projects. It is located in an area designated as economically depressed with a low annual household income and a majority of students in the area schools receiving free or reduced school lunches.
- Metro originated two Small Business Administration 504 Community Development Corporation loans including a \$1.9 million loan for a restaurant and a \$2 million loan for a motel.
- The bank originated a \$1.5 million loan for a retail center in a moderate-income census tract. This will revitalize and stabilize the area and provide jobs for low- and moderate-income individuals.
- Metro originated a \$1.8 million loan to a non-profit hospitable that serves low- and moderate-income individuals that is located in a low-income census tract. The hospital's purpose is benevolent, charitable and educational, and not for financial gain.
- The bank originated loans for several affordable housing projects. The most notable is \$2 million loan for an apartment building with 188 units in a low-income census tract. In total including this apartment building, Metro originated eighteen loans for \$4.9 million in affordable housing properties during the evaluation period.

Although the loans did not meet all aspects of the definition of community development lending, Metro originated a significant number of loans to builders who offer newly constructed homes that could be considered affordable. To determine the builder loans in this category, Metro uses a formula based on the Housing Opportunities of Houston's maximum home price that would qualify for a grant based on the borrower's income and the assumption any construction loan that is 90 percent of that qualifying amount is affordable. In 2002, Metro originated 38 loans for a total of \$3.2 million to two builders. All of the loans originated were less than \$93 thousand in amount and were for homes in middle-income CTs. Lending in 2003 was similar. Metro originated 34 loans for a total of \$3.2 million to two builders. Two homes were in moderate-income CTs, and the remaining homes were in middle-income CTs. All of the loans originated were less than \$109 thousand in amount in 2003. In 2004, Metro originated 37 loans to three homebuilders in the amount of \$3.3 million. One home was in a low-income CT, and one home was in a moderate-income CT. The remaining homes were in middle-income CTs. All of the loans originated were less than \$101 thousand in amount.

## **Product Innovation and Flexibility**

During this evaluation period, Metro did not originate or participate in any new loan products or introduce any new flexible loan products. However as discussed earlier, Metro continued to significantly participate in SBA lending programs. In addition, Metro was the SBA's 2003 Texas Lender of the Year.

In addition to SBA lending, Metro continued to participate in the EXIM Bank Guaranteed loans and EXIM Bank Insured Transactions program. This program supports loans to create new jobs and output capacity for businesses involved in international trade. Metro had a delegated

authority of \$2 million to underwrite and approve EXIM guaranteed loans and notify EXIM afterwards. During 2002, Metro originated one \$1 million loan. During 2003, Metro had one loan origination of \$100 thousand under this program. Metro did not originate any EXIM guaranteed loans in 2004.

## **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the lending test in the Dallas AA was not inconsistent with the bank's overall "Outstanding" performance under the lending test. The bank's performance in the Dallas AA was weaker than its performance in the Houston AA, but not significantly. Especially in small loans to business lending, lending in Dallas County is similar to lending in Harris County, and lending in Fort Bend County is similar to lending in Collin County. Refer to Tables 1 through 13 in appendix C for the facts and data that support these conclusions.

## **INVESTMENT TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

The bank's performance is rated "Outstanding" for this evaluation period. The bank had a total of \$5.3 million in qualified investments. Given its financial capacity and considering the high level of community development loans, performance was excellent.

Refer to Table 14 in appendix C for the facts and data used to evaluate the bank's level of qualified investments.

Qualifying investments are investments, deposits, membership shares, or grants that have community development as their primary purpose. Although Metro's qualifying investments were not complex or innovative, all were beneficial to and met identified needs in Harris County, Dallas County, and the state of Texas. The two qualified investments are detailed below. Metro had investments in both funds at the prior CRA examination dated May 13, 2002. However, the first investment has been reallocated, and Metro purchased an additional \$1.7 million during the evaluation period. The second was a continuing investment.

The bank did not provide information on grants, donations, or in-kind contributions that qualified for community development purposes.

#### CRA Fund Advisors CRA Qualified Investment Fund

Metro had a \$4.3 million investment in this CRA mutual fund that had investments in the AAs allocated approximately equal between Houston and Dallas. The level of investment in this fund at the prior examination was \$2.1 million. Metro's current investment of \$4.3 million was allocated to two affordable multifamily apartments in Houston and to two affordable multifamily apartments in Dallas. Of the four apartment complexes, all fifty units in one apartment complex received Section 8 housing assistance. Two complexes received Low Income Housing Tax Credits from the Texas Department of Housing and Community Affairs with most of the apartments restricted to families with incomes at or below 60 percent of the area median family income. In addition, one of these two apartments has units that are restricted to families with incomes at or below 50 percent of the area median family income. The fourth apartment is qualified under the U. S. Government Affordable Housing Disposition Program. Under this

program, the units are restricted to low and very low-income families. The remaining amount in the fund not allocated to these apartment complexes is allocated to Targeted Mortgage Backed Securities on five single-family properties where the borrowers income is less than 80 percent of the median family income.

#### Access Capital Strategies Community Investment Fund, Inc. (ACSCIF)

ACSCIF is a non-diversified closed-end management company operating as a business development company. The Fund invests primarily in private placement debt securities specifically designed to support underlying community development activities targeted to low- and moderate-income individuals such as affordable housing, education, small business lending, and job-creating activities in areas of the United States designed by Fund investors. Investors in the Fund must designate a particular geographic area or region within the United States as part of their agreement to purchase Fund shares. The Fund invests only in areas where Fund shareholders have made targeted designations. At February 28, 2005, the Fund had \$21 million invested in Texas. Metro had a continuing \$1 million investment in this fund.

### **Conclusions for Area Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the investment test in the Dallas MA is not inconsistent with the bank's overall outstanding performance under the investment test. Investments in the Dallas AA were similar to the Houston AA. Refer to Table 14 in appendix C for the facts and data that support these conclusions.

### **SERVICE TEST**

The bank's performance under the Service Test is rated "Outstanding." Based on a full-scope review, the bank's performance in the Houston AA is excellent.

### **Retail Banking Services**

Refer to Table 15 in appendix C for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

We used 2000 Census information to assess the distribution of branch offices. The distribution of branches throughout the AA and accessibility to products and services was excellent. The bank's delivery systems were readily accessible to essentially all geographies and individuals of different income levels in the Houston AA. The branches were particularly accessible to individuals and businesses in low- and moderate-income census tracts. Metro operates 11 full-service branches in the Houston AA. Nine branches were located in Harris County, and two were located in Fort Bend County. The percentage of the bank's branches located in low- and moderate-income census tracts in Harris County exceeded the portion of the population located in these geographies. Approximately 33 percent of the bank's offices were located in low-income census tracts, compared to 8 percent of the population that resided in low-income CTs in Harris County according to 2000 Census information. Branches in Harris County located in moderate-income census tracts represented 33 percent of the number of branches compared to 34 percent of the population that resided in moderate-income CTs. In addition, all branches were located on primary roadways and were easily accessible from Houston's expansive freeway systems. The bank's two branches in Fort Bend County were located in a middle-income and an upper income census tract, but less than 9 percent of the population

resided in the one low-income CT and four moderate-income CTs. However, both branches were located on primary roadways and easily accessible to low- and moderate-income individuals.

Eleven automated teller machines (ATMs) supplemented the Houston AA delivery system and were located in the branches. As with the branches, the dispersion of the ATMs represented an excellent distribution across the AA, particularly in low- and moderate-income census tracts. All ATMs were available 24-hours a day and seven days a week. ATM services were available in English, Spanish, and Chinese. In addition to branches and ATMs, Metro offered Telebank. This was a telephone inquiry system, and it had options in five languages including English, Spanish, Chinese, Korean, and Vietnamese.

Products, services and hours of operation were tailored to the needs of each community. Metro's hours, services, and products offered did not vary in any way that inconvenienced any portions of the assessment area, particularly businesses and individuals in low- and moderate-income CTs. Banking hours were similar throughout the AA. Standard lobby hours were 9:00 AM to 4:00 PM Monday through Thursday and on Friday, 9:00 AM to 6:00 PM. Saturday hours were 9:00 AM to 1:00 PM. These hours were observed in six branches. Four of the bank's branches had Friday hours of operation ending at 5:30 PM with the same hours on Saturday as the other branches. The bank's Boone Branch had hours of 10:00 AM through 6:00 PM Monday through Friday. All branches had extended walk-up and/or drive-in hours.

A variety of deposit and loan products, and business services were available at all Metro branch locations. Several deposit products were responsive to the needs of low- or moderate-income individuals and small businesses. They provided basic low cost banking products throughout the AA thereby increasing financial service access to low- and moderate-income individuals and small businesses.

#### EZ Checking

This was a checking account targeted to those who have limited check-writing needs. There were no opening deposit requirements or service fees assessed on this account. Account holders received 10 free checks per cycle, unlimited ATM usage at all Metro ATM locations, and free 24-hour access to the bank's Telebank service.

#### Senior Citizens Checking

This was a checking account reserved for individuals who are 55 years of age or older. Similar to the EZ Checking account, there was no opening deposit requirement or monthly service fees assessed on this account. The account featured unlimited check writing privileges and free ATM usage at all Metro ATM locations, discounts on checks, free check imaging with the monthly statement, and free access to the bank's Telebank service.

#### Small Business Checking

This was an account for small to medium-size businesses with limited transactions. The account required a \$100 opening deposit. Account holders were not assessed the monthly service fee if a daily ledger balance of \$2,500 was maintained. Free check imaging with the monthly statement was available as well as free access to the bank's Telebank service.

### Smart Choice Installment Savings Plan

This was an installment savings program offering premium interest. The product allowed customers to collect a lump sum contract amount at the end of a specified term by making fixed monthly payments during the term. Metro offered an auto debit service to help customers set aside the monthly savings amount.

### **Community Development Services**

Metro provided a good level of community development services in the Houston AA, and they had a positive impact on the Service Test rating. In 2004, the bank held seminars on home buying, international trade finance, patent laws, and health issues. The bank's chairman attended community functions representing the bank's diversity. In 2003, Metro participated with the Hispanic Women in Leadership organization in raising more than \$40 thousand in scholarships, sponsored an awards dinner for the Houston Minority Business Council, and hosted several investment seminars on retirement and college savings planning. Also, the bank conducted a comprehensive SBA loan seminar in Dallas and an SBA Export program seminar in Houston.

The bank actively brokered home mortgage loans. During 2002, Metro brokered 179 mortgage loans totaling \$24 million. Of the total, 42 percent were considered to be for affordable housing. In 2003, Metro brokered 120 mortgage loans totaling \$21.9 million with 51 loans or 43 percent of these loans considered to be for affordable housing. Activity in 2004 was similar. Metro brokered 61 mortgage loans totaling \$9.7 million in 2004. Of the total, 44 percent were considered to be for affordable housing.

Metro established a Small Business Loan Center in 2004 to streamline the approval, closing, and monitoring of commercial loan requests of \$250 thousand and less. In 2004, Metro processed 255 loan applications through the Small Business Loan Center. Of these 255 loan applications, 160 loans were approved and closed in 2004. This was a total of \$28.5 million and an average loan size of \$111 thousand.

### **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on a limited-scope review, the bank's performance under the Service Test in the Dallas AA is not inconsistent with the bank's overall "Outstanding" performance under the Service Test. Although performance is weaker in the Dallas AA, it is reasonable considering the majority of the bank's loans and deposits are in the Houston AA. One Dallas branch is located in a moderate-income CT. The other branch is located in a middle-income census tract, but it is easily accessible to low- and moderate-income individuals. The bank does not have any branches in Collin County, but this is not inconsistent with Metro's overall performance. Collin County has predominantly middle and upper income residents with only about 3 percent of the residents being moderate-income. One branch in Garland, Texas was closed in 2004. This branch was located in a middle-income CT. Closure did not adversely affect low- or moderate-income individuals. Refer to Table 15 in appendix C for the facts and data that support these conclusions.

## Appendix A: Scope of Examination

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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”).

<b>Time Period Reviewed</b>	Lending Test (excludes CD Loans): (01/01/02 to 12/31/04) Investment and Service Tests and CD Loans: (05/13/02 to 06/27/05)	
<b>Financial Institution</b>	<b>Products Reviewed</b>	
MetroBank, National Association (Metro) Houston, Texas	Home Mortgage Loans, Small Loans to Businesses, and Consumer Loans	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
None		
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
Houston AA # 26420 Dallas AA # 19124	Full-Scope Limited-Scope	

## Appendix B: Market Profiles for Full-Scope Areas

Census information from 1990 for the Houston AA of Harris County is presented in Table 1, and Fort Bend County is presented in Table 2 below. Census information from 1990 was used to analyze 2002 information.

Census information from 2000 is presented in Table 3 for Harris County and Table 4 for Fort Bend County based on information as of 2004. Although 2003 information differs slightly from 2004 information, the 2000 Census information and HUD information updated through 2004 is the most current and therefore most relevant to our analysis of Metro’s performance. Differences between 2003 and 2004 information are not significant. They are mostly slight percentage changes in the distribution of demographic characteristics. The comparison of 2003 and 2004 Metro performance information to the 2000 Census information had more impact on our final ratings decision.

Appendix C: Tables of Performance Data follows this appendix B information. The first set of 15 tables is performance information from 2002 compared to the 1990 Census. The second set of 15 tables in Appendix C is performance information from 2003 and 2004 compared to the 2000 Census information. Metro’s 2003 information is compared to Census and HUD information for 2003, and Metro’s 2004 information is compared to updated Census and HUD information for 2004 for home mortgage and consumer lending. Loans to small businesses are compared to Dun and Bradstreet information for the two years.

### Houston AA (1990 Census) Table 1

Demographic Information for Full-Scope Area: Harris County (1990 Census)						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	582	12.54	30.76	29.04	25.26	2.40
Population by Geography	2,818,199	9.07	28.71	32.36	29.86	0.00
Owner-Occupied Housing by Geography	533,891	5.76	22.64	32.26	39.34	0.00
Businesses by Geography	235,410	5.94	25.11	29.88	38.80	0.27
Farms by Geography	3,024	3.84	19.38	35.45	41.30	0.03
Family Distribution by Income Level	708,831	23.16	16.84	20.14	39.86	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	283,494	15.91	40.97	30.21	12.91	0.00
Median Family Income	= \$36,886			Median Housing Value	= \$74,444	
HUD Adjusted Median Family Income for 2002	= \$59,600			Unemployment Rate	= 3.52%	
Households Below the Poverty Level	= 13.40%					

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

### Houston AA (1990 Census) Table 2

Demographic Information for Full-Scope Area: Fort Bend County (1990 Census)						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	49	2.04	8.16	42.86	46.94	0.00
Population by Geography	225,421	1.28	5.69	40.34	52.69	0.00
Owner-Occupied Housing by Geography	53,115	0.75	3.36	38.57	57.32	0.00
Businesses by Geography	21,746	1.47	3.48	35.45	59.60	0.00
Farms by Geography	587	0.17	3.75	46.51	49.57	0.00
Family Distribution by Income Level	59,435	12.87	12.74	21.66	52.73	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	15,220	3.07	12.33	50.53	34.07	0.00
Median Family Income HUD Adjusted Median Family Income for 2002 Households Below the Poverty Level	= \$36,886 = \$59,600 = 13.40%				Median Housing Value = \$74,444 Unemployment Rate = 3.52%	

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

### Houston AA (2000 Census) Table 3

Demographic Information for Full-Scope Area: Harris County (2000 Census)						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	649	9.71	34.36	27.43	27.43	1.07
Population by Geography	3,400,578	8.24	33.98	29.11	28.60	0.07
Owner-Occupied Housing by Geography	667,129	3.94	25.93	30.45	39.68	0.00
Businesses by Geography	253,077	5.98	28.35	25.73	39.63	0.31
Farms by Geography	3,820	3.51	22.04	34.53	39.84	0.08
Family Distribution by Income Level	840,630	24.35	17.94	18.71	39.00	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	355,563	14.05	47.32	26.62	12.01	0.00
Median Family Income HUD Adjusted Median Family Income for 2004 Households Below the Poverty Level	= \$51,431 = \$59,400 = 12.27%				Median Housing Value = \$98,599 Unemployment Rate = 3.00%	

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2000 U.S. Census, and 2004 HUD updated MFI.

**Houston AA (2000 Census) Table 4**

Demographic Information for Full-Scope Area: Fort Bend County (2000 Census)						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	58	1.72	6.90	36.21	55.17	0.00
Population by Geography	354,452	1.00	7.63	31.29	60.08	0.00
Owner-Occupied Housing by Geography	89,628	0.48	5.07	29.62	64.83	0.00
Businesses by Geography	24,069	1.21	4.91	28.30	65.58	0.00
Farms by Geography	708	0.56	4.52	36.44	58.48	0.00
Family Distribution by Income Level	93,808	12.36	12.83	17.98	56.83	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	23,627	2.45	15.26	43.35	38.94	0.00
Median Family Income = \$51,431			Median Housing Value = \$98,599			
HUD Adjusted Median Family Income for 2004 = \$59,400			Unemployment Rate = 3.00%			
Households Below the Poverty Level = 12.27%						

(\*) The NA category consists of geographies that have not been assigned an income classification.  
 Source: 2000 U.S. Census, and 2004 HUD updated MFI.

Our evaluation period was from January 1, 2002 through June 27, 2005. The bank’s AA includes all of Harris County and Fort Bend County in the Houston AA and all of Dallas County and Collin County in the Dallas AA. The Houston AA includes 649 census tracts in Harris County and 58 census tracts in Fort Bend County. Both counties are part of the Houston MSA. In Harris County, 63 CTs are low-income, 223 CTs are moderate-income, 178 are middle-income, and 178 are upper-income. Seven CTs in Harris County do not have an income designation and are not applicable. In Fort Bend County, only 1 CT is low-income, 4 are moderate-income, 21 are middle-income, and 32 are upper-income.

Harris County is the third largest county in the United States with a population of over 3.6 million residents. Relatively large, it covers 1,788 square miles. Houston is the largest city in the county, the county seat, and the fourth largest city in the United States. Houston has the largest medical center in the world, the Texas Medical Center. The Center’s economic impact is more than \$10 billion annually, and it has approximately 52 thousand employees. About 4.8 million patients are treated at the Texas Medical Center annually. Also, eighteen Fortune 500 companies and more than 5 thousand energy related firms are located in the city considered by many to be the “Energy Capital” of the world.

Fort Bend County is adjacent to southwest Harris County, and it is one of the most affluent and fastest growing areas in the Houston MA. The county had approximately 413 thousand residents in 2003 with projections for 2020 doubling that amount. The county encompasses 879 square miles. Sugar Land is the largest city, and it is so close to Houston that it could be considered a suburb. Agriculture, petrochemicals, and technology industries are the major industries in Fort Bend County.

A review of local government programs and community contacts in the Houston AA identified a high level of opportunities for participation in community development activities. There are numerous public agencies and community organizations actively working toward community development. In addition, this review revealed banks in the Houston area have been responsive to the opportunities in Houston.

## Appendix C: Tables of Performance Data

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### Content of Standardized 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: (1) 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; (2) Partially geocoded loans (loans where no census tract is provided) cannot be broken down by income geographies and, therefore, are only reflected in the Total Loans in Core Tables 2 through 7 and part of Table 13; and (3) Partially geocoded loans are included in the Total Loans and % Bank Loans Column in Core Tables 8 through 12 and part of Table 13. Tables without data are not included in this PE. [Note: Do not renumber the tables.]

The following is a listing and brief description of the tables:

- 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 in the MA/Assessment Area column and record the corresponding numbers and amounts in the “Community Development Loans” column with the appropriate caption, such as: “Statewide/Regional,” “Statewide/Regional with potential benefit to one or more AAs” or “Out of Assessment Area.” “Out of Assessment Area” is used ONLY if the bank has otherwise adequately met the CD lending needs of its assessment area.
- Table 1. Other Products** - Presents the number and dollar amount of any unreported category of loans originated and purchased by the bank 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 in the MA/Assessment Area column and record the corresponding numbers and amounts in the "Qualified Investments" column with the appropriate caption, such as: "Statewide/Regional," "Statewide/Regional with potential benefit to one or more AAs" or "Out of Assessment Area." "Out of the Assessment Area" is used ONLY if the bank has otherwise adequately met the qualified investment needs of its assessment area.

**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.

**Table 1. Lending Volume (1990 Census)**

LENDING VOLUME												
Geography: METRO 2002 Evaluation Period: JANUARY 1, 2002 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)	
<b>Full Review: Houston AA</b>												
Harris County	81.36	37	5,970	347	67,016	0	0	8	4,651	392	77,637	79.57
Fort Bend County	4.24	1	24	19	3,697	0	0	0	0	20	3,721	7.71
<b>Limited Review: Dallas AA</b>												
Dallas County	12.50	1	49	58	13,213	0	0	0	0	59	13,262	12.72
Collin County	1.90	0	0	9	2,547	0	0	0	0	9	2,547	0.00

\* 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 May 13, 2002 to December 31, 2002 for 1990 Census data.  
 \*\*\* Deposit Data as of June 30, 2002. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

**Table 1. Other Products (1990 Census)**

LENDING VOLUME		Geography: METRO 2002						Evaluation Period: January 1, 2002 to December 31, 2002						
MA/Assessment Area:	% of Rated Area Loans (#) in MA/AA	Total Optional Loans**		Small Business Real Estate Secured**		Home Equity**		Motor Vehicle**		Credit Card**		Other Secured Consumer**		% of Rated Area Deposits in AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
<b>Full Review: Houston AA</b>														
Harris County	81.65	307	5,942	2	370	0	0	123	2,178	0	0	122	3,095	79.57
Fort Bend County	9.31	35	926	1	39	0	0	12	227	0	0	16	540	7.71
<b>Limited Review: Dallas AA</b>														
Dallas County	6.91	26	328	0	0	0	0	15	225	0	0	10	73	12.72
Collin County	2.13	8	157	0	0	0	0	4	66	0	0	3	71	0.00

\* Loan Data as of December 31, 2002. Rated area refers to either the state or multi-state MA rating area.  
 \*\* The evaluation period for Optional Product Line(s) is From January 1, 2002 to December 31, 2002 for 1990 Census data.  
 \*\*\* Deposit Data as of June 30, 2002. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

**Table 1. Other Products (1990 Census)**

LENDING VOLUME					Geography: METRO 2002		Evaluation Period: January 1, 2002 to December 31, 2002	
MA/Assessment Area:	Other Unsecured Consumer Loans			Other Optional Loans*				
	#	\$ (000's)		#	\$ (000's)			
<b>Full Review: Houston AA</b>								
Harris County	60	299		0	0			
Fort Bend County	6	120		0	0			
<b>Limited Review: Dallas AA</b>								
Dallas County	1	30		0	0			
Collin County	1	20		0	0			

\*The evaluation period for Optional Product Line(s) is from January 1, 2002 to December 31, 2002.

**Table 2. Geographic Distribution of Home Purchase Loans (1990 Census)**

Geographic Distribution: HOME PURCHASE			Geography: METRO 2002				Evaluation Period: January 31, 2002 to December 31, 2002					Market Share (%) by Geography				
MA/Assessment Area:	Total Home Purchase 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						
<b>Full Review: Houston AA</b>																
Harris County	11	91.67	5.76	18.18	22.64	18.18	32.26	36.36	39.34	27.28	0.00	0.00	0.00	0.00	0.00	
Fort Bend County	0	0.00	0.75	0.00	3.36	0.00	38.57	0.00	57.32	0.00	0.00	0.00	0.00	0.00	0.00	
<b>Limited Review: Dallas AA</b>																
Dallas County	1	8.33	5.12	0.00	21.28	0.00	40.11	0.00	33.49	100.00	0.00	0.00	0.00	0.00	0.00	
Collin County	0	0.00	0.00	0.00	7.50	0.00	24.89	0.00	67.61	0.00	0.00	0.00	0.00	0.00	0.00	

\* Based on 2002 Peer Mortgage Data: SW 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 (1990 Census)**

Geographic Distribution: HOME IMPROVEMENT												Geography: METRO 2002			Evaluation Period: January 1, 2002 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				
<b>Full Review: Houston AA</b>																			
Harris County	19	95.00	5.76	31.58	22.64	47.37	32.26	21.05	39.34	0.00	0.00	0.00	0.00	0.00	0.00				
Fort Bend County	1	5.00	0.75	0.00	3.36	0.00	38.57	100.00	57.32	0.00	0.00	0.00	0.00	0.00	0.00				
<b>Limited Review: Dallas AA</b>																			
Dallas County	0	0.00	5.12	0.00	21.28	0.00	40.11	0.00	33.49	0.00	0.00	0.00	0.00	0.00	0.00				
Collin County	0	0.00	0.00	0.00	7.50	0.00	24.89	0.00	67.61	0.00	0.00	0.00	0.00	0.00	0.00				

\* Based on 2002 Peer Mortgage Data: SW 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 (1990 Census)**

Geographic Distribution: HOME MORTGAGE REFINANCE												Geography: METRO 2002			Evaluation Period: January 1, 2002 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				
<b>Full Review: Houston AA</b>																			
Harris County	0	0.00	5.76	0.00	22.64	0.00	32.26	0.00	39.34	0.00	0.00	0.00	0.00	0.00	0.00				
Fort Bend County	0	0.00	0.75	0.00	3.36	0.00	38.57	0.00	57.32	0.00	0.00	0.00	0.00	0.00	0.00				
<b>Limited Review: Dallas AA</b>																			
Dallas County	0	0.00	5.12	0.00	21.28	0.00	40.11	0.00	33.49	0.00	0.00	0.00	0.00	0.00	0.00				
Collin County	0	0.00	0.00	0.00	7.50	0.00	24.89	0.00	67.61	0.00	0.00	0.00	0.00	0.00	0.00				

\* Based on 2002 Peer Mortgage Data: SW 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 (1990 Census)**

Geographic Distribution: MULTIFAMILY			Geography: METRO 2002				Evaluation Period: January 1, 2002 to December 31, 2002					Market Share (%) by Geography				
MA/Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Over all	Low	Mod	Mid	Upp	
	#	% of Total**	% of MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans						
<b>Full Review: Houston AA</b>																
Harris County	7	100.0	10.14	42.86	34.65	57.14	32.55	0.00	22.66	0.00	0.00	0.00	0.00	0.00	0.00	
Fort Bend County	0	0.00	0.72	0.00	26.64	0.00	23.21	0.00	49.43	0.00	0.00	0.00	0.00	0.00	0.00	
<b>Limited Review: Dallas AA</b>																
Dallas County	0	0.00	14.66	0.00	32.49	0.00	39.17	0.00	13.68	0.00	0.00	0.00	0.00	0.00	0.00	
Collin County	0	0.00	0.00	0.00	9.85	0.00	8.68	0.00	81.47	0.00	0.00	0.00	0.00	0.00	0.00	

\* Based on 2002 Peer Mortgage Data: SW 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 (1990 Census)**

Geographic Distribution: SMALL LOANS TO BUSINESSES												Geography: METRO 2002		Evaluation Period: January 1, 2002 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
<b>Full Review: Houston AA</b>																
Harris County	346	80.47	5.94	12.43	25.11	38.15	29.88	28.32	38.80	21.10	0.00	0.00	0.00	0.00	0.00	
Fort Bend County	19	4.42	1.47	0.00	3.48	5.26	35.45	42.11	59.61	52.63	0.00	0.00	0.00	0.00	0.00	
<b>Limited Review: Dallas AA</b>																
Dallas County	56	13.02	5.61	10.71	25.40	42.86	34.24	21.43	32.06	25.00	0.00	0.00	0.00	0.00	0.00	
Collin County	9	2.09	0.00	0.00	13.15	0.00	16.95	0.00	69.76	100.00	0.00	0.00	0.00	0.00	0.00	

\* 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 (1990 Census)**

Geographic Distribution: SMALL LOANS TO FARMS												Geography: METRO 2002		Evaluation Period: January 1, 2002 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	Overall	Low	Mod	Mid	Upp		
<b>Full Review: Houston AA</b>																	
Harris County	0	0.00	3.84	0.00	19.38	0.00	35.45	0.00	41.30	0.00	0.00	0.00	0.00	0.00	0.00		
Fort Bend County	0	0.00	0.17	0.00	3.75	0.00	46.51	0.00	49.57	0.00	0.00	0.00	0.00	0.00	0.00		
<b>Limited Review: Dallas AA</b>																	
Dallas County	0	0.00	4.57	0.00	21.75	0.00	39.98	0.00	33.03	0.00	0.00	0.00	0.00	0.00	0.00		
Collin County	0	0.00	0.00	0.00	12.48	0.00	32.44	0.00	54.59	0.00	0.00	0.00	0.00	0.00	0.00		

\* 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 (1990 Census)**

Borrower Distribution: HOME PURCHASE			Geography: METRO 2002				Evaluation Period: January 1, 2002 to December 31, 2002					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****						
<b>Full Review: Houston AA</b>																
Harris County	11	91.67	23.16	0.00	16.84	22.22	20.14	11.11	39.86	66.67	0.00	0.00	0.00	0.00	0.00	
Fort Bend County	0	0.00	12.87	0.00	12.74	0.00	21.66	0.00	52.73	0.00	0.00	0.00	0.00	0.00	0.00	
<b>Limited Review: Dallas AA</b>																
Dallas County	1	8.33	22.22	0.00	18.57	0.00	21.94	100.00	37.27	0.00	0.00	0.00	0.00	0.00	0.00	
Collin County	0	0.00	9.89	0.00	12.13	0.00	19.48	0.00	58.50	0.00	0.00	0.00	0.00	0.00	0.00	

\* Based on 2002 Peer Mortgage Data: SW Region.

\*\* As a percentage of loans with borrower income information available. No information was available for 16.7% 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 (1990 Census)**

Borrower Distribution: HOME IMPROVEMENT			Geography: METRO 2002				Evaluation Period: January 1, 2002 to December 31, 2002					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****						
<b>Full Review: Houston AA</b>																
Harris County	19	95.00	23.16	57.89	16.84	31.58	20.14	5.28	39.86	5.25	0.00	0.00	0.00	0.00	0.00	
Fort Bend County	1	5.00	12.87	0.00	12.74	100.00	21.66	0.00	52.73	0.00	0.00	0.00	0.00	0.00	0.00	
<b>Limited Review: Dallas AA</b>																
Dallas County	0	0.00	22.22	0.00	18.57	0.00	21.94	0.00	37.27	0.00	0.00	0.00	0.00	0.00	0.00	
Collin County	0	0.00	9.89	0.00	12.13	0.00	19.48	0.00	58.50	0.00	0.00	0.00	0.00	0.00	0.00	

\* Based on 2002 Peer Mortgage Data: SW Region.

\*\* As a percentage of loans with borrower income information available. No information was available for 0.0% 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 (1990 Census)**

Borrower Distribution: HOME MORTGAGE REFINANCE												Geography: METRO 2002					Evaluation Period: January 1, 2002 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						
<b>Full Review: Houston AA</b>																					
Harris County	0	0.00	23.16	0.00	16.84	0.00	20.14	0.00	39.86	0.00	0.00	0.00	0.00	0.00	0.00						
Fort Bend County	0	0.00	12.87	0.00	12.74	0.00	21.66	0.00	52.73	0.00	0.00	0.00	0.00	0.00	0.00						
<b>Limited Review: Dallas AA</b>																					
Dallas County	0	0.00	22.22	0.00	18.57	0.00	21.94	0.00	37.27	0.00	0.00	0.00	0.00	0.00	0.00						
Collin County	0	0.00	9.89	0.00	12.13	0.00	19.48	0.00	58.50	0.00	0.00	0.00	0.00	0.00	0.00						

\* Based on 2002 Peer Mortgage Data: SW Region.

\*\* As a percentage of loans with borrower income information available. No information was available for 0.0% 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 (1990 Census)**

Borrower Distribution: SMALL LOANS TO BUSINESSES					Geography: METRO 2002		Evaluation Period: January 1, 2002 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	
<b>Full Review: Houston AA</b>										
Harris County	347	80.14	66.68	78.10	52.45	23.92	23.63	0.00	0.00	
Fort Bend County	19	4.39	66.45	73.68	52.63	15.79	31.58	0.00	0.00	
<b>Limited Review: Dallas AA</b>										
Dallas County	58	13.39	65.75	77.59	48.28	24.14	27.58	0.00	0.00	
Collin County	9	2.08	65.39	88.89	33.33	11.11	55.56	0.00	0.00	

\* 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 1.62% of small loans to businesses originated and purchased by the Bank.

**Table 12. Borrower Distribution of Small Loans to Farms (1990 Census)**

Borrower Distribution: SMALL LOANS TO FARMS		Geography: METRO 2002			Evaluation Period: January 1, 2002 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
<b>Full Review: Houston AA</b>									
Harris County	0	0.00	91.01	0.00	0.00	0.00	0.00	0.00	0.00
Fort Bend County	0	0.00	92.50	0.00	0.00	0.00	0.00	0.00	0.00
<b>Limited Review: Dallas AA</b>									
Dallas County	0	0.00	91.00	0.00	0.00	0.00	0.00	0.00	0.00
Collin County	0	0.00	90.82	0.00	0.00	0.00	0.00	0.00	0.00

\* 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 0.00% of small loans to farms originated and purchased by Bank.

**Table 13. Geographic and Borrower Distribution of Consumer Loans (Institution's Option) (1990 Census)**

Geographic and Borrower Distribution: CONSUMER LOANS																			Geography: METRO 2002				Evaluation Period: January 1, 2002 to December 31, 2002			
MA/Assessment Area:	Geographic Distribution										Borrower Distribution															
	Total Consumer Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers									
	#	% of Total*	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans								
<b>Full Review: Houston AA</b>																										
Harris County	305	81.77	8.53	13.44	27.45	35.41	32.74	31.48	31.28	19.67	23.92	32.79	16.62	17.05	19.31	11.80	40.15	19.34								
Ft. Bend County	34	9.12	1.10	0.00	5.41	0.00	39.26	17.65	54.23	82.35	13.41	2.94	10.74	20.59	18.04	20.59	57.81	47.06								
<b>Limited Review: Dallas AA</b>																										
Dallas County	26	6.97	8.83	0.00	26.26	11.54	39.91	34.62	25.00	53.84	22.63	30.77	17.92	30.77	20.58	15.38	38.87	11.54								
Collin County	8	2.14	0.00	0.00	9.54	0.00	23.13	0.00	67.33	100.0	11.97	12.50	12.04	12.50	17.34	12.50	58.65	37.50								

\* Consumer loans originated and purchased in the MA/AA as a percentage of all consumer loans originated and purchased in the rated area.

\*\* Percentage of Households is based on the 1990 Census Information.

**Table 14. Qualified Investments (1990 Census)**

QUALIFIED INVESTMENTS		Geography: METRO 2002				Evaluation Period: January 1, 2002 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)
<b>Full Review: Houston AA</b>									
Harris County	3	4,211	0	0	3	4,211	100.00		
Fort Bend County	0	0	0	0	0		100.00		
<b>Limited Review: Dallas AA</b>									
Dallas County	0	0	0	0	0	0	100.00		
Collin County	0	0	0	0	0	0	100.00		

\* '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 1. Lending Volume (2000 Census)**

LENDING VOLUME												
Geography: METRO 2003 AND 2004						Evaluation Period: January 1, 2003 to December 31, 2004						
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)	
<b>Full Review: Houston AA</b>												
Harris County 2003	70.55	24	4,040	285	61,149	0	0	13	7,167	322	72,356	78.85
Fort Bend County 2003	9.82	6	2,546	37	5,756	0	0	0	0	43	8,302	7.94
Harris County 2004	76.76	7	1,685	353	74,662	0	0	6	3,864	366	80,211	78.79
Fort Bend County 2004	7.68	0	0	36	6,607	0	0	0	0	36	6,607	8.30
<b>Limited Review: Dallas AA</b>												
Dallas County 2003	16.89	4	1,259	70	14,532	0	0	2	335	76	16,126	13.21
Collin County 2003	2.74	0	0	12	2,553	0	0	0	0	12	2,553	0.00
Dallas County 2004	12.58	0	0	59	11,418	0	0	0	0	59	11,418	12.91
Collin County 2004	2.98	0	0	14	3,198	0	0	0	0	14	3,198	0.00

\* Loan Data as of December 31, 2003 and December 31, 2004. Rated area refers to either the state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is January 1, 2003 to June 27, 2005.

\*\*\* Deposit Data as of June 30, 2003 and June 30, 2004. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

**Table 1. Other Products (2000 Census)**

LENDING VOLUME		Geography: METRO 2003 AND 2004								Evaluation Period: January 1, 2003 to December 31, 2004				
MA/Assessment Area:	% of Rated Area Loans (#) in MA/AA	Total Optional Loans**		Small Business Real Estate Secured**		Home Equity**		Motor Vehicle**		Credit Card**		Other Secured Consumer**		% of Rated Area Deposits in AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
<b>Full Review: Houston AA</b>														
Harris County 2003	82.06	279	4,754	5	463	0	0	106	1,981	0	0	109	2,034	78.85
Fort Bend County 2003	11.76	40	956	0	0	0	0	17	346	0	0	15	548	7.94
Harris County 2004	85.01	295	10,581	1	128	0	0	107	7,946	0	0	125	2,247	78.79
Fort Bend County 2004	10.95	38	645	0	0	0	0	17	466	0	0	8	75	8.30
<b>Limited Review: Dallas AA</b>														
Dallas County 2003	4.12	14	256	0	0	0	0	6	168	0	0	6	77	13.21
Collin County 2003	2.06	7	90	0	0	0	0	4	64	0	0	2	11	0.00
Dallas County 2004	3.17	11	753	1	500	0	0	4	90	0	0	4	121	12.91
Collin County 2004	0.87	3	47	0	0	0	0	3	47	0	0	0	0	0.00

\* Loan Data as of December 31, 2003 and December 31, 2004. Rated area refers to either the state or multi-state MA rating area.

\*\* The evaluation period for Optional Product Line(s) is From January 1, 2003 to December 31, 2004.

\*\*\* Deposit Data as of June 30, 2003 and June 30, 2004. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

**Table 1. Other Products (2000 Census)**

LENDING VOLUME		Geography: METRO 2003 AND 2004		Evaluation Period: January 1, 2003 to December 31, 2004	
MA/Assessment Area:	Other Unsecured Consumer Loans		Other Optional Loans*		
	#	\$ (000's)	#	\$ (000's)	
<b>Full Review: Houston AA</b>					
Harris County 2003	59	276	0	0	0
Fort Bend County 2003	8	62	0	0	0
Harris County 2004	62	260	0	0	0
Fort Bend County 2004	13	104	0	0	0
<b>Limited Review: Dallas AA</b>					
Dallas County 2003	2	11	0	0	0
Collin County 2003	1	15	0	0	0
Dallas County 2004	2	42	0	0	0
Collin County 2004	0	0	0	0	0

\*The evaluation period for Optional Product Line(s) is from January 1, 2003 to December 31, 2004.

**Table 2. Geographic Distribution of Home Purchase Loans (2000 Census)**

Geographic Distribution: HOME PURCHASE		Geography: METRO 2003 AND 2004						Evaluation Period: January 1, 2003 to December 31, 2004							
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
<b>Full Review: Houston AA</b>															
Harris County 2003	6	50.00	3.87	0.00	25.73	33.34	30.52	33.33	39.88	33.33	0.00	0.00	0.00	0.00	0.00
Fort Bend County 2003	6	50.00	0.48	0.00	5.07	0.00	29.62	0.00	64.83	100.00	0.00	0.00	0.00	0.00	0.00
Harris County 2004	4	100.00	3.94	25.00	25.93	50.00	30.45	25.00	39.68	0.00	0.00	0.00	0.00	0.00	0.00
Fort Bend County 2004	0	0.00	0.48	0.00	5.07	0.00	29.62	0.00	64.83	0.00	0.00	0.00	0.00	0.00	0.00
<b>Limited Review: Dallas AA</b>															
Dallas County 2003	0	0.00	4.24	0.00	28.90	0.00	35.29	0.00	31.57	0.00	0.00	0.00	0.00	0.00	0.00
Collin County 2003	0	0.00	0.00	0.00	1.71	0.00	21.57	0.00	76.72	0.00	0.00	0.00	0.00	0.00	0.00
Dallas County 2004	0	0.00	4.24	0.00	29.53	0.00	35.01	0.00	31.22	0.00	0.00	0.00	0.00	0.00	0.00
Collin County 2004	0	0.00	0.00	0.00	1.71	0.00	24.72	0.00	73.57	0.00	0.00	0.00	0.00	0.00	0.00

\* Based on 2003 Peer Mortgage Data: Western.

\*\* 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 (2000 Census)**

Geographic Distribution: HOME IMPROVEMENT												Geography: METRO 2003 AND 2004					Evaluation Period: January 1, 2003 to December 31, 2004				
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						
<b>Full Review: Houston AA</b>																					
Harris County 2003	10	100.0	3.87	20.00	25.73	70.00	30.52	10.00	39.88	0.00	0.00	0.00	0.00	0.00	0.00						
Fort Bend 2003	0	0.00	0.48	0.00	5.07	0.00	29.62	0.00	64.83	0.00	0.00	0.00	0.00	0.00	0.00						
Harris County 2004	2	100.0	3.94	50.00	25.93	50.00	30.45	0.00	39.68	0.00	0.00	0.00	0.00	0.00	0.00						
Fort Bend 2004	0	0.00	0.48	0.00	5.07	0.00	29.62	0.00	64.83	0.00	0.00	0.00	0.00	0.00	0.00						
<b>Limited Review: Dallas AA</b>																					
Dallas County 2003	0	0.00	4.24	0.00	28.90	0.00	35.29	0.00	31.57	0.00	0.00	0.00	0.00	0.00	0.00						
Collin County 2003	0	0.00	0.00	0.00	1.71	0.00	21.57	0.00	76.72	0.00	0.00	0.00	0.00	0.00	0.00						
Dallas County 2004	0	0.00	4.24	0.00	29.53	0.00	35.01	0.00	31.22	0.00	0.00	0.00	0.00	0.00	0.00						
Collin County 2004	0	0.00	0.00	0.00	1.71	0.00	24.72	0.00	73.57	0.00	0.00	0.00	0.00	0.00	0.00						

\* Based on 2003 Peer Mortgage Data: Western.

\*\* 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 ((2000 Census)**

Geographic Distribution: HOME MORTGAGE REFINANCE												Geography: METRO 2003 AND 2004					Evaluation Period: January 1, 2003 to December 31, 2004				
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						
<b>Full Review: Houston AA</b>																					
Harris County 2003	1	100.0	3.87	0.00	25.73	0.00	30.52	0.00	39.88	100.00	0.00	0.00	0.00	0.00	0.00						
Fort Bend 2003	0	0.00	0.48	0.00	5.07	0.00	29.62	0.00	64.83	0.00	0.00	0.00	0.00	0.00	0.00						
Harris County 2004	1	100.0	3.94	0.00	25.93	100.00	30.45	0.00	39.68	0.00	0.00	0.00	0.00	0.00	0.00						
Fort Bend 2004	0	0.00	0.48	0.00	5.07	0.00	29.62	0.00	64.83	0.00	0.00	0.00	0.00	0.00	0.00						
<b>Limited Review: Dallas AA</b>																					
Dallas County 2003	0	0.00	4.24	0.00	28.90	0.00	35.29	0.00	31.57	0.00	0.00	0.00	0.00	0.00	0.00						
Collin County 2003	0	0.00	0.00	0.00	1.71	0.00	21.57	0.00	76.72	0.00	0.00	0.00	0.00	0.00	0.00						
Dallas County 2004	0	0.00	4.24	0.00	29.53	0.00	35.01	0.00	31.22	0.00	0.00	0.00	0.00	0.00	0.00						
Collin County 2004	0	0.00	0.00	0.00	1.71	0.00	24.72	0.00	73.57	0.00	0.00	0.00	0.00	0.00	0.00						

\* Based on 2003 Peer Mortgage Data: Western.

\*\* 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 (2000 Census)**

Geographic Distribution: MULTIFAMILY			Geography: METRO 2003 AND 2004				Evaluation Period: January 1, 2003 to December 31, 2004					Market Share (%) by Geography				
MA/Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Over all	Low	Mod	Mid	Upp	
	#	% of Total**	% of MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans						
<b>Full Review: Houston AA</b>																
Harris County 2003	7	63.64	10.24	14.29	36.30	57.13	31.19	14.29	22.27	14.29	0.00	0.00	0.00	0.00	0.00	
Fort Bend 2003	0	0.00	0.91	0.00	19.48	0.00	17.52	0.00	62.09	0.00	0.00	0.00	0.00	0.00	0.00	
Harris County 2004	0	0.00	10.57	0.00	36.04	0.00	31.18	0.00	22.21	0.00	0.00	0.00	0.00	0.00	0.00	
Fort Bend 2004	0	0.00	0.91	0.00	19.48	0.00	17.52	0.00	62.09	0.00	0.00	0.00	0.00	0.00	0.00	
<b>Limited Review: Dallas AA</b>																
Dallas County 2003	4	36.36	18.13	25.00	36.75	25.00	30.24	25.00	14.88	25.00	0.00	0.00	0.00	0.00	0.00	
Collin County 2003	0	0.00	0.00	0.00	2.72	0.00	24.26	0.00	73.02	0.00	0.00	0.00	0.00	0.00	0.00	
Dallas County 2004	0	0.00	18.13	0.00	36.96	0.00	30.79	0.00	14.12	0.00	0.00	0.00	0.00	0.00	0.00	
Collin County 2004	0	0.00	0.00	0.00	2.72	0.00	32.02	0.00	65.26	0.00	0.00	0.00	0.00	0.00	0.00	

\* Based on 2003 Peer Mortgage Data: Western.

\*\* 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 (2000 Census)**

Geographic Distribution: SMALL LOANS TO BUSINESSES												Geography: METRO 2003 AND 2004					Evaluation Period: January 1, 2003 to December 31, 2004				
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	Upp				
<b>Full Review: Houston AA</b>																					
Harris County 2003	284	70.65	5.84	8.80	27.94	39.08	25.83	26.76	40.08	25.36	0.00	0.00	0.00	0.00	0.00						
Fort Bend 2003	37	9.20	1.81	0.00	4.91	2.70	28.46	18.92	64.82	78.38	0.00	0.00	0.00	0.00	0.00						
Harris County 2004	352	76.52	5.98	13.35	28.35	44.32	25.73	23.58	39.63	18.75	0.00	0.00	0.00	0.00	0.00						
Fort Bend 2004	36	7.83	1.21	0.00	4.91	2.78	28.30	16.67	65.58	80.55	0.00	0.00	0.00	0.00	0.00						
<b>Limited Review: Dallas AA</b>																					
Dallas County 2003	69	17.16	5.94	14.49	31.06	52.17	32.36	24.64	29.01	8.70	0.00	0.00	0.00	0.00	0.00						
Collin County 2003	12	2.99	0.00	0.00	8.62	8.33	18.20	8.33	73.18	83.34	0.00	0.00	0.00	0.00	0.00						
Dallas County 2004	58	12.61	6.02	25.86	31.19	36.21	33.27	29.31	27.92	8.62	0.00	0.00	0.00	0.00	0.00						
Collin County 2004	14	3.04	0.00	0.00	8.24	0.00	22.36	0.00	69.40	100.00	0.00	0.00	0.00	0.00	0.00						

\* Based on 2003 and 2004 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 (2003 and 2004).

**Table 7. Geographic Distribution of Small Loans to Farms (2000 Census)**

Geographic Distribution: SMALL LOANS TO FARMS												Geography: METRO 2003 AND 2004		Evaluation Period: January 1, 2003 to December 31, 2004			
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		
<b>Full Review: Houston AA</b>																	
Harris County 2003	0	0.00	3.17	0.00	21.81	0.00	34.50	0.00	40.49	0.00	0.00	0.00	0.00	0.00	0.00		
Fort Bend 2003	0	0.00	0.60	0.00	4.62	0.00	35.77	0.00	59.01	0.00	0.00	0.00	0.00	0.00	0.00		
Harris County 2004	0	0.00	3.51	0.00	22.04	0.00	34.53	0.00	39.84	0.00	0.00	0.00	0.00	0.00	0.00		
Fort Bend County 2004	0	0.00	0.56	0.00	4.52	0.00	36.44	0.00	58.48	0.00	0.00	0.00	0.00	0.00	0.00		
<b>Limited Review: Dallas AA</b>																	
Dallas County 2003	0	0.00	4.70	0.00	28.36	0.00	35.94	0.00	30.27	0.00	0.00	0.00	0.00	0.00	0.00		
Collin County 2003	0	0.00	0.00	0.00	6.99	0.00	28.78	0.00	64.23	0.00	0.00	0.00	0.00	0.00	0.00		
Dallas County 2004	0	0.00	5.18	0.00	28.72	0.00	35.68	0.00	29.59	0.00	0.00	0.00	0.00	0.00	0.00		
Collin County 2004	0	0.00	0.00	0.00	6.57	0.00	33.82	0.00	59.61	0.00	0.00	0.00	0.00	0.00	0.00		

\* Based on 2003 and 2004 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 (2003 and 2004).

**Table 8. Borrower Distribution of Home Purchase Loans (2000 Census)**

Borrower Distribution: HOME PURCHASE		Geography: METRO 2003 AND 2004						Evaluation Period: January 1, 2003 to December 31, 2004							
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
<b>Full Review: Houston AA</b>															
Harris County 2003	6	50.00	24.07	0.00	17.82	0.00	18.70	66.67	39.41	33.33	0.00	0.00	0.00	0.00	0.00
Fort Bend 2003	6	50.00	12.19	0.00	12.67	0.00	17.84	0.00	57.30	100.00	0.00	0.00	0.00	0.00	0.00
Harris County 2004	4	100.0	24.35	50.00	17.94	50.00	18.71	0.00	39.00	0.00	0.00	0.00	0.00	0.00	0.00
Fort Bend 2004	0	0.00	12.36	0.00	12.83	0.00	17.98	0.00	56.83	0.00	0.00	0.00	0.00	0.00	0.00
<b>Limited Review: Dallas AA</b>															
Dallas County 2003	0	0.00	25.54	0.00	19.94	0.00	20.14	0.00	34.38	0.00	0.00	0.00	0.00	0.00	0.00
Collin County 2003	0	0.00	9.46	0.00	10.77	0.00	17.32	0.00	62.45	0.00	0.00	0.00	0.00	0.00	0.00
Dallas County 2004	0	0.00	26.10	0.00	20.12	0.00	20.22	0.00	33.56	0.00	0.00	0.00	0.00	0.00	0.00
Collin County 2004	0	0.00	9.73	0.00	10.97	0.00	17.75	0.00	61.55	0.00	0.00	0.00	0.00	0.00	0.00

\* Based on 2003 Peer Mortgage Data: Western.

\*\* As a percentage of loans with borrower income information available. No information was available for 25.0% of loans originated and purchased by Bank in 2003 and 50.0% in 2004.

\*\*\* 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 (2000 Census)**

Borrower Distribution: HOME IMPROVEMENT			Geography: METRO 2003 AND 2004				Evaluation Period: January 1, 2003 to December 31, 2004					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****						
<b>Full Review: Houston AA</b>																
Harris County 2003	10	100.00	24.07	44.44	17.82	0.00	18.70	33.33	39.41	22.23	0.00	0.00	0.00	0.00	0.00	
Fort Bend 2003	0	0.00	12.19	0.00	12.67	0.00	17.84	0.00	57.30	0.00	0.00	0.00	0.00	0.00	0.00	
Harris County 2004	2	100.00	24.35	0.00	17.94	0.00	18.71	0.00	39.00	100.00	0.00	0.00	0.00	0.00	0.00	
Fort Bend 2004	0	0.00	12.36	0.00	12.83	0.00	17.98	0.00	56.83	0.00	0.00	0.00	0.00	0.00	0.00	
<b>Limited Review: Dallas AA</b>																
Dallas County 2003	0	0.00	25.54	0.00	19.94	0.00	20.14	0.00	34.38	0.00	0.00	0.00	0.00	0.00	0.00	
Collin County 2003	0	0.00	9.46	0.00	10.77	0.00	17.32	0.00	62.45	0.00	0.00	0.00	0.00	0.00	0.00	
Dallas County 2004	0	0.00	26.10	0.00	20.12	0.00	20.22	0.00	33.56	0.00	0.00	0.00	0.00	0.00	0.00	
Collin County 2004	0	0.00	9.73	0.00	10.97	0.00	17.75	0.00	61.55	0.00	0.00	0.00	0.00	0.00	0.00	

\* Based on Peer Mortgage Data: Western.

\*\* As a percentage of loans with borrower income information available. No information was available for 10.0% of loans originated and purchased by Bank in 2003 and 50.0% in 2004.

\*\*\* 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 (2000 Census)**

Borrower Distribution: HOME MORTGAGE REFINANCE			Geography: METRO 2003 AND 2004						Evaluation Period: January 1, 2003 to December 31, 2004						
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
<b>Full Review: Houston AA</b>															
Harris County 2003	1	100.00	24.07	0.00	17.82	0.00	18.70	100.00	39.41	0.00	0.00	0.00	0.00	0.00	0.00
Fort Bend 2003	0	0.00	12.19	0.00	12.67	0.00	17.84	0.00	57.30	0.00	0.00	0.00	0.00	0.00	0.00
Harris County 2004	1	100.00	24.35	0.00	17.94	0.00	18.71	0.00	39.00	0.00	0.00	0.00	0.00	0.00	0.00
Fort Bend 2004	0	0.00	12.36	0.00	12.83	0.00	17.98	0.00	56.83	0.00	0.00	0.00	0.00	0.00	0.00
<b>Limited Review: Dallas AA</b>															
Dallas County 2003	0	0.00	25.54	0.00	19.94	0.00	20.14	0.00	34.38	0.00	0.00	0.00	0.00	0.00	0.00
Collin County 2003	0	0.00	9.46	0.00	10.77	0.00	17.32	0.00	62.45	0.00	0.00	0.00	0.00	0.00	0.00
Dallas County 2004	0	0.00	26.10	0.00	20.12	0.00	20.22	0.00	33.56	0.00	0.00	0.00	0.00	0.00	0.00
Collin County 2004	0	0.00	9.73	0.00	10.97	0.00	17.75	0.00	61.55	0.00	0.00	0.00	0.00	0.00	0.00

\* Based on 2003 Peer Mortgage Data: Western.

\*\* As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated and purchased by Bank in 2003 and 100.0% in 2004.

\*\*\* 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 (2000 Census)**

Borrower Distribution: SMALL LOANS TO BUSINESSES					Geography: METRO 2003 AND 2004			Evaluation Period: January 1, 2003 to December 31, 2004		
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	
<b>Full Review: Houston AA</b>										
Harris County 2003	285	70.54	61.90	74.39	47.72	26.32	25.96	0.00	0.00	
Fort Bend 2003	37	9.16	65.18	48.65	64.86	18.92	16.22	0.00	0.00	
Harris County 2004	353	76.41	62.44	65.16	45.04	24.65	30.31	0.00	0.00	
Fort Bend 2004	36	7.79	66.33	66.67	55.56	19.44	25.00	0.00	0.00	
<b>Limited Review: Dallas AA</b>										
Dallas County 2003	70	17.33	60.22	72.86	47.14	24.29	28.57	0.00	0.00	
Collin County 2003	12	2.97	63.25	75.00	33.33	41.67	25.00	0.00	0.00	
Dallas County 2004	59	12.77	61.28	62.71	52.54	23.73	23.73	0.00	0.00	
Collin County 2004	14	3.03	64.93	78.57	57.14	21.43	21.43	0.00	0.00	

\* Based on 2003 and 2004 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 - 2003 and 2004).

\*\*\*\* 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 0.25% of small loans to businesses originated and purchased by the Bank in 2003 and 2.60% in 2004.

**Table 12. Borrower Distribution of Small Loans to Farms (2000 Census)**

Borrower Distribution: SMALL LOANS TO FARMS									
					Geography: METRO 2003 AND 2004			Evaluation Period: January 1, 2003 to December 31, 2004	
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
<b>Full Review: Houston AA</b>									
Harris County 2003	0	0.00	86.81	0.00	0.00	0.00	0.00	0.00	0.00
Fort Bend 2003	0	0.00	88.82	0.00	0.00	0.00	0.00	0.00	0.00
Harris County 2004	0	0.00	83.51	0.00	0.00	0.00	0.00	0.00	0.00
Fort Bend 2004	0	0.00	86.16	0.00	0.00	0.00	0.00	0.00	0.00
<b>Limited Review: Dallas AA</b>									
Dallas County 2003	0	0.00	86.43	0.00	0.00	0.00	0.00	0.00	0.00
Collin County 2003	0	0.00	86.23	0.00	0.00	0.00	0.00	0.00	0.00
Dallas County 2004	0	0.00	83.31	0.00	0.00	0.00	0.00	0.00	0.00
Collin County 2004	0	0.00	84.83	0.00	0.00	0.00	0.00	0.00	0.00

\* Based on 2003 and 2004 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 – 2003 and 2004).

\*\*\*\* 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 0.0% of small loans to farms originated and purchased by Bank in 2003 and 2004.

**Table 13. Geographic and Borrower Distribution of Consumer Loans (Institution's Option) (2000 Census)**

Geographic and Borrower Distribution: CONSUMER LOANS																			Geography: METRO 2003 AND 2004										Evaluation Period: January 1, 2003 to December 31, 2004							
MA/Assessment Area:	Geographic Distribution										Borrower Distribution																									
	Total Consumer Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers																			
	#	% of Total*	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans																		
<b>Full Review: Houston AA</b>																																				
Harris 2003	274	81.79	7.38	9.12	31.37	37.59	30.65	31.39	30.60	21.90	23.99	31.39	17.61	20.80	18.34	15.33	40.06	18.25																		
Fort Bend 2003	40	11.94	0.93	0.00	7.24	0.00	30.43	10.00	61.40	90.00	12.49	15.00	11.97	12.50	16.19	15.00	59.35	45.00																		
Harris 2004	294	85.22	7.55	8.84	31.42	47.96	30.59	25.51	30.44	17.69	23.99	46.60	17.61	14.97	18.34	22.79	40.06	15.64																		
Fort Bend 2004	38	11.01	0.93	0.00	7.24	0.00	30.43	21.05	61.40	78.95	12.49	44.74	11.97	18.42	16.19	26.32	59.35	10.52																		
<b>Limited Review: Dallas AA</b>																																				
Dallas 2003	14	4.18	10.16	0.00	33.55	14.29	33.19	28.57	23.10	57.14	24.42	28.57	19.60	28.57	19.81	14.29	36.17	21.43																		
Collin 2003	7	2.09	0.00	0.00	2.65	0.00	24.21	0.00	73.14	100.0	10.85	14.29	12.11	28.57	16.18	14.29	60.86	28.57																		
Dallas 2004	10	2.90	10.16	0.00	34.05	20.00	33.13	20.00	22.66	60.00	24.42	40.00	19.60	30.00	19.81	20.00	36.17	10.00																		
Collin 2004	3	0.87	0.00	0.00	2.65	0.00	28.72	0.00	68.63	100.0	10.85	66.67	12.11	0.00	16.18	33.33	60.86	0.00																		

\* Consumer loans originated and purchased in the MA/AA as a percentage of all consumer loans originated and purchased in the rated area.

\*\* Percentage of Households is based on the 2000 Census Information.

**Table 14. Qualified Investments (2000 Census)**

QUALIFIED INVESTMENTS									
Geography: METRO 2003 AND 2004									
Evaluation Period: January 1, 2003 through June 27, 2005XX									
MA/Assessment Area:	Prior Period Investments		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review: Houston AA</b>									
Harris County	1	1,000	2	2,153	3	3,153	59.47		
Fort Bend County	0	0	0	0	0	0	0.00		
<b>Limited Review: Dallas AA</b>									
Dallas County	0	0	2	2,149	2	2,149	40.53		
Collin County	0	0	0	0	0	0	0.00		

\* '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: METRO 2003 AND 2004 Evaluation Period: January 1, 2003 to December 31, 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
<b>Full Review: Houston AA</b>																	
Harris 2003	78.85	9	64.28	33.33	33.33	22.22	11.12	0	0	0	0	0	0	8.01	33.94	29.23	28.75
Fort Bend 2003	7.94	2	14.29	0.00	0.00	50.00	50.00	0	0	0	0	0	0	1.00	7.63	31.29	60.08
Harris 2004	78.79	9	69.24	33.33	33.33	22.22	11.12	0	0	0	0	0	0	8.24	33.98	29.11	28.60
Fort Bend 2004	8.30	2	15.38	0.00	0.00	50.00	50.00	0	0	0	0	0	0	1.00	7.63	31.29	60.08
<b>Limited Review: Dallas AA</b>																	
Dallas 2003	13.21	3	21.43	0.00	33.33	66.67	0.00	0	0	0	0	0	0	11.31	36.46	31.06	21.17
Collin 2003	0.00	0	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0	0	0.00	3.22	23.88	72.90
Dallas 2004	12.91	2	15.38	0.00	50.00	50.00	0.00		1	0	0	- 1	0	11.31	37.04	30.75	20.90
Collin 2004	0.00	0	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0	0	0.00	3.22	28.19	68.59