
Comptroller of the Currency

SMALL

Administrator of National Banks

BANK

PUBLIC DISCLOSURE

August 16, 1999

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Austin Bank, Texas N.A.
Charter Number 5581**

**200 E. Commerce
Jacksonville, TX 75766**

**Office of the Comptroller of the Currency
Southwestern District
1600 Lincoln Plaza
500 North Akard
Dallas, Texas 75201-3342**

NOTE: This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

GENERAL INFORMATION

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority when examining financial institutions subject to its supervision, to assess the 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. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

*This document is an evaluation of the Community Reinvestment Act (CRA) performance of **Austin Bank, Texas N.A.** prepared by the **Office of the Comptroller of the Currency**, the institution's supervisory agency, as of **August 16, 1999**. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.*

INSTITUTION'S CRA RATING: This institution is rated Satisfactory.

Austin Bank, Texas N.A. has a Satisfactory record of meeting community credit needs. This rating is based on the following:

- < The bank's loan-to-deposit ratio is reasonable when compared to other area banks of similar size.
- < A substantial majority of the bank's loans are extended within its assessment area.
- < Credit activity is reasonably distributed to borrowers of different income levels.
- < The geographic distribution of loans reflects reasonable dispersion throughout the assessment area.

DESCRIPTION OF INSTITUTION:

Austin Bank, Texas N.A. is a \$490 million bank located at 200 E. Commerce in Jacksonville, Texas. The bank is wholly owned by Austin Bancorp, Inc., a one bank holding company. Prior to May 8, 1999, Austin Bancorp owned five affiliate banks, three of which were national charters: Austin Bank, N.A. - Jacksonville, Austin Bank, N.A. - Whitehouse, and Austin Bank, N.A. - Longview. The other two affiliates were state chartered and included Austin Bank - Rusk and Austin Bank - Big Sandy. All of these affiliates and their branches have now merged, with the surviving main office located in Jacksonville, Texas. The remaining nineteen office sites are now branches located throughout East Texas. The bank has automated teller machines (ATMs) located at all of the branches. The locations of the branches are as follows:

Branch Offices and Locations		
Branch	Location	County
Jacksonville Office	200 E. Commerce, Jacksonville, Texas	Cherokee
Big Sandy Branch	108 E. Broadway, Big Sandy, Texas	Upshur
Bullard Branch	105 S. Houston, Bullard, Texas	Smith
Emory Branch	700 W. Lennon, Emory, Texas	Rains
Garrison Branch	583 S. US Hwy 59, Garrison, Texas	Nacogdoches
Gilmer Branch	1208 N. Wood, Gilmer, Texas	Upshur
Grand Saline	139 N. Main, Grand Saline, Texas	Van Zandt
Jackson Square Branch	1700 S. Jackson, Jacksonville, Texas	Cherokee
Longview Branch	3400 W. Marshall, Longview, Texas	Gregg
Longview Loop Branch	308 E. Loop 281, Longview, Texas	Gregg
Marshall Branch	2407 E. End Blvd. S. , Marshall, Texas	Harrison
Med Center Branch	611 South Beckham, Tyler, Texas	Smith
Mineola Branch	415 W. Broad Street, Mineola, Texas	Wood
Quitman Branch	1033 E. Goode, Quitman, Texas	Wood
Rusk Branch	401 N. Main, Rusk, Texas	Cherokee
South Tyler Branch	5515 Old Bullard Road, Tyler, Texas	Smith
Timpson Branch	352 Jacob Street, Timpson, Texas	Shelby

Branch Offices and Locations		
Troup Branch	507 Duvall, Troup, Texas	Smith
Van Branch	229 S. Elm, Van, Texas	Van Zandt
Whitehouse Branch	100 Horton St., Whitehouse, Texas	Smith

Loan products offered include 1-4 family mortgages, commercial loans, and consumer loans. As of June 30, 1999, loans totaled \$302 million and represented 62% of the bank's total assets. Loans are distributed as follows: \$134 million or 44% were residential mortgages, \$68 million or 22% were commercial and commercial real estate, \$89 million or 29% were consumer, and \$10 million or 3% were agricultural. There are no legal impediments or other factors which inhibit the bank's ability to meet the credit needs of the community. Austin Bank, Texas N.A. - Jacksonville was rated satisfactory during the prior CRA Examination dated June 10, 1996.

DESCRIPTION OF THE ASSESSMENT AREAS:

Management and the Board have designated four assessment areas for CRA purposes based on the location of the main bank in Jacksonville and the nineteen branches throughout East Texas. These assessment areas include two Metropolitan Statistical Areas (MSA) and two non-MSAs. All areas are contiguous. The assessment areas meet the requirements of the Community Reinvestment Act and do not arbitrarily exclude low or moderate income geographies.

Assessment Area 1 - Longview/Marshall MSA

The Longview assessment area includes the entire Longview/Marshall MSA. This assessment area/MSA includes the entire counties of Gregg, Harrison, and Upshur, which incorporates the cities of Longview, Marshall, Hallsville, Gilmer, and Big Sandy. The area encompasses three low income census tracts, nine moderate income census tracts, twenty-one middle income census tracts, and eight upper income census tracts. This assessment area has a total population of 193,801. Only .22% of the population live in low income tracts, 17.94% live in moderate income tracts, 60.29% live in middle income tracts, and 21.55% live in upper income tracts. The distribution of families by income level regardless of census tract location, consists of the following: 11,828 families or 22.25% are low income, 8,736 families or 16.43% are moderate income, 10,969 families or 20.63% are middle income, and 21,625 families or 40.69% are upper income. According to the 1998 Department of Housing and Urban Development (HUD)

information, the median family income for this area is \$39,900. The median housing value is \$49,746. Major employers in the Longview/Marshall area are Texas Eastman Co., Good Shepherd Medical Center, LeTourneau, Inc., Trinity Industries, Neiman Marcus Distribution Center, Norit Americas, Marshall Regional Medical Center, Blue Cross/Blue Shield of Texas, and East Texas Baptist University. Competition within the assessment area is strong with twenty banks and bank branches, and eleven credit unions in the Longview area. The local economy is stable with an unemployment rate of approximately 7.7% for the Longview MSA (1999).

Assessment Area 2 - Tyler MSA

The Tyler assessment area includes the entire Tyler MSA, which consists of Smith County in its entirety. Communities in the area are Tyler, Whitehouse, Lindale, Bullard, and Troup. The area includes three low income census tracts, four moderate income census tracts, fifteen middle income census tracts, and thirteen upper income census tracts. This assessment area has a total population of 151,309. Only 5.13% of the population live in low income tracts, 8.71% live in moderate income tracts, 54.30% live in middle income tracts, and 31.86% live in upper income tracts. The distribution of families by income level regardless of census tract location, consists of the following: 9,014 families or 21.70% are low income, 6,981 families or 16.81% are moderate income, 9,086 families or 21.87% are middle income, and 16,457 families or 39.62% are upper income. According to 1998 Department of Housing and Urban Development (HUD) information, the median family income for this area is \$44,000. The median housing value is \$60,829. Major employers in the Tyler area include Target Distribution Center, Brookshire Grocery Co., Trane Co., East Texas Medical Center, Trinity-Mother Frances Health System, and the University of Texas Health Center. Competition in the assessment area is strong with thirty-seven banks and branches, eleven credit unions, and four savings and loans. The local economy is healthy with an unemployment rate of approximately 4.2% for the Tyler MSA (1999).

Assessment Area 3 - South Non-MSA

The South assessment area includes all of Cherokee County, block numbering areas (BNA) 9501 and 9502 in Nacogdoches County, BNA 9506 in Panola County, BNA 9512 in Rusk County, and BNA 9501, 9502, 9503 and 9504 in Shelby County. The assessment area includes the communities of Jacksonville, Rusk, Alto, Garrison, Timpson, Cushing, Gary, Center, Tenaha, Joaquin, and Mount Enterprise. The area does not have any low income census tracts, but includes three moderate income tracts, fourteen middle income tracts, and one upper income tract. The assessment area has a total population of

64,900. Approximately 13.41% of the population live in moderate income tracts, 78.69% live in middle income tracts, and 7.90% live in upper income tracts. The distribution of families by income level regardless of location, consists of the following: 4,284 families or 24.32% are low income, 3,054 families or 17.34% are moderate income, 3,634 or 20.63% are middle income, and 6,640 or 37.71% are upper income. According to 1998 Department of Housing and Urban Development (HUD) information, the median family income for this area is \$33,900. The median housing value is \$38,065. Major employers in the area include Stage Stores, Inc., Allegiance Healthcare, Wal-Mart Super Center, and East Texas Medical Center. Competition within the assessment area is moderate. There are two financial institutions whose main offices are located in Jacksonville, and several bank branches are located in the other surrounding communities. Overall, the economy is stable with the following unemployment rates in the assessment area: Cherokee County, 4.5%; Rusk County, 6.3%; Shelby County 7.49%; Nacogdoches County 4.4%; and Panola County 10.5% (1999).

Assessment Area 4 - North Non-MSA

The North assessment area includes all of Van Zandt, Rains, and Wood Counties. The assessment area includes the communities of Van, Grand Saline, Canton, Emory, Quitman, Winnsboro, and Mineola. All of the geographies in the assessment area are designated as middle income areas. The distribution of families by income level regardless of location, consists of the following: 4,228 families or 19.54% are low income, 3,799 or 17.56% are moderate income, 4,440 families or 20.52% are middle income, and 9,171 families or 42.38% are upper income. According to 1998 Department of Housing and Urban Development (HUD) information, the median family income for this area is \$33,900. The median housing value is \$46,608. Major employers in the area include Wood County Government Offices, Quitman Independent School District, Heritage Nursing Home, East Texas Medical, Wood County Electric Co-Op, City of Canton, Van Zandt County, Canton Independent School District, American Recreation Products, and Trinidad/Brehan and Company. Competition within the assessment area is strong with eleven financial institutions in the assessment area. The economy is stable with the following unemployment rates in the assessment area: Van Zandt County, 3.5%; Rains County 4.0%, and Wood County 5.4% (1999).

As part of our examination, we reviewed two recent contacts in the North and Longview assessment areas. In addition, contacts within the Tyler MSA and South assessment area were interviewed. Each contact stated in his or her opinion, the primary community credit needs were for affordable home loans for low-to-moderate income families. All contacts stated the local financial institutions serve the community well and they are not aware of any unmet credit needs within the community. All contacts

indicated that the local financial institutions are supportive of the community and have taken positive steps toward meeting the identified credit needs.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA:

LOAN TO DEPOSIT RATIO:

The loan-to-deposit ratio of Austin Bank, Texas N.A. is reasonable given the bank's size, financial condition, and assessment area credit needs. The bank's quarterly loan-to-deposit ratio has averaged 67.18% since the prior CRA Examination dated June 10, 1996. The average loan-to-deposit ratio of banks within the assessment area and in close proximity to the assessment area, for the same time period was 61.06%. The quarterly average loan-to-deposit ratio of these banks ranged from a low of 34.45% to a high of 78.65%.

LENDING IN ASSESSMENT AREA:

A substantial majority of the bank's lending activity is located within its assessment area. We reviewed a sample of 369 residential mortgages, 126 commercial loans, and 211 consumer loans which have originated since June 1996. This sample reflected that approximately 94.48% of the number of loans and 92.61% of the dollar amount of loans in our sample were extended within the bank's assessment area. Refer to Appendix A for an illustration of the breakdown by loan category.

LENDING TO BORROWERS OF DIFFERENT INCOME AND TO BUSINESSES OF DIFFERENT SIZES:

The distribution of loans within the assessment areas reflect a reasonable penetration among borrowers of different income levels and businesses of different sizes. Austin Bank's primary product lines are commercial loans, commercial real estate loans, consumer loans, and home purchase loans. The bank offers a variety of mortgage products including Flex 97 and Fannie 97. These are products offered through Fannie Mae where a down payment of only 3% is required. Fannie 97 is a purchase mortgage product offered to low-to-moderate income borrowers only. During 1997 and 1998 the bank also offered a program through the Rural Development Corporation for financing up to 100% for low-to-moderate income borrowers only.

The distribution of loans generally approximates the income characteristics of the assessment areas. Although the distribution of the number of loans reflects a reasonable penetration among consumer and business borrowers of different income levels, it is understandable that the dollar amount of these loans is often less than the dollar amount

of a loan that a middle or upper income borrower may request. While the number of home purchase loans to low and moderate income families is lower than the demographics of the assessment areas, the proportion of applications received from low-to-moderate income applicants that were approved by Austin Bank were consistent with the percent of middle and upper income applications approved by Austin Bank as demonstrated in the following table:

Home Loan Applications Received and Approved by Income Level in 1997, 1998 and year-to-date 1999			
Income Level	# of Applications Received	# of Loans Approved	% of Loans Approved
Low	33	20	60.61%
Moderate	86	52	60.47%
Middle	73	50	68.49%
Upper	171	119	69.59%

Additionally, while low-to-moderate income individuals may be able to qualify for the monthly payment requirements through some special mortgage programs, it is unlikely that these individuals could afford the down payment and closing costs requirements. As an average, more than 66% of the low income families in the bank's assessment areas are below poverty levels (Longview MSA - 64.23%; Tyler MSA - 58.11%; South Non-MSA - 75.73%; and North Non-MSA - 68.99%).

Management has held several seminars for home loan applicants and has contacted various community leaders throughout the assessment areas to communicate the products offered by the bank and the bank's willingness to lend to all qualified applicants. In addition, the bank is on the City of Longview's list of participating banks for the First Time Home Buyers Program. The bank also participates in several block grant programs in Longview and Tyler which are designed to specifically assist low and moderate income individuals/families with down payment and closing costs on home loans. A community contact that we interviewed during this examination stated that the city of Tyler has been working with civic leaders to develop an affordable housing subdivision for low-to-moderate income borrowers, but they could not find a contractor who was willing to begin this sort of project. Refer to Appendix B regarding the details of our analysis.

GEOGRAPHIC DISTRIBUTION OF LOANS:

The distribution of consumer, business, and home purchase loans reflects a reasonable penetration throughout the assessment area given the bank's overall business strategy, locations, and the availability of owner occupied housing. While no low income tracts are located in the South assessment area, an excellent penetration of all types of loans is evident in the moderate income tracts. Further, while lending activity in the low income tracts of the Longview and Tyler MSAs is slightly lower than the number of people located in these geographies, these tracts are located mainly near a part of town that is more assessable to banks located in the downtown area. In the Longview MSA, these low-income tracts are located south of highway 80 near downtown, where other banks and branches are more conveniently located to these tracts. In the Tyler MSA, these low-income tracts are located in the north and west parts of town where an Austin Bank branch is not easily assessable. Further, numerous competing banks and branches are located in or near these low-income tracts. These factors negatively impact opportunities to originate loans in the low income areas. A geographic distribution of loans analysis was not performed for Assessment Area 4 - North Non-MSA. It would not be meaningful as there are no low or moderate income tracts in this assessment area. Refer to Appendix C for details on the geographic distribution of loans.

RESPONSE TO COMPLAINTS:

Management has not received any written complaints related to CRA performance since the prior CRA examination.

RECORD OF COMPLIANCE WITH ANTI-DISCRIMINATION LAWS:

A Fair Lending Examination was performed in conjunction with this examination. We sampled residential purchase money mortgage approvals and denials to test for discrimination on the basis of gender. Based on the samples reviewed, no discriminatory practices were noted. The bank is in compliance with the substantive provisions of anti-discrimination laws and regulations.

APPENDICES

Appendix A- Lending in Assessment Area.....pgs. 11-14

Appendix B- Lending to Borrowers of Different Income
and to Businesses of Different Sizes.....pgs. 15-22

Appendix C- Geographic Distribution of Loans.....pgs. 23-29

APPENDIX A

LENDING IN ASSESSMENT AREA

Assessment Area 1 - Longview/Marshall MSA

Consumer Loans	Number	Percent	\$ (000's)	Percent
Inside Assessment Area	60	96.77%	633	95.19%
Outside Assessment Area	2	3.23%	32	4.81%

Home Purchase Loans	Number	Percent	\$ (000's)	Percent
Inside Assessment Area	79	100.00%	4,860	100.00%
Outside Assessment Area	0	0.00%	0	0.00%

Business Loans	Number	Percent	\$ (000's)	Percent
Inside Assessment Area	29	93.55%	4,222	82.22%
Outside Assessment Area	2	6.45%	913	17.78%

Assessment Area 2 - Tyler MSA

Consumer Loans	Number	Percent	\$ (000's)	Percent
Inside Assessment Area	60	96.77%	530	98.70%
Outside Assessment Area	2	3.23%	7	1.30%

Home Purchase Loans	Number	Percent	\$ (000's)	Percent
Inside Assessment Area	62	95.38%	3,394	93.52%
Outside Assessment Area	3	4.62%	235	6.48%

Business Loans	Number	Percent	\$ (000's)	Percent
Inside Assessment Area	28	87.50%	1,544	94.43%
Outside Assessment Area	4	12.50%	91	5.57%

Assessment Area 3 - South Non-MSA

Consumer Loans	Number	Percent	\$ (000's)	Percent
Inside Assessment Area	43	91.49%	237	87.45%
Outside Assessment Area	4	8.51%	34	12.55%

Home Purchase Loans	Number	Percent	\$ (000's)	Percent
Inside Assessment Area	89	86.41%	4,748	86.91%
Outside Assessment Area	14	13.59%	715	13.09%

Business Loans	Number	Percent	\$ (000's)	Percent
Inside Assessment Area	27	90.00%	1,408	97.04%
Outside Assessment Area	3	10.00%	43	2.96%

Assessment Area 4 - North Non-MSA

Consumer Loans	Number	Percent	\$ (000's)	Percent
Inside Assessment Area	37	92.50%	396	91.67%
Outside Assessment Area	3	7.50%	36	8.33%

Home Purchase Loans	Number	Percent	\$ (000's)	Percent
Inside Assessment Area	120	98.36%	7,483	96.08%
Outside Assessment Area	2	1.64%	305	3.92%

Business Loans	Number	Percent	\$ (000's)	Percent
Inside Assessment Area	33	100.00%	775	100.00%
Outside Assessment Area	0	0.00%	0	0.00%

APPENDIX B

LENDING TO BORROWERS OF DIFFERENT INCOME AND TO BUSINESSES OF DIFFERENT SIZES

Assessment Area 1 - Longview/Marshall MSA

Lending to Borrowers of Different Income Levels Consumer Loans					
Borrower Income Category	# of Loans	Percentage	\$ (000's)	Percentage	% of Families within each Income Category
Low	21	35.00%	231	36.56%	22.25%
Moderate	18	30.00%	156	24.68%	16.43%
Middle	10	16.67%	129	20.41%	20.63%
Upper	11	18.33%	116	18.35%	40.69%
Total	60	100.00%	632	100.00%	100.00%

Lending to Borrowers of Different Income Levels Home Purchase Loans					
Borrower Income Category	# of Loans	Percentage	\$ (000's)	Percentage	% of Families within each Income Category
Low	4	5.06%	159	3.27%	22.25%
Moderate	11	13.92%	376	7.74%	16.43%
Middle	15	18.99%	688	14.15%	20.63%
Upper	49	62.03%	3,637	74.84%	40.69%
Total	79	100.00%	4,860	100.00%	100.00%

Distribution of Small Business Loan Originations Sample Within the Assessment Area by Business Revenues				
Business Annual Revenues	# Loans	Percentage	\$(000's)	Percentage
Less than \$100,000	9	31.03%	146	3.46%
\$100,000 to \$250,000	4	13.79%	589	13.94%
\$250,000 to \$1,000,000	11	37.93%	710	16.81%
Subtotal Small Businesses	24	82.76%	1,445	34.21%
Over \$1,000,000	5	17.24%	2,778	65.79%
Totals	29	100.00%	4,223	100.00%
Distribution of Businesses in the Assessment Area by Annual Revenues of the Business:			< 1 Million	75.57%
			> 1 Million	7.15%
			Unknown	17.28%

Source: Dun & Bradstreet Business Demographic Data

Assessment Area 2 - Tyler MSA

Lending to Borrowers of Different Income Levels Consumer Loans					
Borrower Income Category	# of Loans	Percentage	\$ (000's)	Percentage	% of Families within each Income Category
Low	20	33.33%	124	23.40%	21.70%
Moderate	11	18.33%	66	12.45%	16.81%
Middle	13	21.67%	149	28.11%	21.87%
Upper	16	26.67%	191	36.04%	39.62%
Total	60	100.00%	530	100.00%	100.00%

Lending to Borrowers of Different Income Levels Home Purchase Loans					
Borrower Income Category	# of Loans	Percentage	\$ (000's)	Percentage	% of Families within each Income Category
Low	5	8.06%	49	1.44%	21.70%
Moderate	3	4.84%	99	2.92%	16.81%
Middle	5	8.06%	255	7.51%	21.87%
Upper	49	79.04%	2,991	88.13%	39.62%
Total	62	100.00%	3,394	100.00%	100.00%

Distribution of Small Business Loan Originations Sample Within the Assessment Area by Business Revenues				
Business Annual Revenues	# Loans	Percentage	\$(000's)	Percentage
Less than \$100,000	7	25.00%	237	15.35%
\$100,000 to \$250,000	7	25.00%	195	12.63%
\$250,000 to \$1,000,000	11	39.29%	639	41.39%
Subtotal Small Businesses	25	89.29%	1,071	69.37%
Over \$1,000,000	3	10.71%	473	30.63%
Totals	28	100.00%	1,544	100.00%
Distribution of Businesses in the Assessment Area by Annual Revenues of the Business:			< Million	75.11%
			> 1 Million	7.54%
			Unknown	17.35%

Source: Dun & Bradstreet Business Demographic Data

Assessment Area 3 - South Non-MSA

Lending to Borrowers of Different Income Levels Consumer Loans					
Borrower Income Category	# of Loans	Percentage	\$ (000's)	Percentage	% of Families within each Income Category
Low	24	55.81%	119	50.00%	24.32%
Moderate	10	23.26%	51	21.43%	17.34%
Middle	6	13.95%	49	20.59%	20.63%
Upper	3	6.98%	19	7.98%	37.71%
Total	43	100.00%	238	100.00%	100.00%

Lending to Borrowers of Different Income Levels Home Purchase Loans					
Borrower Income Category	# of Loans	Percentage	\$ (000's)	Percentage	% of Families within each Income Category
Low	10	11.24%	229	5.79%	24.32%
Moderate	12	13.48%	641	16.20%	17.34%
Middle	11	12.36%	317	8.01%	20.63%
Upper	56	62.92%	2,770	70.00%	37.71%
Total	89	100.00%	3,957	100.00%	100.00%

Distribution of Small Business Loan Originations Sample Within the Assessment Area by Business Revenues				
Business Annual Revenues	# Loans	Percentage	\$(000's)	Percentage
Less than \$100,000	11	40.74%	207	14.70%
\$100,000 to \$250,000	3	11.11%	247	17.54%
\$250,000 to \$1,000,000	10	37.04%	530	37.64%
Subtotal Small Businesses	24	88.89%	984	69.88%
Over \$1,000,000	3	11.11%	424	30.12%
Totals	27	100.00%	1,408	100.00%
Distribution of Businesses in the Assessment Area by Annual Revenues of the Business:			< Million	75.94%
			> 1 Million	7.53%
			Unknown	16.53%

Source: Dun & Bradstreet Business Demographic Data

Assessment Area 4 - North Non-MSA

Lending to Borrowers of Different Income Levels Consumer Loans					
Borrower Income Category	# of Loans	Percentage	\$ (000's)	Percentage	% of Families within each Income Category
Low	5	13.51%	18	4.55%	19.54%
Moderate	10	27.03%	85	21.46%	17.56%
Middle	9	24.32%	73	18.43%	20.52%
Upper	13	35.14%	220	55.56%	42.38%
Total	37	100.00%	396	100.00%	100.00%

Lending to Borrowers of Different Income Levels Home Purchase Loans					
Borrower Income Category	# of Loans	Percentage	\$ (000's)	Percentage	% of Families within each Income Category
Low	2	1.67%	71	.95%	19.54%
Moderate	14	11.67%	488	6.52%	17.56%
Middle	22	18.33%	1,240	16.57%	20.52%
Upper	82	68.33%	5,684	75.96%	42.38%
Total	120	100.00%	7,483	100.00%	100.00%

Distribution of Small Business Loan Originations Sample Within the Assessment Area by Business Revenues				
Business Annual Revenues	# Loans	Percentage	\$(000's)	Percentage
Less than \$100,000	15	45.45%	187	24.10%
\$100,000 to \$250,000	7	21.21%	91	11.73%
\$250,000 to \$1,000,000	8	24.24%	394	50.77%
Subtotal Small Businesses	30	90.91%	672	86.60%
Over \$1,000,000	3	9.09%	104	13.40%
Totals	33	100.00%	776	100.00%
Distribution of Businesses in the Assessment Area by Annual Revenues of the Business:			< Million	80.01%
			> 1 Million	5.22%
			Unknown	14.77%

Source: Dun & Bradstreet Business Demographic Data

APPENDIX C

GEOGRAPHIC DISTRIBUTION OF LOANS

Assessment Area 1 - Longview/Marshall MSA

Geographic Distribution of Consumer Loans						
Geography Designation	Population within each Geography Type	Percentage of Population within each Geography Type	Distribution of Consumer Loans by Geography Type			
			#	%	\$(000's)	%
Low Income	428	.22%	0	0.00%	0	0.00%
Moderate Income	34,777	17.94%	11	18.33%	67	10.60%
Middle Income	116,829	60.29%	28	46.67%	339	53.64%
Upper Income	41,767	21.55%	21	35.00%	226	35.76%
Total	193,801	100.00%	60	100.00%	632	100.00%

Geographic Distribution of Home Purchase Loans						
Geography Designation	Number of Owner Occupied Housing Units within each Geography Type	Percentage of Owner Occupied Housing Units within each Geography Type	Distribution of Home Purchase Loans by Geography Type			
			#	%	\$(000's)	%
Low Income	45	.09%	1	1.27%	121	2.49%
Moderate Income	7,632	15.26%	12	15.19%	426	8.77%
Middle Income	31,255	62.49%	46	58.22%	2,912	59.91%
Upper Income	11,084	22.16%	20	25.32%	1,401	28.83%
Total	50,016	100.00%	79	100.00%	4,860	100.00%

Geographic Distribution of Business Loans						
Geography Designation	Number of Businesses within each Geography Type	Percentage of Businesses within each Geography Type	Distribution of Business Loans by Geography Designation			
			#	%	\$	%
Low Income	364	3.93%	2	6.90%	19	.47%
Moderate Income	2,197	23.72%	3	10.34%	531	13.19%
Middle Income	4,882	52.71%	20	68.97%	3,425	85.07%
Upper Income	1,819	19.64%	4	13.79%	51	1.27%
Total	9,262	100.00%	29	100.00%	4,026	100.00%

Assessment Area 2 -Tyler MSA

Geographic Distribution of Consumer Loans						
Geography Designation	Population within each Geography Type	Percentage of Population within each Geography Type	Distribution of Consumer Loans by Geography Type			
			#	%	\$(000's)	%
Low Income	7,764	5.13%	1	1.67%	3	.57%
Moderate Income	13,175	8.71%	6	10.00%	36	6.79%
Middle Income	82,154	54.30%	24	40.00%	230	43.40%
Upper Income	48,216	31.86%	29	48.33%	261	49.24%
Total	151,309	100.00%	60	100.00%	530	100.00%

Geographic Distribution of Home Purchase Loans						
Geography Designation	Number of Owner Occupied Housing Units within each Geography Type	Percentage of Owner Occupied Housing Units within each Geography Type	Distribution of Home Purchase Loans by Geography Type			
			#	%	\$(000's)	%
Low Income	1,789	3.15%	2	3.23%	85	2.50%
Moderate Income	3,664	6.45%	2	3.23%	17	.50%
Middle Income	33,239	58.52%	31	50.00%	1,412	41.61%
Upper Income	18,108	31.88%	27	43.54%	1,880	55.39%
Total	56,800	100.00%	62	100.00%	3,394	100.00%

Geographic Distribution of Business Loans						
Geography Designation	Number of Businesses within each Geography Type	Percentage of Businesses within each Geography Type	Distribution of Business Loans by Geography Designation			
			#	%	\$	%
Low Income	939	12.62%	1	3.57%	30	1.94%
Moderate Income	501	6.73%	1	3.57%	50	3.24%
Middle Income	3,304	44.41%	13	46.43%	985	63.80%
Upper Income	2,696	36.24%	13	46.43%	479	31.02%
Total	7,440	100.00%	28	100.00%	1,544	100.00%

Assessment Area 3 - South Non-MSA

Geographic Distribution of Consumer Loans						
Geography Designation	Population within each Geography Type	Percentage of Population within each Geography Type	Distribution of Consumer Loans by Geography Type			
			#	%	\$(000's)	%
Low Income	0	0.00%	0	0.00%	0	0.00%
Moderate Income	8,704	13.41%	9	20.93%	51	21.43%
Middle Income	51,070	78.69%	23	53.49%	124	52.10%
Upper Income	5,126	7.90%	11	25.58%	63	26.47%
Total	64,900	100.00%	43	100.00%	238	100.00%

Geographic Distribution of Home Purchase Loans						
Geography Designation	Number of Owner Occupied Housing Units within each Geography Type	Percentage of Owner Occupied Housing Units within each Geography Type	Distribution of Home Purchase Loans by Geography Type			
			#	%	\$(000's)	%
Low Income	0	0.00%	0	0.00%	0	0%
Moderate Income	2,453	10.17%	18	20.22%	563	14.23%
Middle Income	19,967	82.79%	55	61.80%	2,654	67.07%
Upper Income	1,698	7.04%	16	17.98%	740	18.70%
Total	24,118	100.00%	89	100.00%	3,957	100.00%

Geographic Distribution of Business Loans						
Geography Designation	Number of Businesses within each Geography Type	Percentage of Businesses within each Geography Type	Distribution of Business Loans by Geography Designation			
			#	%	\$	%
Low Income	0	0%	0	0.00%	0	0.00%
Moderate Income	417	23.78%	7	25.93%	160	11.36%
Middle Income	1,074	61.23%	13	48.14%	734	52.13%
Upper Income	263	14.99%	7	25.93%	514	36.51%
Total	1,754	100.00%	27	100.00%	1,408	100.00%

Assessment Area 4 - North Non-MSA

A geographic distribution of loans analysis was not performed. It would not be meaningful as there are no low or moderate income tracts in this assessment area.