



**LARGE BANK**

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Comptroller of the Currency  
Administrator of National Banks

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Washington, DC 20219

## Public Disclosure

March 31, 2000

### Community Reinvestment Act Performance Evaluation

Bank One, Texas, NA  
Charter Number: 21969

1717 Main Street  
Dallas, Texas 75201

Office of the Comptroller of the Currency

Large Bank Division  
250 E Street, S.W.  
Washington D.C. 20219-0001

**NOTE:** This evaluation is not, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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## Overall CRA Rating

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

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

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

\* The Lending Test is weighted more heavily than the Investment and Service Tests when arriving at an overall rating.

The major factors that support this rating include:

### Lending Test

- A good volume of lending activity. Excellent levels of home improvement and refinance lending are somewhat offset by a poor volume of home purchase loans. The bank had good volumes of small loans to businesses, an adequate volume of small loans to farms and excellent community development lending volume.
- A good distribution of loans by income level of geography. Home mortgage loans had a good distribution, while small loans to businesses and farms had an excellent distribution by income level of geography.
- An adequate distribution of loans by income level of borrower. The lack of borrower income information for businesses and farms resulted in adequate performance despite stronger performance noted for home mortgage lending.
- Adequate product innovation and flexibility. We noted the bank's participation in four SBA programs and the Texas Capital Access Fund, but did not have information concerning the impact of these programs on low- or moderate-income borrowers or areas.

- Excellent community development lending. The volume of lending was excellent and it responded to the need for affordable housing.

#### Investment Test

- An adequate volume of investments. The volume of investments is good in Dallas, but adequate in Houston and weaker in the non-metropolitan areas.
- An adequate level of innovation and complexity. The degree of complexity or innovation in the bank's investments is modest, with none noted in Houston.
- Adequate responsiveness to identified community needs. The bank's investments are concentrated on affordable housing, which is an identified need, but the degree of responsiveness is limited by the modest volume of investments.

#### Service Test

- Access to bank branches is excellent. The percentage of bank branches in the low- and moderate-income areas of Dallas and the moderate-income areas of Houston exceed the percentage of the population that lives in those areas.
- Changes in branch locations is adequate. The bank's branch opening or closing activity did not significantly impact access to bank branches from those areas.
- Reasonable business hours and services offered at branch locations. Hours and services are consistent across the branch network.
- A good level of community development services. The level of services provided is good and the services responded to identified needs of the assessment areas.

## 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 CRA performance of **Bank One, Texas, NA** prepared by the **Office of the Comptroller of the Currency (OCC)**, the institution's supervisory agency, as of **March 31, 2000**. The agency evaluates performance in assessment area(s), as they are delineated by the institution, rather than individual branches. This assessment area evaluation may include the visits to some, but not necessarily all of the institution's branches. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.*

## Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this Performance Evaluation. 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 by another company. A company is under common control with another company if both companies are directly or indirectly controlled by the same company. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

**Block Numbering Area (BNA)** - Statistical subdivisions of counties in which census tracts have not been established. BNAs have been established by the United States Census Bureau in conjunction with state agencies.

**Census Tract (CT)** - Small, locally defined statistical areas within metropolitan statistical areas. These areas are determined by the United States Census Bureau in an attempt to group homogenous populations. A CT has defined boundaries per ten year census and an average population of 4,000.

**Community Development (CD)** - Affordable 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.

**Full-Scope Review** - Performance under the Lending, Investment and Service Tests is analyzed considering fully understood performance context, quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, branch distribution) and qualitative factors (e.g., innovation, complexity).

**Geography** - A census tract or a block numbering area delineated by the United States Bureau of the Census in the most recent decennial census.

**Home Mortgage Disclosure Act (HMDA)** - The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan 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 applicants, the

amount of loan requested, and the disposition of the application (e.g., approved, denied, withdrawn).

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

**Limited-Scope 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, branch distribution).

**Low-Income** - Income levels that are less than 50% of the median family income.

**Median Family Income (MFI)** - The median income determined by the United States 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 Statistical Area (MSA)** - Area defined by the Director of the United States Office of Management and Budget. MSAs consist of one or more counties, including large population centers and nearby communities that have a high degree of interaction.

**Middle-Income** - Income levels that are at least 80% and less than 120% of the MFI.

**Moderate-Income** - Income levels that are at least 50% and less than 80% of the MFI.

**Small Loans to Businesses** - Loans with original amounts of \$1 million or less that are: (1) secured by nonfarm nonresidential properties; or (2) commercial and industrial loans to U.S. addresses.

**Small Loans to Farms** - Loans with original amounts of \$500 thousand or less that are: (1) secured by farmland; or (2) to finance agricultural production and other loans to farmers.

**Tier 1 Capital** - The total of common shareholders' equity, perpetual preferred shareholders' equity with noncumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

**Upper-Income** - Income levels that are 120% or more of the MFI.

## Description of Institution

Bank One, Texas, NA (BOT), headquartered in Dallas, Texas, is a wholly-owned subsidiary of Bank One Corporation (BOC), which is headquartered in Chicago, Illinois. As of December 31, 1999, BOC had total assets of \$269 billion, making it the fifth largest bank holding company in the United States. BOC provides a full range of consumer and commercial financial products and services, and operates banking offices in 15 states: Arizona, Colorado, Delaware, Florida, Illinois, Indiana, Kentucky, Louisiana, Michigan, Ohio, Oklahoma, Texas, Utah, West Virginia and Wisconsin. The Corporation operates more than 1,800 banking centers and an extensive network of automatic teller machines (ATM's) nation-wide. It has subsidiaries in 33 states and international offices on five continents.

BOT is the third largest bank in the State of Texas with an 8.9% deposit market share in the state. As of December 31, 1999, BOT reported total assets of \$30 billion, total loans of \$22 billion, and a loan-to-deposit ratio of 108%. Tier 1 capital totals \$1.9 billion. BOT operates 187 banking centers and 300 ATM's throughout the State of Texas. As of December 31, 1999, BOT's loan portfolio consisted of 26.6% commercial and industrial loans, 22% loans secured by real estate, 32% loans to individuals, 5.8% all other loans and 11.5% leasing receivables.

In determining the size and capacity of BOT for CRA evaluation purposes, we specifically considered operating subsidiaries of the bank. None of the bank's operating subsidiaries contributes to or detracts from the CRA performance of the bank.

There were nine affiliated entities that contributed to the bank's CRA performance. Refer to Appendix A for identification of the entities and the activities they contributed.

There are no significant financial barriers limiting BOT's ability to meet the identified credit needs within its assessment area.

BOT has delineated twenty assessment areas within the State of Texas for CRA purposes. BOT's delineation(s) include fifteen assessment areas that are within or encompass Metropolitan Statistical Areas (MSA's) and four in Non-Metropolitan areas. The fifteen assessment areas in MSA's are Abilene, Amarillo, Austin-San Marcos, Beaumont-Port Arthur, Dallas, Fort Worth-Arlington, Houston, Killeen-Temple, Longview-Marshall, Midland-Odessa, San Antonio, Sherman-Denison, Tyler, Waco, and Wichita Falls. The non-metropolitan areas include the counties of Gillespie, Hockley, Navarro, and Washington.

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

The last evaluation of the bank was dated October 31, 1997. The current evaluation assesses the bank's performance from November 1, 1997 to March 31, 2000.

Under the Lending Test, we will consider home purchase, home improvement, refinance, small business, small farm and community development loans. For the Lending Test, we considered data from January 1, 1998 to December 31, 1999. We did not include data from December of 1997 because one month of the data would not be meaningful. Qualified Investments, community development loans and Service Test activity will be considered from April 1, 1997 because information after that date was not considered in the last evaluation. There was one change to the bank's assessment area delineation(s) during the evaluation period. Late in 1999, Rusk County, in the Non-Metropolitan assessment area was deleted due to no branch presence there. The bank's performance in that area will not be considered in this evaluation.

The reader should note that most of BOC's home purchase lending is done by an affiliate, Bank One Mortgage Company. The bank has elected not to have real estate lending activities of affiliates considered in the evaluation. This is the bank's option.

### Data Integrity

The scope of this examination included a review of the accuracy of the bank data analyzed to develop our conclusions and ratings. The data tested for accuracy included data made available to the public in accordance with the Home Mortgage Disclosure Act (HMDA) and the CRA regulation. Public data includes home mortgage lending and small loans to businesses. We also reviewed the accuracy of non-public data for qualified investments, community development loans, and community development services.

The following significant errors were noted in the bank's small loans to businesses reporting.

1. A 10% error rate was noted in the revenue data reported in 1999 for small loans to businesses. Higher error rates for revenue data had been noted in previous years. The other reported data for these loans was accurate. We used the small loans to business data reported by the bank, but did not consider the revenue data in the evaluation. As a result of this exclusion, we did not develop a conclusion regarding the distribution of small loans to businesses by income level of borrower.
2. The bank's 1998 small loans to businesses submission contained 68 guidance lines of credit totaling \$27.5 million that were not eligible for reporting. The ineligible loans represented 1.1% of the number of loans and 4.8% of the dollar total reported by the bank. We were able to remove these loans from the 1998 bank data used in our evaluation.

3. Commercial leases were incorrectly reported as small loans to businesses in 1998. There were 37 ineligible leases reported, and that number represented .6% of the number of loans reported. Management was able to remove the leases from the data provided to examiners for the evaluation.

The bank's HMDA loans, qualified investments, community development loans and community development services information was found to be accurate.

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

For our review, we have selected the Dallas and the Houston assessment areas for full scope reviews. These assessment areas are the source of 43% and 20% of the bank's deposits, respectively. The concentration of the bank's deposits in these assessment areas is the reason they were selected for full scope reviews, and resulted in these areas being given primary consideration in the development of the bank's ratings. The remainder of the assessment areas received limited scope reviews.

In terms of the work we performed, the data contained in the tables in Appendix C was evaluated for each of the bank's delineated assessment areas. For the areas receiving a full scope review, additional information was developed concerning credit and community development needs, and opportunities for community development activities. We also analyzed the geographic distribution of lending in these assessment areas to determine if there were any significant, unexplained gaps in the bank's lending. Individual community development loans and services and qualified investments were reviewed to assess qualitative factors such as complexity, innovation, leadership and responsiveness to identified needs. The Service Test analysis included an analysis of the location of bank branches to gauge accessibility.

### **Ratings**

The bank's overall rating is based primarily on the bank's performance in the Dallas and Houston assessment areas.

Under the Lending Test, the bank's small loans to businesses and refinance lending performance received the greatest consideration in developing the Lending Test conclusions. Small loans to businesses was the largest dollar volume category of lending in both Dallas and Houston with 54% and 48%, respectively, of the total dollars considered in the evaluation. Refinance lending was the largest lending category measured by number of loans extended with 37% of the loans in Dallas and 45% of the loans extended in Houston. Significant numbers of home improvement loans were noted, but the volume of home purchase lending was nominal. The bank's performance with home purchase loans received minimal consideration in developing our conclusions. We did not analyze the bank's performance in making small loans to farms due to the negligible volume of loans in the full scope

areas and the subsequent nominal impact it would have had on the rating.

**Other**

During 1999 and 2000, the OCC contacted sixteen community-based organizations from the Dallas assessment area and eight from the Houston assessment area to discuss community credit and community development needs. These organizations serve their communities by helping small business owners prepare business plans, making small loans to small businesses, implementing community redevelopment plans in conjunction with municipal and state authorities, helping LMI individuals qualify for home mortgages and developing affordable housing. Opportunities for banks to participate in community development activities within the Dallas assessment area are numerous and are adequate in the Houston assessment area. For additional information on the credit and community development needs of these assessment areas, refer to the Community Profiles in Appendix B.

## **Fair Lending Review**

We performed a review of this bank's home improvement and home mortgage refinance lending for disparate treatment in lending to Blacks and Hispanics. We reviewed the bank's lending policies, procedures and underwriting standards for illegal discrimination.

A significant sample of approved loans and denied applications for Whites, Hispanics and Blacks were reviewed. No illegal discrimination was noted.

## **Conclusions with Respect to Performance Tests**

### **LENDING TEST**

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

The bank's performance under the Lending Test is rated good. This conclusion is based on good performances in both Dallas and Houston.

#### **Lending Activity**

Refer to Table 1- 6 in Appendix C for the facts and data used to evaluate the bank's lending activity.

Overall, the volume of lending in the Dallas and Houston assessment areas is good. The bank's volume of lending is good for home mortgage and small business loans. Community development lending is excellent in both assessment areas.

The bank's overall volume of home mortgage lending is good in both assessment areas. However, both markets have a poor volume of home purchase loans as the product's market rank is significantly lower than the bank's deposit market rank. The bank's volume of home improvement and refinance loans are excellent as the market rank for these products meets or exceeds the bank's deposit market rank.

Small business lending volume is good for both assessment areas. Good lending volumes are reflected when the market rank is slightly lower than the bank's deposit market rank. Adequate lending volumes are indicated when market ranks are somewhat lower than the bank's deposit market rank.

The volume of community development lending in Dallas and Houston is excellent. To help gauge the volume of community development lending in individual assessment areas, the volume of loans was calculated as a percentage of Tier 1 capital. This calculation involved allocating Tier 1 capital to the assessment areas based on the percentage of the bank's deposits derived from each assessment area. The bank's community development loans represents 6.4% and 11.1% of Tier 1 capital in Dallas and Houston, respectively.

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

BOT's distribution of lending by income level of geography is good overall and good in both Dallas and Houston.

In both Distribution of Loans by Income Level of Geography and Distribution of Loans by Income Level of Borrower, the bank's percentage distribution of lending compared to demographic information was given more weight than the market share information. The reason for this emphasis is that the percentage distribution data is for 1998 and 1999, compared to the market share information that reflects 1998 activity only.

**Home Mortgage Loans**

Refer to Tables 2, 3 and 4 in Appendix C for the data used in this analysis.

The geographic distribution of home purchase loans is poor in Dallas and good in Houston. In Dallas, the percentage distribution of loans in low-income census tracts is slightly less than the percentage of owner-occupied housing units in those areas and is good. The percentage distribution of bank loans in moderate-income areas is substantially less than the percentage of owner-occupied units and is poor. The moderate-income areas contain a significantly higher percentage of the assessment areas owner-occupied units and accordingly, we gave the bank's performance in these areas more weight in developing our overall conclusion. The concentration of owner-occupied units in moderate-income census tracts is true in Houston also. The market share indicators are somewhat consistent with the percentage distribution information in Dallas, though slightly stronger performance is indicated in low-income census tracts. The bank's market share in low-income tracts is excellent as the level exceeds the bank's overall market share. In moderate-income tracts, the market share is substantially lower than the bank's overall market share and is considered poor. In Houston, the percentage distribution of loans in low-income census tracts is poor, and the percentage distribution of loans in moderate-income areas is good. The market share data is stronger with the bank's performance in both low- and moderate-income tracts excellent as they exceed the bank's overall market share.

Home improvement lending in the Dallas assessment area is good and is excellent in Houston. In Dallas, the percentage of bank loans in both low- and moderate-income census tracts approximates the percentage of owner-occupied units in each area and is good. In Houston, the percentage of bank loans in both low- and moderate-income census tracts substantially meets or exceeds the percentage of owner-occupied units in those areas and is excellent. Market share information reflects excellent performance in both assessment areas as market share in low- and moderate-income tracts meets or exceeds overall market share.

Refinance lending in both assessment areas is good. In Dallas, the percentage of bank loans in both low- and moderate-income census tracts approximates the percentage of owner-occupied units in those areas and is good. In Houston, the percentage of bank loans in low-income census tracts is substantially less than the percentage of owner-occupied units, and is considered poor. The percentage of bank loans in moderate-income census tracts meets the percentage of owner-occupied units, and is considered excellent. Market share information reflects stronger performance in both low- and moderate-income tracts in both assessment areas as it exceeds the bank's overall market share and is excellent.

**Small Business Loans**

Refer to Table 5 in Appendix C for the facts and data used to evaluate the distribution of the bank's small loans to businesses.

BOT's geographic distribution of small loans to businesses is excellent in both Dallas and Houston. The percentage of loans originated in both low- and moderate-income census tracts meets the percentage of businesses located in low- and moderate-income census tracts in Dallas and in moderate-income census tracts in Houston and is excellent. For low-income census tracts in Houston, the percentage of loans is slightly lower than the percentage of businesses in these tracts and is good. The bank's performance in moderate-income census tracts in Houston was given more weight than that of low-income census tracts due to the significantly greater percentage of businesses located in moderate-income census tracts. The bank's market share information reflects an excellent performance in both assessment areas because the market share in both low- and moderate-income tracts meets or exceeds the bank's overall market share in each assessment area.

### ***Small Farm Loans***

Refer to Table 6 in Appendix C for the facts and data regarding the geographic distribution of the bank's origination/purchase of small loans to farms.

We did not analyze small loans to farms due to the nominal volume of lending in the full scope areas and the negligible impact it would have had on the ratings.

### ***Lending Gap Analysis***

There were no unexplained, conspicuous gaps in the bank's geographic distribution of loans.

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

BOT has a good focus on lending within its assessment areas. We noted that 80% of the bank's loans fall within its assessment areas. Each product has a similarly high percentage of lending within the assessment areas. This calculation only includes loans made directly by the bank and does not include affiliate lending.

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

BOT's overall distribution of lending by income level of the borrower is adequate. The bank's distribution of loans is adequate in Dallas and good in Houston. As noted earlier, due to data integrity issues, we lacked the information to analyze the distribution of small loans to businesses and farms by income level of borrower. This omission tempered the performance in home mortgage lending and resulted in the overall conclusion stated above.

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

Refer to Tables 7, 8 and 9 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

In the Dallas assessment area, the borrower distribution of home purchase loans is poor, home improvement loans good, and refinance loans is excellent. In Houston, the distributions of home purchase, home improvement, and refinance loans are all excellent. The high cost of affordable housing in Dallas and Houston impacted our expectations regarding the level of home mortgage lending to low- and moderate-income borrowers.

Home purchase lending to low-income borrowers in the Dallas assessment area is poor in both the lending distribution and market share analysis. The percentage of bank loans made to low-income borrowers is substantially lower than the percentage of low-income families in the assessment area and is poor even after the affordability of housing is considered. The percentage of loans to moderate-income borrowers is adequate as the percentage of bank loans to moderate-income borrowers is somewhat less than the percentage of moderate-income families in the assessment area. The bank's market share for moderate-income borrowers is adequate in Dallas as the market share in these tracts is somewhat lower than the bank's overall market share. The bank's market share with low-income borrowers is negligible and poor.

In Houston, the percentage of home purchase lending to moderate-income borrowers is excellent and it exceeds the percentage of the moderate-income families in this assessment area. The percentage of lending to low-income borrowers is substantially lower than the percentage of low-income families. However, performance is considered excellent when the affordability of housing is taken into consideration. The market share data reflects excellent performance with regards to low- and moderate-income borrowers as the market share exceeds the overall market share for these borrowers.

BOT's distribution of home improvement loans by borrower income level is good in the Dallas assessment area and excellent in Houston. In Dallas, lending to low-income borrowers is excellent and good for moderate-income borrowers. The percentage of lending to low-income borrowers is significantly lower than the percentage of low-income families in the assessment area, but is considered excellent when the affordability of housing is considered. The percentage of bank loans made to moderate-income borrowers approximates the percentage of moderate-income families in the assessment area. The bank's market shares in lending to both low- and moderate-income families in Dallas exceeds the bank's overall market share and is considered excellent. In Houston, lending to both low- and moderate-income borrowers is excellent. The percentage of lending to low-income borrowers is significantly lower than the percentage of low-income families in the assessment area, but is considered excellent when affordability is taken into consideration. The percentage of bank loans made to moderate-income borrowers exceeds the

percentage of moderate-income families in the assessment area. The bank's market shares in lending to low- and moderate-income families exceed the bank's overall market share and is considered excellent.

For refinance lending, borrower distribution is excellent for both assessment areas.

In Dallas, lending to low- and moderate-income borrowers is excellent. The percentage of lending to low-income borrowers is significantly lower than the percentage of low-income families in the assessment area, but again, is excellent when taking affordability into consideration. The percentage of bank loans made to moderate-income borrowers exceeds the percentage of moderate-income families in the assessment area. The bank's market shares in lending to low- and moderate-income families exceeds the bank's overall market share and is also excellent. In Houston, lending to low-income borrowers is good and moderate-income borrowers is excellent. The percentage of lending to low-income borrowers is significantly lower than the percentage of low-income families in the assessment area, but is good when the affordability of housing is considered. The percentage of bank loans made to moderate-income borrowers exceeds the percentage of moderate-income families in the assessment area. The bank's market shares in lending to low- and moderate-income families materially exceeds the bank's overall market share and is excellent.

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

No conclusion was developed for this aspect of the bank's lending performance. This situation is the result of the data integrity issues noted earlier. We did note that a majority of the bank's small business loans were in amounts of \$100,000 or less. However, loan size is not a reliable indicator of the extent that the bank's small loans made to businesses were made to small businesses.

#### ***Small Loans to Farms***

No conclusion was developed for this aspect of the bank's lending performance.

#### **Community Development Lending**

Refer to Table 1 in Appendix C for the facts and data used to evaluate the bank's level of community development lending.

The bank's community development lending is excellent overall and excellent in both Dallas and Houston. The bank displayed excellent responsiveness to the need for affordable housing in both assessment areas. BOT displayed leadership in several projects in both Dallas and Houston.

The volume of community development lending in Dallas and in Houston was excellent. In Dallas and in Houston, 100% of dollars extended were for the development of affordable housing. During the evaluation period, the bank's lending helped create or retain

1,604 affordable housing units in Dallas and 1,318 units in Houston. In Dallas, a large number of loans were originated to not-for-profit and for-profit housing developers creating owner-occupied housing for low- and moderate-income people. In Houston, community development loans created affordable rental housing units for low- and moderate-income people. The dollar volume of community development loans represents 6.4% and 11.1% of Tier 1 capital in Dallas and Houston, respectively. Tier 1 capital was allocated to those areas based upon the percentage of BOT's deposits originating therein. Relating the dollar volume of loans to Tier 1 capital provides a perspective regarding the relative size of community development lending. Examples of community development loans follow:

#### ***Meadowbrook Apartments***

In Houston, the bank provided two construction loans to build 220 units of affordable multi-family rental housing. Meadowbrook Apartments, located in a moderate-income area, offer affordable rental units to persons with incomes at or below 60% of the area's median income. A childcare facility is also part of the project. In addition to the loan, the bank purchased low-income housing tax credits for the project. This amount is included under the Investment Test.

#### ***Vecinos Unidos***

This is a not-for-profit Community Housing Development Organization working to create affordable housing in the Dallas area. Twenty-six loans were made for the construction of affordable single-family homes in the organization's Casa Rio project area. The project originated as an abandoned apartment complex located on ten acres. City and federal monies for demolition costs and infrastructure improvements were obtained from the City of Dallas and U.S. Department of Housing and Urban Development. Casa Rio will result in 57 new affordable single family homes, with an average price of \$75,000, which at current interest rates, is affordable to low- and moderate-income people. The City of Dallas provided mortgage buy-down subsidies of up to \$12,000 per home to the end buyers. Vecinos Unidos also accessed funds available under the Dallas Affordable Housing Coalition Single Family Loan Fund which helps to lower its financing costs.

#### **Product Innovation and Flexibility**

BOT has made an adequate effort to provide flexible and innovative lending products. The bank offers the Capital Access Program and SBA's Express, Low-Doc, 504, and 7A programs as well as a special state-supported small business lending program for near bankable businesses. However, information could not be provided on how the programs resulted in lending to low- and moderate-income areas or individuals.

The bank is the lead participant of the Texas Capital Access Fund with over \$9 million in originations. This is a unique state-supported lending program created to increase small business access to working capital lines of credit and loans for equipment. Loans and lines of credit up to \$35,000 have been extended by BOT to 338 Texas businesses that fall just outside of

conventional bank underwriting standards.

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

Refer to Tables 1 through 11 in Appendix C for the facts and data that support these conclusions

Based on limited-scope reviews, the bank's performance under the Lending Test in the Beaumont-Port Arthur, San Antonio, Sherman-Denison, Wichita Falls MSAs are not inconsistent with the overall High Satisfactory rating under the Lending Test. Performance in the Midland-Odessa, Abilene, Amarillo, Austin-San Marcos, Fort Worth-Arlington, Killeen-Temple, Longview-Marshall, Tyler and Waco assessment areas and the non-metropolitan areas are inconsistent and weaker than the bank's overall High Satisfactory Lending Test rating. Weaker performance in the limited scope areas negatively impacted the bank's performance, but did not alter the overall Lending Test rating. The assessment areas with weaker performance contain 26.6% of the bank's deposits.

The weaker performance in Midland-Odessa, Abilene, Killeen-Temple, Longview-Marshall, and Waco assessment areas and the Non-metropolitan areas is partly due to the significantly lower volume of community development lending. Also, the distribution of loans among low- and moderate-income geographies and low- and moderate-income borrowers was significantly less than for the full-scope area percentages. In Midland-Odessa and Longview-Marshall, refinance loans had a weak geographic and borrower distribution. Performance in Killeen-Temple was similar; however, the geographic distribution of small business loans was also weaker. In Abilene, the geographic distribution was weaker for all products, and borrower distribution was weaker for home improvement and refinance loans. In both Amarillo and Austin-San Marcos, the geographic distribution for home improvement, refinance, and small business lending and the borrower distribution for home improvement and refinance lending were weaker. In Fort Worth-Arlington, the weaker performance was due to the geographic distribution of home purchase, home improvement, and refinance and the borrower distribution of home improvement. In Tyler and Waco, weaker performance was due to the geographic and borrower distribution of home improvement loans. In the non-metropolitan areas, weaker performance was due to the low volume of home improvement and refinance loans.

## **INVESTMENT TEST**

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

Refer to Table 12 in Appendix C for the facts and data used to evaluate the bank's level of qualified investments.

The bank's Investment Test performance is adequate in Texas. The bank's performance is good in the Dallas assessment area and is adequate in the Houston assessment area. Performance in the limited scope areas contributed to the overall adequate conclusion.

### **Dollar Amount of Qualified Investments**

The volume of qualified investments is good in Dallas and is adequate in Houston. Our conclusions considered the fact that community development needs are high in both metropolitan areas and that there are ample opportunities for bank's to make community development investments. We used Tier 1 capital to assist us in gauging the volume of investments in each assessment area. Investments represent 3.2% and 1.7% of the volume of Tier 1 capital allocated to the Dallas and Houston assessment areas based upon the percentage of the bank's deposits originating in those assessment areas. As shown in Table 12, the majority of the bank's investments were made in the current evaluation period in both assessment areas.

### **Innovativeness or Complexity of Qualified Investments**

The level of innovation and complexity in the bank's investments in Dallas and Houston are modest. In Dallas, two investments reflect complex characteristics. These investments were complex because of the various layers of funding and the number of other parties involved in the projects. The remaining current period investments consisted of low-income housing tax credit purchases, investments in Small Business Investment Corporations and grants to community development organizations. These investments are not complex or innovative. In Houston, the bank's investments consisted of indirect investments in funds working to create affordable housing or grants to community development organizations. Examples of investments made in Dallas and Houston follow:

#### ***King's Gate Apartments***

King's Gate is a mixed-income, multi-family apartment complex where affordable housing units will be guaranteed for a minimum of three years with a possible two-year extension. This project created 144 rental housing units, 115 of which are targeted for low- and moderate-income people. The bank invested in a limited partnership for this project and provided construction and permanent loans. Although located in a low-income neighborhood, it is adjacent to the high cost Oak Lawn neighborhood. Oak Lawn has prospered in the last decade and affordable housing in the surrounding areas has become scarce. It is uncertain at this point if the community-based developer will be able to maintain the rents at an affordable level after the initial three-year

term.

***Newport Landing Apartments***

This project involved the rehabilitation of a 185-unit complex consisting of 35 two-story buildings. A land use restriction agreement with the Resolution Trust Corporation (RTC) requires 65 units be rented to low-and very low-income persons. As a result of the bank's investment, an additional 46 units will be reserved for persons earning less than 80% of the area's median income for an estimated five years. This Dallas project was moderately complex due to other funding provided by Fannie Mae and restrictions imposed by the RTC.

***The Treymore at Cityplace Apartments***

This was a new construction project in Dallas that created 180 rental housing units. Seventy-two units are affordable for low-and moderate-income people and six units will be handicapped accessible. The site will also provide childcare services, social activities and meals for senior citizens. The bank purchased low-income housing tax credits used for the project.

***Villas at Pine Lake***

The bank made an investment in a fund that purchased the low-income housing tax credits for this project in Houston. This is a multi-family rental housing unit consisting of 198 housing units of which 118 units are set aside for individuals with incomes at or below 60% of the area's median income. The bank also made a bridge and a construction loan. In addition, Bank One Capital Funding Corporation provided the permanent financing loan under the Fannie Mae's Delegated Underwriting and Servicing program.

**Responsiveness of Qualified Investments to Credit and Community Development Needs**

The bank's responsiveness to community development needs is adequate. This is based on good responsiveness in Dallas and adequate responsiveness in Houston. In Dallas, the volume of investments is good and 92% of the bank's investments supported affordable housing. Over 3,300 affordable housing units were created or retained as a result of direct and indirect investments in Dallas. In Houston, 89% of investments supported affordable housing and helped to create or retain over 1,300 affordable housing units.

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

Based on limited-scope reviews, the bank's performance under the Investment Test in the Fort Worth-Arlington, Longview-Marshall, San Antonio and Sherman-Denison assessment areas is consistent with the bank's Low Satisfactory rating. The volume of investments represents 1.5%, 1.5%, 1.9% and 4.0% of Tier 1 capital in Fort Worth-Arlington, Longview-Marshall, San Antonio and Sherman-Denison, respectively. The lower level of current period versus prior period investments was considered in our conclusion for Sherman-Denison. Based on limited-scope reviews, the bank's performance under the Investment Test in the Abilene,

Amarillo, Austin-San Marcos and Waco assessment areas is inconsistent and stronger than the bank's Low Satisfactory rating for the Investment Test. Performance is excellent in Abilene and good in Amarillo, Austin-San Marcos and Waco as investments represent 7.2%, 13.1%, 2.6% and 4.2% of Tier 1 capital in those respective areas. The lower level of current period versus prior period investments was considered in our conclusions for Amarillo and Waco. Based on limited-scope reviews, the bank's performance under the Investment Test in the Beaumont-Port Arthur, Killeen-Temple, Midland-Odessa, Tyler, Wichita Falls and the non-metropolitan areas is inconsistent and weaker than the overall Low Satisfactory rating for the Investment Test. Investment levels are poor and represent 0.2%, 0.4%, 0.2%, 0.2%, 0.2% and 0.2% of Tier 1 capital in Beaumont-Port Arthur, Killeen-Temple, Midland-Odessa, Tyler, Wichita Falls and the non-metropolitan areas, respectively.

## **SERVICE TEST**

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

The bank's Service Test performance is good and good performance is noted in the Dallas and Houston assessment areas.

#### **RETAIL BANKING SERVICES**

Refer to Table 13 in Appendix C for the data used in this analysis.

#### ***Accessibility of Delivery Systems***

Overall, access to the bank's branches in the Dallas assessment area is excellent. In Dallas, branch distribution is good in low-income areas and excellent in moderate-income areas. The percentage of the bank's branches in Dallas in low-income areas is slightly less than the percentage of the population living in those areas. The percentage of branches located in moderate-income areas exceeds the percentage of the area's population located in the moderate-income census tracts. More weight is given to the bank's performance in moderate-income areas as a significantly greater percentage of population resides in those areas. BOT has a significant number of branches servicing the Dallas assessment area and access to a branch is reasonable throughout the assessment area.

In Houston, access to the bank's branches is good. Branch distribution is adequate in low-income areas and excellent in moderate-income areas. There are no branches located in low-income census tracts, but a review of a map disclosed six branches located in moderate- and middle-income areas that border low-income areas. These adjacent branches contribute to access to banking services from low-income areas. The percentage of branches located in moderate-income areas exceeds the percentage of the area's population located in those census tracts. More weight is given to the bank's performance in moderate-income areas as the percentage of the population in the moderate-income areas is significantly greater than the population in low-income areas. BOT has 43 branches servicing the Houston assessment area and access to a branch is reasonable from all parts of the assessment area.

Access to BOT's services can be achieved in a number of ways. Although these different means of providing service are discussed below, we were unable to discern that these services promote access by low- or moderate-income individuals. As a result, these services did not receive significant consideration in our analysis. BOT has an active toll-free telephone loan access system. A consumer can apply for a loan (home equity loans, home equity lines of credit, installment loans, and credit cards) over the telephone, twenty-four hours a day, seven days a week, in English or Spanish. In addition, several of the bank's services are accessible through the Internet. Internet services include on-line applications for checking, savings, and certificates of

deposit. Loan applications are available for credit cards, home equity loans, and home equity lines of credit, student loans, home mortgages, business installment, business credit cards, and lines of credit for small businesses. Customers may also transfer funds between BOT accounts, pay bills, and get information on statements, investments, taxes and insurance.

### ***Changes in Branch Locations***

The bank's performance with regards to changes in branch locations for the Dallas assessment area is adequate. Branch activity during the evaluation period had a neutral impact in low- and moderate-income areas of the assessment area with no branches opening or closing in those areas.

The bank's performance with regards to changes in branch locations in the Houston assessment area is adequate. Branch activity during the evaluation period had a neutral impact in low-income areas of the assessment area with no branches opening or closing. The one branch that closed in a moderate-income area did not significantly impact the bank's service capacity in moderate-income areas.

### ***Reasonableness of Business Hours and Services in Meeting Assessment Area Needs***

The reasonableness of business hours and services offered at branch locations is good for both the low- and moderate-income area branches of the Dallas and Houston assessment areas. Each branch is a full-service banking center and the hours of operation are consistent with banking centers located in middle- and upper-income areas.

### **COMMUNITY DEVELOPMENT SERVICES**

The bank's responsiveness to community development service needs in Texas is good. This was based on good performance in Dallas and adequate performance in Houston.

### ***Innovativeness and Responsiveness of Community Development Services Provided***

BOT's responsiveness to identified needs was good in Dallas and adequate in Houston. The bank's services primarily respond to affordable housing needs in both assessment areas. In Dallas, community development services targeted for low- and moderate-income individuals are also noted. No services are innovative in either assessment area.

### ***Extent of Community Development Services Provided***

The bank provided a good level of community development services to organizations and individuals in Dallas and an adequate level in Houston.

In Dallas, the bank provides services to or in conjunction with 33 organizations that address low- and moderate-income housing

and other community development service needs. Twenty-nine employees provided such services and all hold leadership positions as Board or committee members in the organizations. In Dallas, two employees were board members of a housing coalition that is actively involved in addressing barriers to the development of affordable housing. Another employee was involved in an organization whose mission is to train non-profit organizations in developing single and multi-family affordable housing. In Houston, services were provided to or in conjunction with 13 organizations that address primarily low- and moderate-income housing. Nine employees provided such services and almost all hold leadership positions as Board or committee member. In Houston, a bank officer was a member of an organization whose focus is on supporting the redevelopment of the Third Ward area, a low- and moderate-income community. In conjunction with a Houston-based housing organization, two mortgage loan employees conducted twenty-seven homebuyer education classes in 1999.

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

Performance in those areas receiving limited scope reviews is provided below:

The bank's performance under the Service Test performance in the Austin-San Marcos, Beaumont-Port Arthur, Fort Worth-Arlington, Midland-Odessa, San Antonio, Waco and Non-metropolitan assessment areas is not inconsistent with bank's overall High Satisfactory Service Test rating.

The bank's performance under the Service Test performance in the Sherman-Denison and Wichita Falls assessment areas is inconsistent and stronger than the bank's High Satisfactory rating due to better branch distribution in low-income areas. The Sherman-Denison assessment area also had a positive impact from changes in branches in moderate-income tracts.

The bank's performance under the Service Test performance in the Abilene, Amarillo, Killeen-Temple, Longview-Marshall, and Tyler is inconsistent and weaker than the bank's High Satisfactory Service Test rating due to inferior branch distribution in moderate-income areas.

The bank's performance in limited scope areas did not significantly impact the overall Service Test rating.

## Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the metropolitan and nonmetropolitan 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): 01/01/98 to 12/31/99 Investment and Service Tests : 4/01/97 to 03/31/00 CD Loans: 4/01/97 to 03/31/00	
<b>Financial Institution</b>	<b>Products Reviewed</b>	
Bank One Texas, NA (BOT) Dallas, Texas	Home purchase and refinanced loans, home improvement loans, small business loans, small farm loans and community development loans, investments, and services.	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
Bank One, N.A.	Affiliate Bank	Small Farm and Small Business Loans
Bank One, Louisiana, N.A.	Affiliate Bank	Small Farm Loans
Bank One, Kentucky, N.A.	Affiliate Bank	Small Farm and Small Business
NBD Illinois	Affiliate Bank	Small Business Loans
Bank One, Oklahoma, N.A.	Affiliate Bank	Small Business Loans
American National Bank and Trust	Affiliate Bank	Small Business Loans
Bank One, Indiana, N.A.	Affiliate Bank	Small Business Loans
Bank One, Illinois, N.A.	Affiliate Bank	Small Business Loans
NBD Michigan	Affiliate Bank	Small Business Loans
Banc One Capital Funding Corporation	Holding Company Subsidiary	Community Development Loans
Banc One Community Development Corporation	Holding Company Subsidiary	Investments and Community Development Loans
Banc One Mortgage Company	Holding Company Subsidiary	Community Development Services
First Chicago Leasing Corporation	Holding Company Subsidiary	Investments
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
Dallas MSA	Full Scope	MSA 1920
Houston MSA	Full Scope	MSA 3360
Abilene MSA	Limited Scope	MSA 0040
Amarillo MSA	Limited Scope	MSA 0320
Austin-San Marcos MSA	Limited Scope	MSA 0640
Beaumont-Port Arthur MSA	Limited Scope	MSA 0840
Fort Worth-Arlington MSA	Limited Scope	MSA 2800
Killeen-Temple MSA	Limited Scope	MSA 3810
Longview-Marshall MSA	Limited Scope	MSA 4420
Midland-Odessa MSA	Limited Scope	MSA 5800
San Antonio MSA	Limited Scope	MSA 7240
Sherman-Denison MSA	Limited Scope	MSA 7640
Tyler MSA	Limited Scope	MSA 8640
Waco MSA	Limited Scope	MSA 8800
Wichita Falls MSA	Limited Scope	MSA 9080
Non-Metropolitan Gillespie County	Limited Scope	Non-MSA
Non-Metropolitan Hockley County	Limited Scope	Non-MSA
Non-Metropolitan Navarro County	Limited Scope	Non-MSA
Non-Metropolitan Washington County	Limited Scope	Non-MSA

# Appendix B: Market Profiles for Full-Scope Areas

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**Market Profiles for Areas Receiving Full-Scope Reviews**

Dallas MSA .....	27
Houston MSA.....	29

**Bank One, Texas, N.A.  
Dallas MSA**

Demographic Information for Full-Scope Area: Dallas MSA 1920						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA % of #
Geographies (Census Tracts)	490	12.0	26.0	29.0	31.0	2.0
Population by Geography	2,247,666	8.9	24.4	34.7	32.0	0.0
Owner-Occupied Housing by Geography	449,141	4.4	18.6	35.2	41.8	0.0
Businesses by Geography	121,492	5.8	26.3	30.7	35.0	2.2
Farms by Geography	2,015	3.2	20.6	37.8	37.7	0.7
Family Distribution by Income Level	572,423	20.1	17.3	21.5	41.1	0.0
Distribution of Low- and Moderate-Income Families throughout AA Geographies	214,064	16.0	35.0	35.0	14.0	0.0
Median Family Income HUD Adjusted Median Family Income for 1999 Households Below the Poverty Level	= \$38,754 = \$58,200 =10.87 %	Median Housing Value Unemployment Rate November 30, 1999			= \$93,898 = 3.25%	

Source: 1990 U.S. Census and 1999 HUD updated MFI.

The Dallas MSA consists of Collin, Dallas, Denton, Ellis, Henderson, Hunt, and Kaufman counties, and is located in the northeast portion of Texas approximately 40 miles east of Fort Worth. BOT has two non-contiguous assessment areas within the Dallas MSA. One assessment area includes portions of Collin, Dallas, and Denton counties. The other assessment area includes a portion of Hunt County. For this evaluation, the two assessment areas are analyzed on a combined basis.

In terms of deposit market share, BOT ranks second in the MSA with a 20.4% deposit market share. NationsBank, N.A., ranks first with a 24.8% deposit market share

In order to identify credit needs within the Dallas assessment areas, the OCC conducted community outreach meetings during 1999 and 2000. Sixteen community-based organizations attended these meetings and identified credit and community development needs including affordable single family houses, flexible home mortgage products, down payment assistance programs, and rehabilitation loans for affordable rental housing. Also identified as credit needs were first-time homebuyer assistance for low- and moderate-income borrowers, lower cost financial services for low- and moderate- income individuals, and banking facilities in low- and moderate-income areas of the community. There is also the need for better marketing of financial services to low- and moderate-

income individuals.

Small business credit needs were identified as micro-loan programs, alternative capital resources, the use of SBA loans by the banks, and the need for financial services education and technical assistance. Investment opportunities consist of several community development corporations, tax credits, and several non-profit community development organizations. Overall, there are adequate community development lending, investment and service opportunities for banks in Dallas.

**Bank One, Texas, N.A.**  
**Houston MSA**

Demographic Information for Full-Scope Area: Houston MSA 3360						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA % of #
Geographies (Census Tracts)	564	13.1	30.7	26.4	27.5	2.3
Population by Geography	2,816,759	9.1	28.1	30.9	31.9	0.0
Owner-Occupied Housing by Geography	533,067	5.8	21.9	30.5	41.8	0.0
Businesses by Geography	138,682	6.8	27.6	28.4	37.0	0.2
Farms by Geography	1,870	4.0	20.1	32.3	43.6	0.0
Family Distribution by Income Level	709,516	22.7	16.6	19.9	40.8	0.0
Distribution of Low- and Moderate-Income Families throughout AA Geographies	279,721	16.0	41.0	29.0	14.0	0.0
Median Family Income	= \$36,886	Median Housing Value			=	
HUD Adjusted Median Family Income for 1999	= \$54,100	Unemployment Rate November 30, 1999			= \$76,462	
Households Below the Poverty Level	=13.49%				= 3.57%	

Source: 1990 U.S. Census and 1999 HUD updated MFI.

The Houston MSA consists of Chambers, Fort Bend, Harris, Liberty, Montgomery, and Waller counties and is located in the southeast portion of Texas approximately 140 miles from Austin, the State Capital. The bank's assessment area includes portions of Fort Bend, Harris, and Montgomery counties.

In terms of deposit market share, BOT ranks fifth in the Houston MSA with a 7.8% deposit market share. Chase Bank of Texas, N.A., ranks first with a 20.7% deposit market share.

In order to identify credit needs within the Houston MSA, the OCC conducted community outreach meetings in the Houston area during 1999. Eight community-based organizations from the Houston area attended the meetings and identified credit and community development needs including affordable single family houses, flexible home mortgage products, down-payment assistance programs, home improvement loans, and affordable rental housing, were all identified as credit needs. Other identified needs include assistance to Hispanic borrowers, lower cost financial services for low- and moderate-income individuals, and banking facilities in low- and moderate-income areas of the community. There is also the need for financial services education for low- and moderate-income individuals.

Small business credit needs were identified as small business loans, which include start-up-loans and venture capital for small business along with a need for financial services education. Investment opportunities consist of several community development corporations, a community development financial institution and several community development organizations. Overall there are adequate community development lending, investment and service opportunities for banks.

## **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: purchased loans are treated as originations/purchases; market rank is based on the number of loans originated and purchased by the bank as compared to all other lenders in the MSA/assessment area; 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 MSA/assessment area.

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 MSA/assessment area.

**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 rank and 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 Refinance Loans** - See Table 2.

**Table 5. 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 rank and market share information based on the most recent aggregate market data available.

**Table 6. 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 rank and market share information based on the most recent

aggregate market data available.

- Table 7. 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 MSA/assessment area. The table also presents market rank and market share information based on the most recent aggregate market data available.
- Table 8. Borrower Distribution of Home Improvement Loans** - See Table 7.
- Table 9. Borrower Distribution of Refinance Loans** - See Table 7.
- Table 10. 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 11. Borrower Distribution of Small Loans to Farms** - Compares the percentage distribution of the number of small loans (less than or equal to \$500 thousand) 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 12. Qualified Investments** - Presents the number and dollar amount of qualified investments made by the bank in each MSA/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.

**Table 13. 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 MSA/AA. The table also presents data on branch openings and closings in each MSA/AA.



Table 1. Lending Volume

LENDING VOLUME												Evaluation
Period: 01/01/1998 TO 12/31/1999												
MSA/Assessment Area	% of Rating Area Deposits in AA*	Home Mortgage		Small Business		Small Farm		Community Development**		Total Reported Loans		% of Rating Area Loans in AA (% of #)
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
<b>Full Scope</b>												
Dallas	42.8	6,853	237,384	3,498	342,904	12	1,305	148	54,737	10,511	636,330	30.9
Houston	20.2	5,483	177,917	2,054	204,448	11	2,452	10	44,739	7,558	429,556	22.2
<b>Limited Scope</b>												
Abilene	0.6	240	7,403	225	11,967	7	810	1	0	472	20,180	1.4
Amarillo	1.1	264	9,197	101	6,790	3	490	0	1,777	369	18,254	1.1
Austin-San Marcos	7.6	1,887	83,258	1,226	116,775	5	1,155	5	30,954	3,123	232,142	9.2
Beaumont-Port Arthur	2.2	630	18,378	188	14,608	0	0	0	0	818	32,986	2.4
Fort Worth-Arlington	11.8	3,636	113,356	1,536	146,477	5	982	31	28,744	5,177	289,559	15.3
Killeen-Temple	0.2	48	1,564	20	1,067	0	0	0	0	68	2,631	0.2
Longview-Marshall	1.8	543	18,203	367	27,425	8	537	0	0	918	46,165	2.7
Midland-Odessa	2.0	364	10,021	276	27,840	0	0	0	0	640	37,861	1.9
San Antonio	2.7	1,584	45,673	628	48,778	2	125	5	16,311	2,219	110,887	6.5
Sherman-Denison	1.3	445	13,978	104	4,965	27	2,863	0	0	576	21,806	1.7
Tyler	1.1	216	13,999	171	10,745	3	165	1	4,715	391	29,624	1.1
Waco	0.4	167	4,733	84	5,964	0	0	0	0	251	10,697	0.7
Wichita Falls	1.7	278	7,328	116	9,632	3	300	0	0	397	17,260	1.2
Non Metro Combined	2.5	206	7,617	253	19,746	50	3,449	1	65	510	30,877	1.5

\* Deposit Data as of June 30, 1999

\*\* Community Development loans from 4/01/97 to 03/31/00

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE Period: 01/01/1998 TO 12/31/1999															Evaluation	
MSA/Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Purchase Loans	
	% 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	#	% of Total **
<b>Full Scope</b>																
Dallas	4.4	3.9	18.6	8.2	35.2	20.1	41.8	67.7	79	0.3	0.5	0.1	0.2	0.3	279	39.6
Houston	5.8	3.0	21.9	19.0	30.5	23.2	41.8	54.8	110	0.1	0.2	0.2	0.1	0.2	168	23.8
<b>Limited Scope</b>																
Abilene	0.9	0.0	27.6	10.0	41.7	60.0	29.8	30.0	57	0.2	0.0	0.2	0.2	0.1	10	1.4
Amarillo	4.0	0.0	21.8	0.0	40.3	40.0	33.9	60.0	80	0.1	0.0	0.0	0.1	0.1	5	0.7
Austin-San Marcos	3.5	5.7	16.7	5.7	38.1	17.0	41.6	71.7	107	0.1	0.5	0.0	0.0	0.2	53	7.5
Beaumont-Port Arthur	7.0	4.8	17.8	28.6	46.2	28.6	29.1	38.1	106	0.1	0.0	0.2	0.0	0.1	21	3.0
Fort Worth-Arlington	3.8	2.3	20.7	6.8	36.7	27.3	38.7	63.6	89	0.2	0.0	0.1	0.1	0.2	88	12.4
Killeen-Temple	0.0	0.0	21.5	0.0	28.4	0.0	50.1	100.0	0	0.0	0.0	0.0	0.0	0.0	1	0.1
Longview-Marshall	0.1	0.0	17.0	44.4	54.7	33.3	28.1	22.2	101	0.1	0.0	0.0	0.1	0.1	9	1.3
Midland-Odessa	8.2	7.1	20.8	28.6	28.6	42.9	42.4	21.4	58	0.2	0.0	1.1	0.1	0.1	14	2.0
San Antonio	5.7	3.4	27.6	34.5	30.2	24.1	36.5	37.9	119	0.1	0.3	0.2	0.1	0.1	29	4.1
Sherman-Denison	0.1	0.0	18.3	28.6	60.8	57.1	20.8	14.3	63	0.2	0.0	0.3	0.2	0.2	7	1.0
Tyler	4.3	0.0	8.7	0.0	52.0	25.0	34.9	75.0	165	0.0	0.0	0.0	0.0	0.1	4	0.6
Waco	4.8	0.0	29.5	0.0	27.2	50.0	38.4	50.0	78	0.1	0.0	0.0	0.2	0.1	4	0.6
Wichita Falls	5.9	22.2	20.3	22.2	42.4	11.1	31.3	44.4	35	0.3	4.7	0.8	0.1	0.1	9	1.3

\* Based on 1998 Aggregate HMDA Data Only. Market rank is for all income categories combined.

\*\* Home purchase loans within an MSA/AA as a % of all home purchase loans in the rating area.

Non Metro Combined	0.0	0.0	4.9	0.0	43.4	50.0	51.7	50.0	0	0.0	0.0	0.0	0.0	0.0	4	0.6
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Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT Period: 01/01/1998 TO 12/31/1999															Evaluation	
MSA/Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography					Total Home Improvement Loans	
	% 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	#	% of Total **
<b>Full Scope</b>																
Dallas	4.4	4.0	18.6	15.5	35.2	27.6	41.8	53.0	1	16.2	18.5	17.3	16.5	15.7	2,659	31.8
Houston	5.8	5.7	21.9	24.8	30.5	26.7	41.8	42.7	3	9.7	13.4	13.9	9.9	7.6	1,881	22.5
<b>Limited Scope</b>																
Abilene	0.9	1.3	27.6	17.1	41.7	48.7	29.8	32.9	4	9.4	33.3	8.0	10.3	8.7	76	0.9
Amarillo	4.0	3.3	21.8	14.8	40.3	36.1	33.9	45.9	3	7.7	4.8	7.1	7.3	8.6	61	0.7
Austin-San Marcos	3.5	1.0	16.7	11.1	38.1	38.3	41.6	49.6	2	11.5	8.1	10.7	11.9	11.6	687	8.2
Beaumont-Port Arthur	7.0	7.7	17.8	17.0	46.2	43.3	29.1	32.0	3	9.9	17.2	12.6	9.0	9.0	194	2.3
Fort Worth-Arlington	3.8	2.1	20.7	16.3	36.7	33.8	38.7	47.8	1	18.1	18.8	18.1	17.9	18.2	1,457	17.4
Killeen-Temple	0.0	0.0	21.5	37.5	28.4	31.3	50.1	31.3	4	5.7	0.0	16.7	0.0	4.2	16	0.2
Longview-Marshall	0.1	0.0	17.0	20.6	54.7	52.4	28.1	27.1	1	18.3	0.0	27.4	16.7	17.1	170	2.0
Midland-Odessa	8.2	10.6	20.8	27.6	28.6	26.0	42.4	35.8	3	14.6	21.4	26.4	12.6	10.3	123	1.5
San Antonio	5.7	6.8	27.6	41.4	30.2	22.5	36.5	29.3	3	7.6	11.7	11.8	5.6	5.8	604	7.2
Sherman-Denison	0.1	0.0	18.3	28.2	60.8	53.8	20.8	17.9	1	24.1	0.0	34.3	21.7	24.2	156	1.9
Tyler	4.3	0.0	8.7	2.9	52.0	51.5	34.9	45.6	3	9.0	0.0	6.7	9.3	9.7	68	0.8
Waco	4.8	3.4	29.5	25.9	27.2	29.3	38.4	41.4	3	9.7	5.3	9.6	12.9	8.5	58	0.7
Wichita Falls	5.9	7.9	20.3	19.1	42.4	42.7	31.3	30.3	1	15.8	23.5	18.8	15.5	12.7	89	1.1

\* Based on 1998 Aggregate HMDA Data Only. Market rank is for all income categories combined.

\*\* Home improvement loans within an MSA/AA as a % of all home improvement loans in the rating area.

Non Metro Combined	0.0	0.0	4.9	3.1	43.4	45.3	51.7	51.6	0	0.0	0.0	0.0	0.0	0.0	64	0.8
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Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE															Evaluation	
Period: 01/01/1998 TO 12/31/1999																
MSA/Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography					Total Home Mortgage Refinance Loans	
	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans		Overall	Low	Mod	Mid	Upp	#	% of Total **
<b>Full Scope</b>																
Dallas	4.4	3.6	18.6	15.4	35.2	31.7	41.8	49.3	2	3.8	9.3	7.0	4.9	2.8	3,914	28.4
Houston	5.8	3.0	21.9	21.4	30.5	31.6	41.8	44.0	3	3.5	5.5	7.3	4.3	2.4	3,433	25.0
<b>Limited Scope</b>																
Abilene	0.9	0.0	27.6	18.8	41.7	42.2	29.8	39.0	4	6.1	0.0	13.0	4.8	5.5	154	1.1
Amarillo	4.0	1.0	21.8	11.1	40.3	35.9	33.9	52.0	4	4.0	0.0	5.8	4.2	3.7	198	1.4
Austin-San Marcos	3.5	1.8	16.7	11.8	38.1	37.3	41.6	49.2	6	2.9	5.2	3.5	2.9	2.7	1,137	8.3
Beaumont-Port Arthur	7.0	5.1	17.8	18.6	46.2	39.8	29.1	36.6	1	9.6	17.9	14.9	10.2	7.2	415	3.0
Fort Worth-Arlington	3.8	1.8	20.7	18.4	36.7	34.9	38.7	44.9	3	4.4	11.6	9.2	5.0	3.3	2,089	15.2
Killeen-Temple	0.0	0.0	21.5	6.5	28.4	45.2	50.1	48.4	10	3.3	0.0	2.3	5.1	2.8	31	0.2
Longview-Marshall	0.1	0.0	17.0	12.1	54.7	53.8	28.1	34.1	1	11.5	0.0	15.2	12.5	9.5	364	2.6
Midland-Odessa	8.2	1.8	20.8	14.5	28.6	39.2	42.4	44.5	4	6.3	10.3	13.5	8.6	4.5	227	1.7
San Antonio	5.7	4.9	27.6	37.5	30.2	30.3	36.5	27.2	7	2.5	9.2	9.8	3.6	0.9	951	6.9
Sherman-Denison	0.1	0.0	18.3	27.0	60.8	44.3	20.8	28.7	1	13.2	0.0	26.5	9.7	14.4	282	2.1
Tyler	4.3	2.1	8.7	2.8	52.0	38.0	34.9	57.0	3	6.7	8.0	7.9	7.1	6.2	142	1.0
Waco	4.8	1.0	29.5	14.3	27.2	21.0	38.4	63.8	4	3.8	0.0	2.9	4.7	3.8	105	0.8

\* Based on 1998 Aggregate HMDA Data Only. Market rank is for all income categories combined.

\*\* Refinance loans within an MSA/AA as a % of all refinance loans in the rating area.

Wichita Falls	5.9	6.1	20.3	17.8	42.4	40.6	31.3	35.6	3	7.6	15.8	17.8	6.7	6.2	180	1.3
Non Metro Combined	0.0	0.0	4.9	0.7	43.4	38.0	51.7	61.3	0	0.0	0.0	0.0	0.0	0.0	137	1.0

Table 5. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL BUSINESS Period: 01/01/1998 TO 12/31/1999															Evaluation	
MSA/Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Small Business Loans	
	% of Businesses	% Bank Loans	% of Businesses	% Bank Loans	% of Businesses	% Bank Loans	% of Businesses	% Bank Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**
<b>Full Scope</b>																
Dallas	5.8	6.0	26.3	29.1	30.7	27.9	35.0	35.0	4	7.2	8.0	7.5	7.2	6.7	3,498	32.2
Houston	6.8	6.4	27.6	31.1	28.4	28.8	37.0	33.1	10	2.9	3.5	3.7	2.8	2.4	2,054	18.9
<b>Limited Scope</b>																
Abilene	2.5	0.4	40.4	22.2	37.3	42.7	19.7	34.7	5	6.1	0.0	3.4	8.9	6.1	225	2.1
Amarillo	12.4	8.9	19.5	15.8	42.5	34.7	25.5	40.6	8	0.8	1.0	0.5	0.6	1.6	101	0.9
Austin-San Marcos	5.3	2.7	19.7	16.0	34.8	36.5	40.0	44.8	4	7.1	4.7	7.3	7.9	6.7	1,226	11.3
Beaumont-Port Arthur	8.3	6.4	21.3	14.4	37.5	35.1	31.1	42.0	9	2.5	3.2	1.3	2.7	2.8	188	1.7
Fort Worth-Arlington	10.5	11.5	23.1	22.3	34.8	34.0	31.5	32.2	4	7.8	8.6	8.3	8.3	6.9	1,536	14.2
Killeen-Temple	0.0	0.0	40.3	25.0	28.3	40.0	31.4	35.0	16	0.9	0.0	0.8	1.5	0.5	20	0.2
Longview-Marshall	4.5	9.8	22.6	21.8	50.6	43.1	22.3	25.1	4	5.7	5.4	7.2	6.5	3.8	367	3.4
Midland-Odessa	10.5	7.2	20.6	25.0	37.5	34.8	31.4	33.0	6	6.9	5.2	9.3	5.8	7.6	276	2.5
San Antonio	5.9	5.6	24.4	25.0	35.2	30.3	34.6	39.2	15	2.5	3.0	3.3	2.0	2.4	628	5.8
Sherman-Denison	8.2	12.5	25.9	30.8	40.3	29.8	25.7	26.9	3	8.7	17.8	10.9	5.7	8.7	104	1.0
Tyler	15.1	8.2	8.1	8.8	38.9	31.0	37.9	52.0	7	4.9	2.4	4.0	4.3	6.6	171	1.6
Waco	5.1	1.2	30.9	13.1	36.4	52.4	27.4	33.3	9	2.3	0.0	0.8	3.1	3.1	84	0.8
Wichita Falls	17.4	19.8	27.2	22.4	26.8	21.6	28.6	36.2	4	8.6	6.2	9.0	7.8	10.4	116	1.1

\* Based on 1998 Aggregate Small Business Data Only. Market rank is for all income categories combined.

\*\* Small Business loans within an MSA/AA as a % of all Small Business loans in the rating area.

Non Metro Combined	0.0	0.0	3.5	2.0	50.3	56.5	46.1	41.5	4	12.9	0.0	20.0	12.7	13.0	253	2.3
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Table 6. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL FARM															Evaluation	
Period: 01/01/1998 TO 12/31/1999																
MSA/Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Loans Small Farm Loans	
	% of Farms	% Bank Loans	% of Farms	% Bank Loans	% of Farms	% Bank Loans	% of Farms	% Bank Loans		Over all	Low	Mod	Mid	Upp	#	% of Total **
<b>Full Scope</b>																
Dallas	3.2	16.7	20.6	33.3	37.8	25.0	37.7	25.0	8	6.3	0.0	12.5	4.3	4.4	12	8.8
Houston	4.0	9.1	20.1	36.4	32.3	9.1	43.6	45.5	8	9.4	25.0	10.0	8.3	7.9	11	8.1
<b>Limited Scope</b>																
Abilene	0.0	0.0	30.8	14.3	37.1	28.6	32.2	57.1	3	6.7	0.0	0.0	0.0	13.8	7	5.1
Amarillo	7.3	0.0	12.1	0.0	50.5	66.7	30.2	33.3	9	1.6	0.0	0.0	1.8	1.6	3	2.2
Austin-San Marcos	2.5	0.0	15.6	0.0	44.4	60.0	37.3	40.0	7	8.0	0.0	0.0	0.0	14.3	5	3.7
Beaumont-Port Arthur	3.1	0.0	13.6	0.0	39.9	0.0	43.0	0.0	0	0.0	0.0	0.0	0.0	0.0	0	0.0
Fort Worth-Arlington	5.0	20.0	15.7	40.0	39.4	40.0	39.9	0.0	4	6.3	25.0	0.0	10.5	0.0	5	3.7
Killeen-Temple	0.0	0.0	31.0	0.0	25.4	0.0	43.7	0.0	0	0.0	0.0	0.0	0.0	0.0	0	0.0
Longview-Marshall	0.5	0.0	14.2	12.5	53.7	50.0	31.6	37.5	4	9.0	0.0	0.0	9.1	16.7	8	5.9
Midland-Odessa	10.1	0.0	15.8	0.0	35.4	0.0	38.6	0.0	0	0.0	0.0	0.0	0.0	0.0	0	0.0
San Antonio	2.6	0.0	18.2	0.0	34.0	0.0	45.2	100.0	17	1.2	0.0	0.0	0.0	2.9	2	1.5
Sherman-Denison	0.9	0.0	9.6	0.0	79.6	77.8	10.0	22.2	2	17.5	0.0	0.0	10.4	0.0	27	19.8
Tyler	4.2	0.0	6.5	33.3	52.4	0.0	36.9	66.7	5	13.3	0.0	0.0	0.0	22.2	3	2.2
Waco	1.3	0.0	31.0	0.0	26.6	0.0	41.1	0.0	0	0.0	0.0	0.0	0.0	0.0	0	0.0
Wichita Falls	9.4	0.0	23.9	33.3	39.1	0.0	27.5	66.7	3	16.7	0.0	100.	0.0	0.0	3	2.2

\* Based on 1998 Aggregate Small Business Data Only. Market rank is for all income categories combined.

\*\* Small Farm loans within an MSA/AA as a % of all Small Farm loans in the rating area.

												0				
Non Metro Combined	0.0	0.0	2.1	0.0	38.8	46.0	59.2	54.0	8	8.8	0.0	0.0	10.5	6.0	50	36.8

**Table 7. Borrower Distribution of Home Purchase Loans**

Borrower Distribution: HMDA HOME PURCHASE															Evaluation	
Period: 01/01/1998 TO 12/31/1999																
MSA/Assessment Area	Low Income Borrowers		Moderate Income Borrowers		Middle Income Borrowers		Upper Income Borrowers		Overall Market Rank*	Market Share by Borrower Income*					Total Home Purchase Loans	
	% of Families	% Bank Loans**	% of Families	% Bank Loans**	% of Families	% Bank Loans**	% of Families	% Bank Loans**		Overall	Low	Mod	Mid	Upp	#	% of Total
<b>Full Scope</b>																
Dallas	20.1	3.9	17.3	11.8	21.5	18.3	41.1	64.2	79	0.3	0.0	0.2	0.2	0.5	279	39.6
Houston	22.7	11.3	16.6	16.7	19.9	16.7	40.8	55.4	110	0.1	0.2	0.1	0.1	0.2	168	23.8
<b>Limited Scope</b>																
Abilene	19.0	30.0	17.6	20.0	23.2	20.0	40.3	30.0	57	0.2	1.0	0.4	0.0	0.3	10	1.4
Amarillo	20.8	0.0	17.8	0.0	22.8	40.0	38.6	60.0	80	0.1	0.0	0.0	0.1	0.2	5	0.7
Austin-San Marcos	19.5	1.9	16.8	7.5	22.3	9.4	41.4	77.4	107	0.1	0.1	0.0	0.0	0.2	53	7.5
Beaumont-Port Arthur	23.3	0.0	16.3	23.8	19.7	19.0	40.7	57.1	106	0.1	0.0	0.0	0.1	0.1	21	3.0
Fort Worth-Arlington	19.1	3.4	17.6	10.2	23.0	20.5	40.4	64.8	89	0.2	0.1	0.0	0.1	0.4	88	12.5
Killeen-Temple	19.8	0.0	14.4	0.0	17.8	100.0	48.1	0.0	0	0.0	0.0	0.0	0.0	0.0	1	0.1
Longview-Marshall	21.6	11.1	16.1	11.1	20.2	11.1	42.1	44.4	101	0.1	0.0	0.0	0.0	0.2	9	1.3
Midland-Odessa	21.6	0.0	16.6	14.3	19.7	35.7	42.1	28.6	58	0.2	0.0	0.2	0.3	0.1	14	2.0
San Antonio	22.9	6.9	17.0	10.3	20.0	24.1	40.1	58.6	119	0.1	0.2	0.0	0.0	0.1	29	4.1
Sherman-Denison	19.7	14.3	17.9	0.0	23.2	0.0	39.2	85.7	63	0.2	0.0	0.0	0.0	0.5	7	1.0
Tyler	22.3	0.0	17.2	0.0	21.1	0.0	39.4	75.0	165	0.0	0.0	0.0	0.0	0.1	4	0.6
Waco	23.3	0.0	17.3	0.0	21.4	50.0	37.9	50.0	78	0.1	0.0	0.0	0.2	0.2	4	0.6
Wichita Falls	20.5	11.1	17.9	22.2	21.9	11.1	39.7	55.6	35	0.3	1.3	0.4	0.2	0.4	9	1.3

\* Based on 1998 Aggregate HMDA Data Only. Market rank is for all income categories combined.  
 \*\* As a percentage of loans with borrower income information available.

Non Metro Combined	17.8	0.0	14.3	0.0	20.3	0.0	47.6	75.0	0	0.0	0.0	0.0	0.0	0.0	4	0.6
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Table 8. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT															Evaluation	
Period: 01/01/1998 TO 12/31/1999																
MSA/Assessment Area	Low Income Borrowers		Moderate Income Borrowers		Middle Income Borrowers		Upper Income Borrowers		Overall Market Rank*	Market Share By Borrower Income*					Total Home Improvement Loans	
	% of Families	% Bank Loans**	% of Families	% Bank Loans**	% of Families	% Bank Loans**	% of Families	% Bank Loans**		Overall	Low	Mod	Mid	Upp	#	% of Total
<b>Full Scope</b>																
Dallas	20.1	10.7	17.3	15.6	21.5	19.7	41.1	52.4	1	16.2	16.9	18.6	16.5	16.5	2,659	31.8
Houston	22.7	11.6	16.6	20.6	19.9	21.6	40.8	45.2	3	9.7	11.5	13.4	11.7	8.2	1,881	22.5
<b>Limited Scope</b>																
Abilene	19.0	2.6	17.6	15.8	23.2	17.1	40.3	63.2	4	9.4	3.8	9.4	7.1	11.2	76	0.9
Amarillo	20.8	3.3	17.8	18.0	22.8	24.6	38.6	50.8	3	7.7	4.2	7.8	6.2	10.3	61	0.7
Austin-San Marcos	19.5	5.5	16.8	12.7	22.3	21.3	41.4	60.1	2	11.5	9.3	9.0	12.0	13.0	687	8.2
Beaumont-Port Arthur	23.3	11.9	16.3	16.5	19.7	32.5	40.7	38.1	3	9.9	9.3	9.6	15.6	8.3	194	2.3
Fort Worth-Arlington	19.1	8.4	17.6	13.3	23.0	21.7	40.4	53.9	1	18.1	14.6	14.7	19.5	19.6	1,457	17.4
Killeen-Temple	19.8	18.8	14.4	12.5	17.8	25.0	48.1	43.8	4	5.7	23.1	5.6	10.0	3.8	16	0.2
Longview-Marshall	21.6	8.8	16.1	12.9	20.2	20.6	42.1	57.1	1	18.3	23.3	14.3	18.3	20.7	170	2.0
Midland-Odessa	21.6	11.4	16.6	14.6	19.7	21.1	42.1	51.2	3	14.6	28.0	18.4	14.8	13.0	123	1.5
San Antonio	22.9	16.7	17.0	22.5	20.0	22.7	40.1	37.7	3	7.6	10.7	9.6	8.2	6.6	604	7.2
Sherman-Denison	19.7	11.5	17.9	13.5	23.2	24.4	39.2	50.6	1	24.1	37.5	21.0	25.3	25.9	156	1.9
Tyler	22.3	2.9	17.2	13.2	21.1	20.6	39.4	60.3	3	9.0	5.0	8.3	6.2	11.4	68	0.8
Waco	23.3	20.7	17.3	10.3	21.4	27.6	37.9	41.4	3	9.7	27.0	4.7	16.7	5.9	58	0.7
Wichita Falls	20.5	9.0	17.9	23.6	21.9	25.8	39.7	40.4	1	15.8	15.4	21.9	14.9	16.1	89	1.1

\* Based on 1998 Aggregate HMDA Data Only. Market rank is for all income categories combined.

\*\* As a percentage of loans with borrower income information available.

Non Metro Combined	17.8	20.3	14.3	9.4	20.3	18.8	47.6	46.9	0	0.0	0.0	0.0	0.0	0.0	64	0.8
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Table 9. Borrower Distribution of Home Mortgage Refinanc Loans

Borrower Distribution: HOME MORTGAGE REFINANCE															Evaluation	
Period: 01/01/1998 TO 12/31/1999																
MSA/Assessment Area	Low Income Families		Moderate Income Families		Middle Income Families		Upper Income Families		Overall Market Rank*	Market Share by Borrower Income*					Total Loans	
	% of Families	% Bank Loans**	% of Families	% Bank Loans**	% of Families	% Bank Loans**	% of Families	% Bank Loans**		Overall	Low	Mod	Mid	Upp	#	% of Total
<b>Full Scope</b>																
Dallas	20.1	9.8	17.3	18.6	21.5	25.4	41.1	44.9	2	3.8	9.0	8.0	6.2	3.9	3,914	28.4
Houston	22.7	9.2	16.6	19.6	19.9	23.9	40.8	46.3	3	3.5	7.6	6.7	5.9	3.5	3,433	25.0
<b>Limited Scope</b>																
Abilene	19.0	3.9	17.6	15.6	23.2	26.6	40.3	53.2	4	6.1	15.0	16.9	11.8	7.1	154	1.1
Amarillo	20.8	2.5	17.8	12.6	22.8	25.3	38.6	58.6	4	4.0	3.6	5.2	5.4	5.0	198	1.4
Austin-San Marcos	19.5	6.8	16.8	14.7	22.3	24.7	41.4	52.5	6	2.9	5.8	5.1	5.1	3.5	1,137	8.3
Beaumont-Port Arthur	23.3	5.8	16.3	19.3	19.7	27.5	40.7	46.7	1	9.6	9.6	17.9	13.6	9.5	415	3.0
Fort Worth-Arlington	19.1	9.9	17.6	18.0	23.0	23.9	40.4	46.3	3	4.4	10.7	8.7	7.9	5.2	2,089	15.2
Killeen-Temple	19.8	0.0	14.4	12.9	17.8	29.0	48.1	54.8	10	3.3	0.0	9.1	7.3	4.3	31	0.2
Longview-Marshall	21.6	4.7	16.1	12.6	20.2	20.9	42.1	59.6	1	11.5	17.3	16.7	15.5	13.2	364	2.6
Midland-Odessa	21.6	2.6	16.6	12.3	19.7	23.3	42.1	60.8	4	6.3	7.7	13.3	12.8	7.5	227	1.7
San Antonio	22.9	10.7	17.0	21.9	20.0	26.9	40.1	40.2	7	2.5	8.3	7.5	5.8	2.9	951	6.9
Sherman-Denison	19.7	5.3	17.9	16.0	23.2	25.5	39.2	52.8	1	13.2	18.8	26.8	17.2	13.6	282	2.1
Tyler	22.3	6.3	17.2	9.2	21.1	35.2	39.4	48.6	3	6.7	11.9	5.8	11.9	6.3	142	1.0
Waco	23.3	8.6	17.3	10.5	21.4	26.7	37.9	52.4	4	3.8	10.0	6.4	5.7	3.7	105	0.8
Wichita Falls	20.5	5.0	17.9	12.8	21.9	22.2	39.7	58.3	3						180	1.3

\* Based on 1998 Aggregate HMDA Data Only. Market rank is for all income categories combined.

\*\* As a percentage of loans with borrower income information available.

										7.6	12.9	13.9	8.6	10.3		
Non Metro Combined	17.8	0.7	14.3	9.5	20.3	20.4	47.6	67.2	0	0.0	0.0	0.0	0.0	0.0	137	1.0

Table 10. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL BUSINESS										Evaluation	
Period: 01/01/1998 TO 12/31/1999											
MSA/Assessment Area	Businesses With Revenues of \$1 million or less			% Distribution of Loans by Original Amount Regardless of Business Size			Market Share*		Total Small Business Loans		
	% Business **	% Bank Loans** *	% Market Loans*	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev \$ 1 Million or Less	#	% of Total	
<b>Full Scope</b>											
Dallas	--	--	--	80.7	9.9	9.4	7.2	--	3,498	32.2	
Houston	--	--	--	80.9	8.9	10.2	2.9	--	2,054	18.9	
<b>Limited Scope</b>											
Abilene	--	--	--	90.7	4.9	4.4	6.1	--	225	2.1	
Amarillo	--	--	--	91.1	4.0	4.9	0.8	--	101	0.9	
Austin-San Marcos	--	--	--	77.6	13.6	8.8	7.1	--	1,226	11.3	
Beaumont-Port Arthur	--	--	--	81.9	11.7	6.4	2.5	--	188	1.7	
Fort Worth-Arlington	--	--	--	79.0	11.4	9.6	7.8	--	1,536	14.2	
Killeen-Temple	--	--	--	85.0	10.0	5.0	0.9	--	20	0.2	
Longview-Marshall	--	--	--	84.7	9.3	6.0	5.7	--	367	3.4	
Midland-Odessa	--	--	--	78.6	10.5	10.9	6.9	--	276	2.5	
San Antonio	--	--	--	87.1	5.7	7.2	2.5	--	628	5.8	
Sherman-Denison	--	--	--	91.3	6.7	2.0	8.7	--	104	1.0	
Tyler	--	--	--	86.6	7.6	5.8	4.9	--	171	1.6	
Waco	--	--	--	83.3	11.9	4.8	2.3	--	84	0.8	
Wichita Falls	--	--	--	78.4	12.9	8.6	8.6	--	116	1.1	
Non Metro Combined	--	--	--	87.4	4.7	7.9	12.9	--	253	2.3	

\* The market consists of all other Small Business reporters in Bank One Texas N.A.'s assessment area and is based on 1998 Aggregate Small Business Data Only

\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses.

\*\*\* Loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses.



Table 11. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL FARM										Evaluation	
Period: 01/01/1998 TO 12/31/1999											
MSA/Assessment Area	Farms With Revenues of \$ 1 million or less			% Distribution Loans by Original Amount Regardless of Farm Size			Market Share*		Total Small Farm Loans		
	% Farms**	% Bank Loans***	% Market Loans*	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev \$ 1 Million or Less	#	% of Total	
<b>Full Scope</b>											
Dallas	--	--	--	58.3	33.3	8.3	6.3	--	12	8.8	
Houston	--	--	--	45.4	18.2	36.4	9.4	--	11	8.1	
<b>Limited Scope</b>											
Abilene	--	--	--	71.2	0.0	28.6	6.7	--	7	5.1	
Amarillo	--	--	--	33.3	66.7	0.0	1.6	--	3	2.2	
Austin-San Marcos	--	--	--	40.0	0.0	60.0	8.0	--	5	3.7	
Beaumont-Port Arthur	--	--	--	0.0	0.0	0.0	0.0	--	0	0.0	
Fort Worth-Arlington	--	--	--	60.0	0.0	40.0	6.3	--	5	3.7	
Killeen-Temple	--	--	--	0.0	0.0	0.0	0.0	--	0	0.0	
Longview-Marshall	--	--	--	75.0	25.0	0.0	9.0	--	8	5.9	
Midland-Odessa	--	--	--	0.0	0.0	0.0	0.0	--	0	0.0	
San Antonio	--	--	--	100.0	0.0	0.0	1.2	--	2	1.5	
Sherman-Denison	--	--	--	74.1	11.1	14.8	17.5	--	27	19.8	
Tyler	--	--	--	100.0	0.0	0.0	13.3	--	3	2.2	
Waco	--	--	--	0.0	0.0	0.0	0.0	--	0	0.0	
Wichita Falls	--	--	--	66.7	33.3	0.0	16.7	--	3	2.2	
Non Metro Combined	--	--	--	78.0	18.0	4.0	8.8	--	50	36.8	

\* The market consists of all other Small Farm reporters in Bank One, Texas, N.A.'s assessment area and is based on 1998 Aggregate Small Business Data Only

\*\* As a Percentage of Farms with known revenues.

\*\*\* As a percentage of loans with borrower income information available.



Table 12. Qualified Investments

QUALIFIED INVESTMENTS									Evaluation	
Period: 4/01/1997 TO 3/31/2000										
MSA/Assessment Area	Prior Period Investments*		Current Period Investments		Total Investment			Unfunded Commitments**		
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)	
<b>Full Scope</b>										
Dallas	20	7,737	145	19,897	165	27,634	56.4	0	0	
Houston	10	2,195	154	4,728	164	6,923	14.1	0	0	
<b>Limited Scope</b>										
Abilene	8	323	17	538	25	861	1.8	0	0	
Amarillo	8	1,728	27	1,145	35	2,873	5.9	0	0	
Austin-San Marcos	11	137	72	3,779	83	3,916	8.0	0	0	
Beaumont-Port Arthur	6	20	13	82	19	102	0.2	0	0	
Fort Worth-Arlington	12	2,145	14	1,295	26	3,440	7.0	0	0	
Killeen-Temple	6	2	16	14	22	16	0.0	0	0	
Longview-Marshall	6	17	24	524	30	541	1.1	0	0	
Midland-Odessa	6	18	12	51	18	69	0.1	0	0	
San Antonio	13	765	31	283	44	1,048	2.1	0	0	
Sherman-Denison	10	967	23	61	33	1,028	2.1	0	0	
Tyler	6	10	11	38	17	48	0.1	0	0	
Waco	7	314	18	22	25	336	0.7	0	0	
Wichita Falls	6	15	11	61	17	76	0.2	0	0	
Non Metro Combined	6	23	31	98	37	121	0.2	0	0	

\* 'Prior Period Investments' means investments made in a previous evaluation period that remains outstanding as of the examination date.  
 \*\* "Unfunded Commitments" means legally binding commitments reported on Report of Condition Schedule L-"Off-Balance Sheet Items".

**Table 13. Distribution of Branch Delivery System**

DISTRIBUTION OF BRANCH DELIVERY SYSTEM 11/01/1997 TO 03/31/2000														Evaluation Period:			
MSA/Assessment Area	Deposits	Branches						Branch Openings/Closings				Population					
	% of Total Bank Deposits	# of Bank Branches	% of Total Bank Branches	Location of Branches by Income of Geographies (%)				# of Branch Closings	# of Branch Openings	Net gain(+) / loss(-) of Branches due to openings/closings				% of the Population with Each Geography*			
				Low (%)	Mod (%)	Mid (%)	Upp (%)			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full Scope</b>																	
Dallas	42.8	54	28.6	7.4	27.8	16.7	48.1	8	1	0	0	-4	-3	8.9	24.4	34.7	32.0
Houston	20.2	43	22.7	0.0	27.9	39.5	32.6	5	0	0	-1	0	-4	9.1	28.1	30.9	31.9
<b>Limited Scope</b>																	
Abilene	0.6	2	1.1	0.0	0.0	100.0	0.0	0	0	0	0	0	0	0.9	30.3	43.9	24.1
Amarillo	1.1	3	1.6	33.3	0.0	33.3	33.3	0	0	0	0	0	0	6.1	23.8	39.8	30.2
Austin-San Marcos	7.6	15	7.9	6.7	20.0	13.3	60.0	1	0	0	0	0	-1	7.1	26.2	35.1	31.3
Beaumont-Port Arthur	2.2	6	3.2	0.0	16.7	50.0	33.3	0	0	0	0	0	0	9.0	20.8	43.0	27.0
Fort Worth-Arlington	11.8	26	13.8	3.8	26.9	50.0	19.2	4	1	-1	-1	-1	0	5.8	25.7	36.4	32.2
Killeen-Temple	0.2	1	0.5	0.0	0.0	0.0	100.0	0	0	0	0	0	0	0.0	27.8	24.5	47.7
Longview-Marshall	1.8	3	1.6	33.3	0.0	66.7	0.0	0	0	0	0	0	0	0.3	20.2	53.0	26.5
Midland-Odessa	2.0	5	2.7	0.0	60.0	0.0	40.0	0	0	0	0	0	0	8.9	22.6	28.3	40.2
San Antonio	2.7	14	7.4	0.0	42.9	35.7	21.4	1	0	0	0	-1	0	8.2	30.4	32.3	29.0
Sherman-Denison	1.3	4	2.1	25.0	75.0	0.0	0.0	0	1	0	1	0	0	0.3	21.3	57.4	20.9

\* The percentage of the population in the MSA/AA that resides in these geographies.

Tyler	1.1	1	0.5	0.0	0.0	0.0	100.0	0	0	0	0	0	0	6.6	11.2	48.5	33.7
Waco	0.4	2	1.1	0.0	50.0	50.0	0.0	0	0	0	0	0	0	9.5	31.9	27.4	30.7
Wichita Falls	1.7	4	2.1	25.0	25.0	0.0	50.0	0	0	0	0	0	0	6.9	24.9	40.9	27.3
Non Metro Combined	2.5	4	2.0	0.0	0.0	100.0	0.0	1	0	0	0	0	-1	0.0	5.4	43.4	51.2

