



LARGE BANK

Comptroller of the Currency
Administrator of National Banks

Southwestern District Office

Public Disclosure

July 9, 2001

**Community Reinvestment Act
Performance Evaluation**

**First National Bank of Abilene
Charter Number: 4166**

**400 Pine Street
Abilene, TX 79604**

Office of the Comptroller of the Currency

**Southwestern District Office
500 North Akard Street Suite 1600
Dallas, TX 75201**

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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Overall CRA Rating

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

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

Performance Levels	First National Bank of Abilene 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 volume is good and indicates that FNB is willing to extend credit within its assessment area (AA). The number of consumer loans is especially high.
- The number of loans made to businesses with less than \$1 million in annual revenues is good. First National Bank of Abilene ranks first in the market for extending small business loans with a 33% market share. The market share for lending to businesses with revenues of \$1 million or less is higher at 38%.
- The penetration of loans to low- and moderate-income borrowers is good for home mortgage loans and for consumer loans.
- Geographic distributions of small business loans and home mortgage loans are good with reasonable penetrations in the low- and moderate-income census tracts in the AA.
- Branches are accessible throughout the AA and branch hours plus alternative delivery systems provide good access to banking products and services.
- The number and dollar amount of Community Development Investments is adequate. First National Bank of Abilene did not assume a leadership position through any community development investment activity. Investments are not complex and do not respond to funding needs that are not normally met through private investors.

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

Block Numbering Area (BNA) - Statistical subdivisions of counties in which census tracts have not been established. The U.S. Census Bureau has established BNAs in conjunction with state agencies.

Census Tract (CT) - Small, locally defined statistical areas within metropolitan statistical areas. These areas are determined by the U.S. 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 U.S. 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) dwellings 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 U.S. Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

Metropolitan Statistical Area (MSA) - Area defined by the director of the U.S. 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 non-farm nonresidential properties; or (2) commercial and industrial loans to U.S. addresses.

Small Loans to Farms - Loans with original amounts of \$500,000 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 non-cumulative 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

First National Bank of Abilene (FNB) was chartered as an intrastate commercial bank in Abilene, Texas in 1889. In addition to its main office at 400 Pine Street in Abilene, FNB operates six branches throughout Abilene. One branch was opened in June 1999. First National Bank of Abilene has not closed any branches during this evaluation period. The main office is located in a moderate-income census tract and a motor-bank is situated in the only low-income geography in Abilene. First National Bank of Abilene is a wholly owned subsidiary of First Financial Bankshares, Inc., a multi-bank holding company also headquartered in Abilene, Texas. The company is comprised of nine separately chartered banks operating in the north central Texas region. Each bank is operated independently. As of December 31, 2000, First Financial Bankshares, Inc. reported combined total assets of \$1.7 billion.

As of December 31, 2000, FNB reported total assets of \$665 million, total liabilities of \$604 million and total equity capital of \$61 million. Loans represent the largest portion of assets at 50% of total assets. Investment securities represent 40% of total assets. Primary lending products include commercial and consumer lending. Commercial loans represent 41% of the loan portfolio, consumer loans comprise 31%. Agriculture and other loans total 17%. Residential real estate loans make up the remaining 11% of total loans. First National Bank of Abilene offers numerous loan products in each of these loan categories, including residential mortgage loans, home equity loans and lines of credit, home improvement loans, construction loans, commercial loans, commercial mortgage loans, personal loans, and education loans.

First National Bank of Abilene has experienced moderate growth since the previous evaluation including loan portfolio growth of 8.5%. The loan-to-deposit ratio averaged 56% in the nine quarters since the January 22, 1998, examination. Financial data indicates FNB can meet community credit needs. The return-on-assets ratio was 1.9% and the tier one leverage capital ratio was 9.3% for the year ended December 31, 2000. Based on the institution's financial condition, size, product offerings, and branch network, there are no legal impediments or other factors which inhibit FNB's ability to meet the AA credit needs.

A competitive financial environment exists in Abilene and impacts lending opportunities. Eleven financial institutions operate branches in the bank's AA. First National Bank of Abilene is one of four institutions headquartered in Abilene. Of the 11 banks operating in Abilene, FNB reported the highest deposit market share at 45% as of June 30, 2000. Deposits from within the bank's AA comprise 95% of FNB's total deposits. A large number of lenders originate home mortgage loans in the AA, with 176 HMDA reporters in 1999, the latest year for which aggregate data is available. These lenders include banks, credit unions, and mortgage companies. The top ten HMDA lenders included mortgage companies as well as large nationally chartered commercial banks with a presence in Abilene.

First National Bank of Abilene received a "Satisfactory" rating at the previous CRA examination conducted January 22, 1998. Reviews of Office of the Comptroller of the Currency records and the bank's CRA Public File revealed no complaints relating to the bank's CRA performance since the last evaluation.

Scope of the Evaluation

Evaluation Period/Products Evaluated

Conclusions regarding the Lending Test are based on small business, small farm, home mortgage and consumer loans from January 1, 1998 through December 31, 2000. The community development lending performance analysis includes loans made from January 22, 1998 through July 9, 2001.

The evaluation period for the Services Test and Investment Test was also from January 22, 1998 through July 9, 2001. The Services Test was evaluated based on branch distribution, hours of operation, branch openings and closings, alternative delivery systems, retail and commercial deposit and loan products and services, and community development services. The Investment Test conclusions are based on an evaluation of qualified community development investments and donations.

No affiliate information was submitted for inclusion in this evaluation.

Data Integrity

We reviewed the accuracy of HMDA, small business, small farm, consumer and community development loan data collected by the bank for 1998, 1999 and 2000. Data was accurate and is used as reported by the bank in this evaluation. Community development services and investments were also reviewed. Several of the community development investments and services submitted did not qualify and are not included in this Report.

Selection of Areas for Full-Scope Review

First National Bank of Abilene has one AA defined as the Abilene MSA #0040. The Abilene MSA consists of Taylor County.

Ratings

Since First National Bank of Abilene has only one AA, the entire rating is based on performance in the Abilene MSA AA.

Other

We contacted three organizations in Abilene to discuss credit needs and community development opportunities. Organizations contacted were involved in economic development and affordable housing. Needs identified include affordable housing, low interest housing rehabilitation loans, start-up business loans, and more proactive participation in economic development initiatives and projects.

Fair Lending Review

An analysis of 1998, 1999, and 2000 public comments and consumer complaint information was performed and small business, small farm and home mortgage loans were reviewed in accordance with the OCC's risk based fair lending approach. Based on its analysis of the information, the OCC decided that a comprehensive fair lending examination would not need to be conducted in connection with the CRA evaluation this year. The most recent comprehensive fair lending exam was performed as of October 31, 1997.

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 **High Satisfactory**. Based on a full-scope review of the bank's one AA, performance is good. First National Bank of Abilene (FNB) extends a large volume of small business loans and home mortgage loans. Both contribute substantially to the Lending Test conclusions. Small business loans receive the greatest weight since commercial lending is a major activity for FNB and the bank dominates the small business loan market in Abilene. Small farm loans represent a much smaller portion of the bank's loan portfolio. Small farm loans do not consequentially impact the Lending Test to the extent of the other loans reviewed. First National Bank of Abilene also reported consumer lending data including motor vehicle, home equity, credit card, other secured and other unsecured consumer purpose loans. These loans represent a significant level of lending with 9,794 loans made during the evaluation period and contribute to the overall Lending Test rating. Motor vehicle loans comprise a majority of consumer loans reported, at 62%.

The geographic distribution of loans is good. Since only one AA census tract is low-income, the geographic distribution focused more on lending in the moderate-income geographies and an analysis of lending gaps. For home mortgage and small business loans the penetration in moderate-income census tracts was good. Small farm and consumer loans had an adequate penetration in moderate-income census tracts. No conspicuous lending gaps were identified.

The borrower distribution of loans is good. The distributions for small business lending, small farm lending and consumer lending are good. The penetration of mortgages to low- and moderate-income borrowers is excellent.

Community development loans and flexible lending products contribute positively to the Lending Test. The number and dollar volume of community development loans is good and the bank offers two flexible lending programs for affordable housing.

Lending Activity

Refer to Table 1 in Appendix C for the facts and data used to evaluate the bank's lending activity. A substantial majority of the loans reported for CRA included in Table 1 are small business and HMDA loans. In addition, FNB chose to collect and report consumer loan data since consumer lending also represents a large portion of the bank's lending activities. Table 14 provides details on consumer loans.

The volume of lending is good. We reviewed home mortgage, small business, small farm, consumer and community development lending to assess lending activity. First National Bank of Abilene has the largest deposit market share in the AA at 45%. For small business lending, FNB has a market share slightly less than its deposit market share at 33% and ranks first in the AA in small business lending. Small business lending is a major lending focus for FNB and commercial and construction loans account for approximately 41% of the loan portfolio. For home mortgage products the market shares vary.

Performance is strong for home improvement loans as FNB extended 41% of loans and ranks first in the AA. Market share for home purchase loans and refinance loans are much smaller at five percent and four percent respectively. The lower market shares reflect fragmented home purchase and refinance markets, each with over 100 reporters. The largest market share achieved by any one reporter is only 12%. Small farm lending also indicates a good volume of loans as the bank achieved 32% of the market share and ranks second in the AA.

Consumer lending is a significant lending area at FNB and consumer loans represent 31% of the loan portfolio. The number and volume of consumer loans is high. No market data is available to compare the bank's level of performance with other AA lenders. During the reporting period, FNB reported almost 10,000 consumer purpose loans as reflected in Table 14.

First National Bank of Abilene extended several community development loans to non-profit organizations. The loans indicate FNB's willingness to meet community development needs through lending. In addition, a \$750,000 unfunded loan commitment has been made that qualifies as a community development loan. The loan will help meet affordable housing needs and is responsive to the community's need for affordable housing.

Distribution of Loans by Income Level of the Geography

The geographic distribution of loans is good. Since FNB has significant lending activity for each product reviewed each category does influence the overall assessment of the geographic distribution of loans with small business loans having the greatest impact and small farm loans having the least impact. The AA only contains one low-income census tract and FNB extended home mortgage loans, small business loans, one small farm loan, and consumer loans in the low-income census tract. Lending in moderate-income census tracts is good for home mortgage and small business loans. The penetrations of small farm loans and consumer loans in moderate-income geographies are adequate.

Home Mortgage Loans

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

The geographic distribution of mortgage loans extended during the review period is good. Only one percent of owner-occupied units are located in the only low-income geography of the AA. For home purchase and home improvement lending, FNB obtained a 1% penetration in the low-income geography. The bank's market share for the low-income geography exceeded its overall market share for both purchase and home improvement loans and no other lenders made home improvement loans in the low-income census tract. The bank's penetration of home purchase and home improvement loans in the moderate-income census tracts is near to the percentage of owner-occupied units in those geographies and represent good performance. First National Bank of Abilene did not extend any refinance loans in the low-income census tract. In moderate-income geographies, the penetration of refinance loans at 12% is significantly less than the 24% of owner-occupied units located in moderate-income geographies. This is offset by the market share data since FNB's market share for moderate-income geographies slightly exceeds its overall market share for refinance loans.

Small Loans to Businesses

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

Small business lending performance is good. Only two percent of AA businesses are located in the low-income geography and FNB extended eight loans in the low-income geography during the review period. Only seven lenders made small business loans in the low-income census tract during 1999 and FNB ranked first with 33% of the market. For moderate-income geographies, performance is good with 33% of the bank's loans in moderate-income census tracts compared with 37% of AA businesses located in moderate-income geographies. The bank's market share for small business loans in moderate-income census tracts at 38% exceeds its overall small business market share of 33%.

Small Loans to Farms

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

The distribution of farm loans is adequate. Although Dunn and Bradstreet did not report any farms in the low-income census tract in Taylor County, the bank did properly report small farm lending in that census tract. Farm loans were made in moderate-income census tracts, but the penetration of 13% is less than the percentage of AA farms located in moderate-income areas, reported at 21%. In addition, the bank's market share in moderate-income geographies is lower than its overall small farm loan market share.

Consumer Loans

Refer to Table 14 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's consumer loan originations and purchases.

The geographic distribution of consumer loans is adequate. The large number of consumer loans reported indicates that these loans are a significant product in the Abilene area. Performance in low-income census tracts mirrors the percentage of the AA households in the low-income census tract. First National Bank of Abilene extended 21% of reported consumer loans in moderate-income areas. The penetration is slightly less than the percentage of AA households in moderate-income areas at 27%. Performance cannot be compared with other lenders since consumer loan data is not reported by all financial institutions.

Lending Gap Analysis

No conspicuous lending gaps were identified. First National Bank of Abilene extended home mortgages in all geographies with owner-occupied units. Small business loans were extended in all census tracts except one and that census tract only includes the Abilene State School, census tract 121. Small farm loans were extended in all geographies that contain a significant number of farms. Consumer loans were made in all census tracts except 121. Penetrations of loans in low- and moderate-income geographies throughout the AA were reasonable for each type of loan reviewed.

Inside/Outside Ratio

A majority of loans were made in the AA. Of home mortgage, small business, small farm and consumer loans reported during the review period 78% were originated in the AA. A substantial majority of home mortgage and small business lending was done within the AA, at 90% and 88% respectively. A slight majority of farm loans were in the AA with 60% reported in the AA. For consumer loans reported, 75% were in the AA.

Distribution of Loans by Income Level of the Borrower

The distribution of loans by income level of the borrower is good. Small business lending weighs the most heavily in the evaluation. Small business lending represents a major lending focus for FNB and the bank dominates the small business lending market in Abilene. Lending to small businesses and small farms are both good. Performance for home mortgage loans is excellent with strong performance to moderate-income borrowers. For consumer loans, performance is good with strong performance for both low- and moderate-income borrowers.

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.

The borrower distribution of mortgage loans is excellent. For home purchase and home improvement lending the bank had a high penetration of loans to moderate-income borrowers when compared with the percentage of its moderate-income families in the AA. Market share penetrations for home purchase and home improvement lending to low- and moderate-income borrowers are strong. Performance is adequate for home refinance loans.

Distributions for home purchase loans are excellent. The bank extended 11% of home purchase loans to low-income borrowers, which does not meet the level of low-income families in the AA at 19%. This is offset by the bank's strong market share to low-income borrowers of 13% that exceeds the bank's overall market share for home purchase loans. In addition, the bank ranks fifth in the AA for extending home purchase loans and ranks second for extending home purchase loans to low-income borrowers. The penetration of home purchase loans to moderate-income borrowers slightly exceeds the percentage of moderate-income families and the market share to moderate-income borrowers is higher than the bank's overall market share for home purchase loans.

Home improvement loans represent the largest portion of reported HMDA loans and FNB ranks first in the market. During the review period, the penetration of home improvement loans to low-income borrowers is similar to home purchase loans with 10% of home improvement loans to low-income borrowers. First National Bank of Abilene made over 50% of the loans reported to low-income borrowers. The penetration for moderate-income borrowers equals the demographic comparator and the market share is strong at 45%.

Performance for home refinance loans to low-income and moderate-income borrowers is adequate. The penetration levels do not meet the percentage of AA families that are low- or moderate-income, but the bank's market shares to both low- and moderate-income borrowers are higher than the bank's overall home refinance market share.

Small Loans to Businesses

Refer to Table 10 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

The distribution of small business loans is good. First National Bank of Abilene is the dominant small business lender in the AA with 33% of the market. The bank's market share for small business loans to businesses with revenues of \$1 million or less is higher at 38%. A substantial majority of small business loans had original balances of \$100,000 or less and the majority of small business loans were made to businesses with revenues of \$1 million or less, 73%. In the Abilene MSA, 90% of businesses are reported as small. First National Bank of Abilene ranks first in extending small business loans and greatly exceeds other financial institutions in lending to businesses with revenues of \$1 million or less. Other institutions only made 43% of small business loans to businesses with revenues less than \$1 million.

Small Loans to Farms

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

The borrower distribution of small farm loans is good. Most of FNB's small farm loans had original balances of \$100,000 or less. First National Bank of Abilene achieved a market share of 32% for both all small farm loans and small farm loans to farmers with revenues of \$1 million or less. First National Bank of Abilene extended a substantial majority of small farm loans, 88%, to farms with revenues of \$1 million or less. This penetration is lower than the reported 97% of AA farms that have revenues of \$1 million or less. The penetration exceeds other small farm lenders that aggregately reported 63% of small farm loans to farmers with revenues of \$1 million or less.

Consumer Loans

Refer to Table 14 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's consumer loan originations and purchases.

The borrower distribution of consumer loans is good. During the review period, 18% were made to low-income borrowers and 22% to moderate-income borrowers. Lending to moderate-income borrowers exceeds the percentage moderate-income households. Consumer lending cannot be compared to other consumer lenders since all financial institutions do not collect and report consumer loan data.

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.

Community development loans have been made to a number of non-profit organizations. During the review period, 24 loans were made to 7 different organizations. Loan proceeds help meet affordable housing needs and basic needs such as shelter and day care. Some examples of the community development loans include:

Habitat for Humanity - First National Bank extended 10 loans as part of a \$200,000 loan commitment. The loans were used to construct homes for low- and moderate-income families. This activity demonstrates a leadership position. The project involved building 19 homes and neighborhood resources such as a park to help revitalize the North Sayles neighborhood in Abilene, which is located in census tract 117, a moderate-income geography.

Day Nursery of Abilene - One loan was originated for \$10,000. This organization is a non-profit agency that provides daycare and protective services for low- and moderate-income children.

Love and Care Ministries - One loan was originated for \$50,000. The organization serves various needs of homeless people in Abilene.

An unfunded commitment was also made during the review period for a \$750,000 interim construction loan to construct an 18-unit multi-family housing project in the Carver neighborhood of Abilene. The property is located in census tract 110, the only low-income census tract in the AA. The project will involve several sources of financing including tax credits and additional loans from other lenders. Homes will be for low- and moderate-income individuals.

Product Innovation and Flexibility

Two flexible mortgage loan products are available. The number of loans under these programs indicates that the bank has extended efforts to help meet affordable housing loan needs in Abilene.

Community 100 Program - First National Bank of Abilene developed a flexible lending program during 1999 to help low- and moderate-income people purchase homes called the Community 100 Program. Since inception, FNB originated 55 loans that totaled \$1,367,741. The loan program is responsive to affordable housing needs. To qualify for the program the borrower can be of any income level if the property is located in a low- or moderate-income census tract. If the property is not in a low- or moderate-income census tract, the borrower must have an income less than or equal to 80% of the Abilene median income.

The program allows 100% financing and allows 100% of closing costs to be paid through sources other than cash reserves or personal savings. Homes must be owner-occupied and the maximum loan amount is \$35,000.

Affordable Home Loan Program - This program was developed in 1992 and is still available, but the volume of loans has decreased since the inception of the Community 100 Program. The Affordable Home Loan Program allows 95% financing and a loan of up to \$35,000. The terms available are up to 10 years for up to \$20,000 and 15 years for the amount from \$20,001 to \$35,000. No income or geographic restrictions apply, but the majority of loans are made to low- and moderate-income

borrowers. During the review period, 39 loans that totaled \$894,693 were extended to low- or moderate-income borrowers under this program.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the investment test is rated **Low Satisfactory**.

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

During the review period, 30 contributions were made to 13 different organizations that totaled \$196,795. The number of investments indicates that FNB has worked with a variety of organizations in the AA to meet community development needs through investments and the dollar amount is somewhat low given the bank's capacity and opportunities in the AA. First National Bank of Abilene did not make any equity investments.

Contributions to United Way accounted for approximately 80% of the bank's total qualified investments and account for four of the contributions. Other contributions include organizations that provide basic needs for low- and moderate-income individuals such as affordable housing, shelter, childcare and literacy programs. Some of the smaller contributions are to organizations that FNB has helped through a variety of community development activities. One example is Habitat for Humanity; FNB extended community development loans, provided technical assistance and made a small donation. Extensive community development involvement has also been provided to Day Nursery of Abilene through a community development loan, serving as an Advisory Board member and through a \$10,000 contribution. These activities indicate that the bank is making efforts to meet community development needs through a variety of channels.

In addition to the donations listed in Table 12, FNB has recently made a commitment to donate \$50,000 over five years to Hendricks Home for Children for construction of a new building. While this investment does not qualify for credit at this evaluation, it does show efforts to help meet community development needs. The organization provides shelter for orphaned and abandoned children.

Opportunities for community development investments exist in Abilene. The city has an Industrial Foundation, Housing Authority, Habitat for Humanity and a City Economic Development Office. These, and other organizations, have successfully completed community and economic development projects.

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Service Test is rated **High Satisfactory**. Based on a full-scope review, the bank's performance in the Abilene MSA is good. Branches are accessible to all portions of the AA. A wide variety of products and services are offered and are tailored to meet needs of the AA. Business hours and services are convenient and accessible to all segments of the AA. The bank provided a reasonable level of community development services.

RETAIL BANKING SERVICES

Branch Delivery System and Branch Openings/Closings

Refer to Table 13 in Appendix C for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

The branch system is the primary delivery system for FNB. Based on the distribution of AA census tracts and the population in each tract by income level, the branch penetration is good and accessible to all segments of the AA. The bank has no branches located in its one low-income tract. However, the low-income census tract has less than one percent of the AA population and the lack of a branch in this geography is reasonable. First National Bank of Abilene has a motor bank located in the only AA low-income census tract. No other financial institutions have branches in this geography. The main office is centrally located in downtown Abilene in a moderate-income geography. The remaining six branches are located in the middle-income geographies which contain 47% of the AA population. No branches are located in upper-income census tracts.

The penetration of branches in moderate-income census tracts is lower than the percentage of the AA population in moderate-income census tracts. This is offset by the location of four middle-income branches that are situated in close proximity to the moderate-income geographies providing good accessibility to banking services for the low- and moderate-income portions of the AA. In addition, three offices are located in retail establishments that draw traffic from low- and moderate-income census tracts within Abilene, two are in food stores and one is in a Wal-Mart store.

The bank's branch openings have not adversely affected the accessibility of its delivery systems. First National Bank of Abilene expanded its branch network with the addition of a United Supermarket branch in Abilene in June 1999. No branches were closed during the evaluation period.

Seventeen ATMs supplement the branch system. Four ATMs have been opened since the last performance evaluation. The dispersion of ATMs represents a good distribution across AA, particularly in the low- and moderate-income census tracts. Five ATMs, 29% of the total, are situated in low- and moderate-income geographies where 30% of the population resides.

Reasonableness of Business Hours and Services

Services, including business hours, do not vary in a way that inconveniences any portion of the AA or any group of individuals, particularly low- or moderate-income census tracts or individuals. Banking hours provide good accessibility throughout the AA. All branches are open Monday through Friday from 9:00AM to 5:00PM, with extended hours at the supermarket locations until 7:00PM. The three full-service locations offer motor banking Monday through Friday 7:30AM to 6:00PM. The branches and the motor banks are open 9:00AM to 1:00PM on Saturday.

Retail Products and Alternative Delivery Systems

The bank's range of retail products and services is good and alternative delivery systems are accessible to all portions of the AA including the low- and moderate-income portions.

A wide array of banking products and services are provided. Products and services are responsive to banking needs in the AA and do not vary in a way that would inconvenience any low- or moderate-income portions of the AA. Most services are available at all offices. Exceptions are as follows: commercial loans are made at all locations except the three branches located in retail establishments, student loans are limited to the Ely Boulevard Office and mortgage loans are only originated at the Buffalo Gap Road and the River Oaks offices. To help meet small business loan needs, the bank offers SBA guaranteed loans and has an officer call program to attract small business customers and encourage small business development.

A variety of deposit products, loan products and business services are available at FNB locations. Several products are responsive to needs of low- or moderate-income individuals and to small businesses. These products are not only targeted to low- and moderate-income individuals, but provide basic low cost banking products throughout the AA and are responsive to banking needs of the low- and moderate-income portions of the AA:

First Free Checking - The account requires a \$100 opening deposit and does not assess a monthly service fee.

Performance 55 - The account is available to people age 55 and older and requires a \$100 deposit to open and has no monthly fee.

Enterprise Checking - This account is designed for small businesses with lower banking transaction volumes. A deposit of \$10 is required to open the account and there is no minimum daily balance requirement. Monthly service charges are either \$6 or \$10 depending upon whether or not checks are returned to the customer with their monthly statement.

Several alternative deliveries systems augment the bank's branching system. None are specifically targeted toward low- or moderate-income people or areas; however, they increase the accessibility to banking products throughout the AA including the low- and moderate-income segments. Alternative systems and products include telephone banking, debit cards, a toll-free phone center that provides customer service, and Internet banking. To better serve the non-English speaking community FNB employs bilingual employees who speak Spanish and Swahili.

COMMUNITY DEVELOPMENT SERVICES

During the evaluation period, FNB displayed a reasonable responsiveness to available opportunities for community development services. Qualified services include participation in a project designed to increase the availability of housing for low- and moderate-income families in Abilene, the provision of financial service seminars in the community and volunteer activities within the community.

Habitat for Humanity (Habitat) - First National Bank of Abilene demonstrated a leadership role by joining with Habitat for Humanity in a project to provide housing for low- and moderate-income families in Abilene. An employee of the bank serves on the Board of Directors. The bank was involved in the Cornerstone Addition Project from its inception through the construction of 19 homes located in the North Sayles Neighborhood, a moderate-income area of the community. The project began prior to this evaluation period with home construction during this evaluation period. A bank executive served on the Board of Directors and the steering committee for the project. Additionally, FNB was the sole lending partner for the project providing \$200,000 in below market rate loans to complete 10 of the 19 homes. The Texas Bankers Association publicly honored FNB for its initiative and commitment to improving the quality of life for residents of Abilene.

Homebuyer Education Seminars - FNB planned, sponsored, and presented homebuyer education seminars targeted to low- and moderate-income individuals with affordable housing needs and credit issues. The seminars were targeted toward low- and moderate-income people.

Credit Seminars - FNB conducted seminars at two local recreation centers located in the moderate-income census tracts on the north side of Abilene. The seminars were designed to educate the public on the importance of good credit, how to maintain good credit, and how to repair poor credit. The seminars were primarily targeted toward low- and moderate-income people.

Checking Services Seminars - FNB presented seminars on how to effectively manage a checking account. The seminars were targeted to the low- and moderate-income population of the AA.

In addition to the above programs and services, bank officers serve in an advisory capacity for 11 organizations. Each position relies upon the bank employee's financial skills to help the organization provide community development services. These organizations have community development as their primary purpose or primarily benefit low- and moderate-income individuals. Examples of organizations served include the following:

- *Board Member, Big Brothers and Big Sisters of Abilene, Inc.* - The organization specializes in youth mentoring in the lives of children at risk and primarily serves low- and moderate-income families.
- *Board Member and Executive Committee Member, Food Bank of Abilene* - The organization is a non-profit food pantry that provides food, household and health items to the needy.
- *Advisory Board Member, Day Nursery of Abilene* - This agency provides affordable childcare services to abused and neglected children and low-income working parents.
- *Board Member, Harmony Family Services, Inc.* - This non-profit agency provides shelter and counseling for homeless youth and runaway children.

Appendix A: Scope of Examination

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

Time Period Reviewed	Lending Test (excludes CD Loans): January 1, 1998 to December 31, 2000 Investment and Services Tests and CD Loans: January 22, 1998 to July 9, 2001	
Financial Institution	Products Reviewed	
First National Bank of Abilene Abilene, Texas	January 1, 1998 to December 31, 2000 - Home purchase, home improvement, home refinance, small business, small farm and consumer loans. Consumer loans include motor vehicle, home equity, credit card, other secured and other unsecured Community development loans, investments and services Retail products and services	
Affiliate(s)	Affiliate Relationship	Products Reviewed
No affiliate products were reviewed		
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Abilene MSA #0040	Full Scope	Abilene MSA is Taylor County

Appendix B: Market Profiles for Full-Scope Areas

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Market Profiles for Areas Receiving Full-Scope Reviews

Abilene MSA.....	B-2
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Abilene MSA

Demographic Information for Full-Scope Area: Abilene MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	36	2.8	38.9	36.1	16.7	5.6
Population by Geography	119,655	0.8	29.5	47.2	20.9	1.7
Owner-Occupied Housing by Geography	26,922	0.7	24.0	49.3	26.0	0.0
Businesses by Geography	5,884	2.3	36.9	42.1	18.3	0.4
Farms by Geography	223	0.0	21.1	59.6	18.8	0.5
Family Distribution by Income Level	31,107	19.4	18.4	23.4	38.8	0.0
Distribution of Low- and Moderate-Income Families throughout AA Geographies	11,750	1.5	41.2	49.2	8.2	0.0
Median Family Income	= \$29,316	Median Housing Value		= \$44,807		
HUD Adjusted Median Family Income for 2000	= \$40,300	Unemployment Rate		= 4.0%		
Households Below the Poverty Level	=15.3%					

(*) The NA category consists of geographies that have not been assigned an income classification.
 Source: 1990 U.S. Census, and 2000 HUD updated MFI.

Abilene MSA

First National Bank of Abilene is headquartered in Abilene, Texas. The City of Abilene is located in west central Texas, 183 miles west of Dallas. Abilene is the largest city between Fort Worth and El Paso on Interstate 20. Abilene is accessible by Interstate 20 and Highway 84 from East and West, and Highways 83 and 277 from North and South.

First National Bank of Abilene has one AA defined as the Abilene Metropolitan Statistical Area (MSA). The Abilene MSA consists of Taylor County. The AA contains 36 census tracts including 1 low-, 14 moderate-, 13 middle-, and 6 upper-income tracts. Two census tracts have not been categorized with an income level. One represents Dyess Air Force Base and the other contains Abilene State School. According to 1990 United States Census Bureau data, approximately 119,655 people reside in the AA. The 2000 United States Census estimates an increase in population of approximately 6% to 126,555 people.

The 1998, 1999, and 2000 estimated median family income (MFI), as adjusted for inflation by the Department of Housing and Urban Development for the Abilene MSA were \$37,500, \$39,400 and \$40,300, respectively. The income designations of the census tracts are based on the 1990 MFI of \$29,316 for the Abilene MSA.

Ten other banks operate in Taylor County with three headquartered in Abilene. First National Bank of Abilene enjoys the largest market presence with the most branches and the largest deposit market share.

A variety of other financial service providers compete for business in the AA including credit unions, mortgage companies and finance companies.

The city has benefited from the recent construction of a number of large national retail stores. New home construction has primarily been outside the city, to the south, toward Buffalo Gap. The average sales price in Abilene in 2000 was just over \$75,000. Few homes are being built in the lower price ranges.

According to Texas Workforce Commission statistics, the local unemployment rate as of December 31, 2000 was 2.9% as compared to the statewide average for the same time period of 3.7%. Employment in the Abilene MSA has seen moderate annual growth and is considered strong and stable. The economy, historically dependent on oil and gas and agriculture, has diversified into manufacturing, retail trade, farming and ranching, government, medical care, and oil and gas services. Services represent 37% of the AA's business establishments, followed by 26% in retail trade. The petroleum industry is recovering slowly from an economic downturn. Agriculture in the area continues to suffer from dry weather and poor prices.

Dyess Air Force Base is the largest area employer with 4,995 military and 923 civilian workers. Other major employers include Abilene Independent School District employing approximately 2,880; Hendrick Health System employing 2,800; Abilene State School employing 1,350; Texas Department of Criminal Justice with 1,349 employees; and the City of Abilene employing 1,200 workers. Abilene is also home of three private universities: Abilene Christian University, Hardin-Simmons University, and McMurray University.

Several economic and community development needs were identified in Abilene. Several organizations operate to help meet these needs and several economic and community development projects have been completed in Abilene during this CRA evaluation period.

The largest priority identified in the Abilene, Texas Consolidated Plan for 1995 was increasing the affordability of housing. Funds are needed to help low-income persons maintain and repair their homes. This need responds to a portion of the population spending 50% or more of their income for housing, leaving very little money for food, clothing, and transportation. Another priority is to increase the housing stock of larger homes. An inventory of the housing stock revealed that 79% of the units with three or more bedrooms in Abilene are owner-occupied. Few large homes are available in the Abilene market, particularly for families with lower incomes.

A portion of the north side of Abilene is considered a blighted area of the city. Specifically, the area between Treadaway and the 83/84 Loop, and North 6th to North 32nd streets. These are predominately older minority neighborhoods. Hendrick Health System and Hardin-Simmons University are located in the north end and have purchased property to expand their operations. The expansions have helped moderately revitalize the north side of the city. Three State designated Enterprise Zones are located in Abilene, one on the east, one on the west and the third in the central portion of Abilene. The areas were designated due to high unemployment and poverty.

Several neighborhoods have created development committees to help stabilize and revitalize their neighborhoods. Carver is a fully activated committee and is a residential area in need of improvement. The North Sayles neighborhood has a number of Habitat for Humanity homes being built. Sears is a residential neighborhood in the process of developing a plan to help stabilize the area. The Butternut Neighborhood Association represents businesses near downtown Abilene.

Several organizations operate to meet affordable housing needs in Abilene. The Abilene Housing Authority and Habitat for Humanity are two examples. The Abilene Housing Authority is the largest organization in Abilene that helps meet affordable housing needs. The Housing Authority reports waiting lists for housing of 12 to 18 months and the lists have been growing. In addition, the Housing Authority has longer waiting lists for some of its programs. The City of Abilene provides assistance to qualifying prospective homebuyers by offering down payment and closing cost assistance and has established partnerships with local banks. Habitat for Humanity has been active in Abilene and has provided new construction to increase the affordable housing stock. Two affordable housing tax credits have been offered in Abilene, one for Sunset Arbor Townhomes and one for an 18-unit development in the Carver neighborhood. The Carver project is currently in process.

A community contact interview revealed the following as contributing to the increased need for affordable housing programs in Abilene: a large number of low paying service sector jobs in Abilene coupled with drastic increases in utility bills and increasing rents, high security deposits required by apartment complexes and non-refundable application fees required by apartment complexes that applicants must pay before being informed of income requirements to qualify for a lease.

Abilene was the first city in Texas to pass a one-half cent sales tax for economic development. The city provides assistance through the Abilene Economic Development Department that provides loans to small businesses, with an emphasis on minority- and women-owned businesses. The Abilene Industrial Foundation also helps meet economic development needs in Abilene through assisting businesses.

Three interviews with individuals familiar with Abilene were conducted. Among other items, these contacts provided information regarding credit needs in Abilene, details on the city's economic bases, opportunities for banks to participate in community development and perceptions of how banks have responded to loan and other banking needs in Abilene. Each contact was generally favorable about the performance of local banks and their participation in community development activities. The contacts identified low interest rehabilitation loans for residential owner-occupied and rental property, start-up loans for small businesses, and more participation by local lenders in economic development initiatives and projects as priorities and areas of opportunity for local financial institutions.

Appendix C: Tables of Performance Data

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 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 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 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 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 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 \$500,000) originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm. Market share information is presented based on the most recent aggregate market data available.
- Table 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 14. Geographic and Borrower Distribution of Consumer Loans (OPTIONAL)** - For geographic distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households within each geography. For borrower distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage of households by income level in each MSA/assessment area.

Table 1. Lending Volume

LENDING VOLUME		State: TEXAS				Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2000						
MSA/Assessment Area:	% of Rated Area Loans (#) in MSA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MSA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
Full-Review:												
Abilene	100.0	1,071	41,986	1,955	103,036	161	6,595	24	878	3,211	152,495	100.0
Limited-Review:												

(*) Rated area refers to either the state or multistate MSA rating area.
 (**) The evaluation period for Community Development Loans is January 22, 1998 to July 9, 2001.
 (***) Deposit data as of June 30, 2000. Rated area refers to either the state or multistate MSA rating area.

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT			State: TEXAS				Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2000									
MSA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography ***					
	#	% of Total*	% Owner OCC Units**	% BANK Loans	% Owner OCC Units**	% BANK Loans	% Owner OCC Units**	% BANK Loans	% Owner OCC Units**	% BANK Loans	Overall	Low	Mod	Mid	Upper	
Full-Review:																
Abilene	485	100.0	1.0	1.0	24.0	19.0	49.0	48.0	26.0	32.0	41.1	100.0	39.7	38.8	44.4	
Limited-Review:																

(*) Home improvement loans originated and purchased in the MSA/AA as a percentage of all home improvement loans originated and purchased in the rated area.
 (**) Percentage of Owner-Occupied Units is the number of owner-occupied housing units in a particular geography divided by the number of owner-occupied housing units in the area based on 1990 Census information.
 (***) Based on 1999 Aggregate HMDA Data only.

Table 5. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES												State: TEXAS		Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2000				
MSA/Assessment Area:	Total Small Loans To Businesses		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography ***							
	#	% of Total*	% of Businesses **	% BANK Loans	% of Businesses **	% BANK Loans	% of Businesses **	% BANK Loans	% of Businesses **	% BANK Loans	Overall	Low	Mod	Mid	Upper			
Full-Review:																		
Abilene	1,955	100.0	2.0	0.0	37.0	33.0	42.0	28.0	18.0	39.0	33.4	33.3	38.1	24.5	43.7			
Limited-Review:																		

(*) Small loans to businesses originated and purchased in the MSA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.
 (**) Source of Data-Dunn and Bradstreet.
 (***) Based on 1999 Aggregate Small Business Data only.

Table 6. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS			State: TEXAS				Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2000									
MSA/Assessment Area:	Total Small Loans To Farms		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography ***					
	#	% of Total*	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	Over all	Low	Mod	Mid	Upper	
Full-Review:																
Abilene	161	100.0	0.0	1.0	21.0	13.0	60.0	49.0	19.0	37.0	31.6	100.0	18.2	25.4	84.0	
Limited-Review:																

(*) Small loans to farms originated and purchased in the MSA/AA as a percentage of all small loans to farms originated and purchased in the rated area.
 (**) Source of Data-Dunn and Bradstreet.
 (***) Based on 1999 Aggregate Small Farm Data only.

Table 7. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		State: TEXAS					Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2000									
MSA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share (%) by Borrower Income****					
	#	% of Total*	% of Families**	% BANK Loans***	% of Families**	% BANK Loans***	% of Families**	% BANK Loans***	% of Families**	% BANK Loans***	Overall	Low	Mod	Mid	Upper	
Full-Review:																
Abilene	386	100.0	19.0	11.0	18.0	20.0	23.0	23.0	39.0	46.0	5.4	13.1	7.4	7.2	7.6	
Limited-Review:																

(*) Home purchase loans originated and purchased in the MSA/AA as a percentage of all home purchase loans originated and purchased in the rated area.
 (**) Percentage of Families is based on 1990 Census information.
 (***) As a percentage of loans with borrower income information available. No information was available for 0.0 % of loans originated and purchased by the bank.
 (****) Based on 1999 Aggregate HMDA Data only.

Table 10. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES									
				State: TEXAS		Evaluation Period: JANUARY 1, 1998			
TO DECEMBER 31, 2000									
	Total Small Loans to Businesses		Businesses with Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share****	
	#	% of Total*	% of Businesses**	% BANK Loans***	\$100,000 or Less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev \$1 million or less
Full-Review:									
Abilene	1,955	100.0	89.6	72.9	88.5	7.1	4.5	33.4	37.7
Limited-Review:									

(*) Small loans to businesses originated and purchased in the MSA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.
 (**) Businesses with revenues of \$1 million or less as a percentage of all businesses.
 (***) Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 3.5% of small loans to businesses originated and purchased by the bank.
 (****) Based on 1999 Aggregate Small Business Data only.

Table 11. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS TO DECEMBER 31, 2000		State: TEXAS		Evaluation Period: JANUARY 1, 1998					
	Total Small Loans to Farms		Farms with Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share****	
	#	% of Total*	% of Farms**	% BANK Loans***	\$100,000 or Less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev \$1 million or less
Full-Review:									
Abilene	161	100.0	96.9	88.2	89.4	8.7	1.9	31.6	31.7
Limited-Review:									

(*) Small loans to farms originated and purchased in the MSA/AA as a percentage of all small loans to farms originated and purchased in the rated area.
 (**) Farms with revenues of \$1 million or less as a percentage of all businesses.
 (***) Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 5.6% of small loans to businesses originated and purchased by the bank.
 (****) Based on 1999 Aggregate Small Farm Data only.

Table 12. Qualified Investments

QUALIFIED INVESTMENTS		State: TEXAS		Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2000					
MA/Assessment Areas:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	% of Total \$'s	#	\$ (000's)
Full-Review:									
Abilene	0	0	30	197	30	197	100.0	0	0
Limited-Review:									

(*) "Prior Period Investments" means investments made in a previous evaluation period that are outstanding as of the examination date.
 (**) "Unfunded Commitments" means legally binding investment commitments that are tracked and recorded by the bank's financial reporting system.

Table 13. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS														State: TEXAS				Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2000			
MSA/Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population							
	% of Rated Area Deposits in MSA/AA	# of BANK Branches	% of Rated Area Branches in MSA/AA	Location of Branches by Income of Geographies				# of Branch Closings	# of Branch Openings	Net Change in Location of Branches (+ or -)				% of the Population within Each Geography							
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp				
Full-Review:																					
Abilene	100.0	7	100.0	0.0	14.3	85.7	0.0	0	1	0	0	1	0	0.8	29.5	47.2	20.9				
Limited-Review:																					

Table 14. Geographic and Borrower Distribution of Consumer Loans (Institution's Option)

Geographic and Borrower Distribution: CONSUMER LOANS																				State: TEXAS				Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2000			
MSA/Assessment Area:	Total Consumer Loans		Geographic Distribution								Borrower Distribution																
			Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers										
	#	% of Total**	% of Hhlds*	% BAN K Loans	% of Hhlds*	% BAN K Loans	% of Hhlds*	% BAN K Loans	% of Hhlds*	% BAN K Loans	% of Hhlds*	% BAN K Loans	% of Hhlds*	% BAN K Loans	% of Hhlds*	% BAN K Loans	% of Hhlds*	% BAN K Loans									
Full-Review:																											
Abilene	9,794	100.0	0.9	0.8	27.2	21.0	50.2	48.9	21.7	29.3	23.6	18.0	16.0	22.0	19.5	22.7	40.9	37.3									
Limited-Review:																											

(*) Percentage of Households (Hhlds) is based on 1990 Census information.

(**) Consumer loans originated and purchased in the MSA/AA as a percentage of all consumer loans originated and purchased in the rated area. Geographic income information was not available for 1.6% of consumer loans and borrower income information was not available for 1.7% of consumer loans.