



LARGE BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

Public Disclosure

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**Community Reinvestment Act
Performance Evaluation**

**First Victoria National Bank
Charter Number: 10360**

**101 South Main Street
Victoria, TX 77901**

Office of the Comptroller of the Currency

**San Antonio South Field Office
10101 Reunion Place Boulevard Suite 402
San Antonio, TX 78216**

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 Victoria National Bank (FVNB)** with respect to the Lending, Investment, and Service Tests:

Performance Levels	First Victoria National Bank Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory		X	
Low Satisfactory	X		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:

- FVNB's lending volume is excellent given its size and the competition in its primary market.
- FVNB's lending reflects an adequate dispersion of loans throughout its markets. Small loans to businesses and farms were extended in all geographies within the assessment area that contain a significant number of businesses and farms.
- The volume loans made to businesses with revenues less than \$1 million is adequate. The distribution of small loans to farms is good.
- The penetration of loans to low- and moderate-income borrowers is poor for home mortgage loans.
- FVNB has a good level of qualified community development investments given its resources and capacity.
- Banking offices are reasonably accessible throughout the assessment area and business hours, augmented by alternative delivery systems, provide adequate access to banking products and services.

Definitions and Common Abbreviations

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

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

Aggregate Lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

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

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

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

Consumer Loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into 'male householder' (a family with a male householder and no wife present) or 'female householder' (a family with a female householder and no husband present).

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

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applications, the amount of loan requested, and the disposition of the application (e.g., approved, denied, and withdrawn). Beginning in 2004, the reports also include additional data on loan pricing, the lien status of the collateral, any requests for preapproval and loans for manufactured housing.

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

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

Limited Review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

Low-Income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

Market Share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

Metropolitan Area (MA): Any metropolitan statistical area or metropolitan division, as defined by the Office of Management and Budget and any other area designated as such by the appropriate federal financial supervisory agency.

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

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

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

Middle-Income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of a geography

Moderate-Income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of a geography.

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

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

Owner-Occupied Units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

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

Rated Area: A rated area is a state or multi-state metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multi-state metropolitan area, the institution will receive a rating for the multi-state metropolitan area.

Small Loan(s) to Business(es): A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans.

Small Loan(s) to Farm(s): A loan included in 'loans to small farms' as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

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

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

Description of Institution

First Victoria National Bank (FVNB) is an intrastate commercial bank that is headquartered in Victoria, Texas. FVNB is a wholly owned subsidiary of FVNB Corporation, a one-bank holding company also located in Victoria, Texas. In addition to its main office at 101 South Main Street in Victoria, FVNB operates nine full service branches, 10 motor banks, and 18 automated teller machines (ATMs) throughout its assessment areas (AAs). In January 1999, FVNB acquired Citizens Bank of Texas, N.A (Citizens). Citizens operated as a separate division of the bank for a period of time, and was merged into FVNB on November 7, 2003. FVNB has not closed any branches and did not have any other merger or acquisition activity during the evaluation period.

As of June 30, 2005, FVNB reported total assets of \$868 million and tier one capital of \$71 million. The loan-to-deposit ratio was 79 percent. The percentage of total assets represented by net loans was 69 percent. The bank's primary business focus is commercial lending. Commercial loans (including commercial real estate and commercial and industrial loans) comprised 56 percent of the loan portfolio, agriculture loans comprised 19 percent, residential real estate comprised 15 percent, and loans to individuals and others comprised 10 percent. No legal or financial impediments exist which would prohibit FVNB from meeting the credit needs of its AA.

FVNB's strategic goal is to provide a variety of financial services to small/medium sized businesses and consumers within its AAs and build and maintain relationships with its customers. The institution offers a full range of depository accounts (personal and business), credit products, business cash management services, trust services, safe deposit services, insurance products, and retail nondeposit investment securities. FVNB operates one affiliate, Citizens Insurance Agency, and has one operating subsidiary, First Victoria Leasing Company.

FVNB delineated four AAs, which include portions of the Victoria MSA, Corpus Christi MSA, Houston-Sugarland-Baytown MSA (Houston MSA), and two counties located in non-MSA areas. The portion defined as the Victoria MSA AA includes Victoria and Calhoun County and consists of 26 geographies. The current configuration of the Victoria MSA AA reflects a change to the 1990 U.S. census data. Prior to 2000, Calhoun County was considered a non-metropolitan area. The Office of Management and Budget (OMB) revised MSA boundaries/definitions in 2003 and early 2004. These 2003/04 OMB revisions changed the boundaries of the Victoria MSA. As a result, Calhoun County was incorporated into the Victoria MSA. The Corpus Christi MSA AA consists of 14 census tracts located in San Patricio County. The Houston MSA AA consists of 47 geographies in Montgomery County. The non-MSA AA is comprised of 11 census tracts.

FVNB received an overall rating of "Satisfactory" during the previous CRA examination dated June 3, 2002. Our review of the Office of the Comptroller of the Currency (OCC) records and the bank's CRA Public File did not reveal any complaints relating to the bank's CRA performance since the last performance evaluation.

Scope of the Evaluation

Evaluation Period/Products Evaluated

Conclusions regarding the Lending Test include the period January 1, 2003 through December 31, 2004, and are based on 2000 U. S. Census Bureau data. The loan products we evaluated include home purchase loans, home improvement loans, home mortgage refinance loans, small loans to businesses, and small loans to farms.

Conclusions regarding the Investment and Service Tests include the period June 3, 2002 through July 18, 2005. The Investment Test conclusions are based on our evaluation of qualified community development investments and contributions. The Service Test conclusions were based on branch and ATM distribution, hours of operation, branch openings and closings, alternative delivery systems, retail and commercial deposit and loan products and services, and community development services.

Data Integrity

Prior to this CRA examination, OCC personnel verified the accuracy of Home Mortgage Disclosure Act (HMDA) and the CRA regulation data. This data is made available to the public, and includes home mortgage lending and small loans to businesses and farms. In addition, non-public data that was provided by bank management for CD loans, services, and investments was reviewed to ensure it qualified for inclusion in the community development assessment. Based on verification work performed, publicly reported lending data is considered accurate. All the data reported in the above categories are used in this evaluation.

Selection of Areas for Full-Scope Review

We performed a full-scope review on the Victoria MSA AA. Refer to the table in Appendix A for more information.

Ratings

The bank's overall rating is based on performance in the Victoria MSA AA. Since small loans to businesses represent the largest volume of loans reported during the evaluation period, the loans carried the most weight in this evaluation. Home mortgage loans and small loans to farms were equally weighted. FVNB does not report consumer loans.

Other

We reviewed information obtained from meetings with representatives from two local organizations in the AA to obtain a profile of the communities where FVNB operates, identify community development opportunities, and assess general credit needs. Generally, the representatives stated that there are numerous opportunities for small business lending, but opportunities for community development lending are limited. All representatives spoke favorably of the local banks community involvement to promote economic activity and education within the AA.

Fair Lending or Other Illegal Credit Practices Review

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

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 "Low Satisfactory." Based on a full-scope review, the bank's performance in the Victoria MSA AA is adequate.

Lending Activity

Refer to Tables 1 Lending Volume in appendix C for the facts and data used to evaluate the bank's lending activity. Lending activity measures the volume of lending in comparison to the bank's size and resources. We reviewed HMDA, small business, and small farm loan performance to assess the bank's lending activity.

The bank's volume of lending is excellent. FVNB ranked 1st in deposit market share in the AA at 32 percent. Small business and small farm loan performance reflect an excellent level of lending. In small business lending, FVNB achieved a 38 percent market share and the market share for small farm lending was 85 percent. In contrast, the bank's market share for the volume of home mortgage loans was 2 percent, and reflects its less active role in this line of business. While the market share for home mortgage lending activity significantly lags the bank's deposit market share, there is strong competition from 164 other bank and non-bank mortgage lenders within the AA. The largest market share achieved by any one lender is 20 percent. FVNB has the biggest impact in home improvement lending, with a 15 percent market share, ranking 4th in the AA.

Geographic Distribution of Loans

The geographic distribution of FVNB's CRA reportable loans is adequate. Overall, the geographic distribution of small loans to businesses and farms is adequate. The geographic distribution of home mortgage loans is poor.

Home Mortgage Loans

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

Home Purchase Loans

The bank's geographic distribution of home purchase loans is poor in the Victoria MSA AA. The bank made no home purchase loans in the one low-income census tract in the AA. Opportunities to lend in the low-income tract are extremely limited. This tract is located in an area of Victoria where there are few owner-occupied units, and there is a lack of lots available for new construction. In addition, a significant mitigating factor is the tract is bordered by the Guadalupe River and is in a flood zone. The bank's distribution of home purchase loans is lower than the percent of owner-occupied housing units in moderate-income census tracts. The bank's market share in the moderate-income tracts is somewhat lower than its overall market share in the AA.

Home Improvement Loans

The geographic distribution of home improvement loans in the Victoria MSA AA is poor. The bank has made no home improvement loans in the one low-income census tract in the AA. Opportunities to make home improvement loans are limited as previously detailed. The bank's distribution of home improvement loans in the moderate-income tracts is somewhat lower than the percent of owner-occupied housing units in the moderate-income census tracts. The bank's market share in these tracts is lower than its overall market share in the AA.

Home Refinance Loans

The bank's geographic distribution of home refinance loans in the Victoria MSA AA is adequate. The bank has made no home refinance loans in the one low-income census tract in the AA. Opportunities to make home refinance loans are limited as previously noted. The bank's distribution of home refinance loans in the moderate-income census tracts is somewhat lower than the percent of owner-occupied housing units in the moderate-income census tracts. The bank's market share in these tracts exceeds its overall market share in the AA.

Multi-Family Loans

An evaluation of the geographic distribution of multi-family loans in the Victoria MSA AA is not meaningful due to the lack of loan originations of this type by the bank and other lenders in this market.

Small Loans to Businesses

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

FVNB's geographic distribution of small loans to businesses in the Victoria MSA AA is adequate. The percentage of the bank loans to small businesses is lower than the percent of businesses in the one low-income census tract. The percentage of loans to small businesses is near to or equal to the percentage of small businesses in the moderate-income census tracts. The bank's market share in the low-income tract is somewhat lower than the overall market share. The bank's market share in the moderate-income tracts exceeds the overall market share in the AA.

Small Loans to Farms

Refer to Table 7 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.

FVNB's geographic distribution of small loans to farms in the Victoria MSA AA is adequate. The percentage of the bank's loans to small farms is lower than the percent of businesses in both the low- and moderate-income census tracts. The bank's market share in the one low-income tract exceeds the overall market share. The bank's market share in the moderate-income tracts is somewhat lower than percentage of farms located in these census tracts.

Lending Gap Analysis

Reports and maps detailing FVNB's lending activity over the evaluation period for home mortgage loans and small loans to businesses and farms were reviewed to identify gaps in the geographic distribution of those loans. No unexplained gaps were identified.

Assessment Area Concentration

Another aspect of the geographical distribution of lending is the percentage of loans originated and purchased within the bank's AA compared to outside the AA. This is the one analysis that is performed at the bank level rather than the AA level. The data used is not in a table. FVNB's lending activity within its AA is adequate. The results of this analysis had a positive impact on the overall Lending Test rating. A majority, or 61 percent, of loans in all reported categories was made within the AA.

Borrower's Profile (Distribution of Loans by Income Level of the Borrower)

The borrower distribution of FVNB's CRA reportable loans to borrowers of different incomes is good. FVNB's distribution of home mortgage loans to borrowers of different income levels is adequate. The distribution of loans to businesses and farms of different sizes is good.

Home Mortgage Loans

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

Home Purchase Loans

The distribution of home purchase loans to borrowers of different income levels is adequate. The percentage of home purchase loans to low- and moderate-income borrowers is lower than the percentage of low- and moderate-income families in the AA. But this is mitigated by the limited lending opportunities to borrowers at this income level. Opportunities to extend home purchase loans to low-income borrowers are limited by the fact that 11 percent of the households in the Victoria MSA AA are below the poverty level. This is also an indication that opportunities for home improvement and home refinance loans are also limited. The bank's market share of home purchase loans to low-income families exceeds the bank's overall market share. The bank's market share of home purchase loans to moderate-income families is lower than its overall market share.

Home Improvement Loans

The distribution of home improvement loans to borrowers of different income levels is good. The percentage of home improvement loans to low-income borrowers is lower than the percentage of low-income families in the AA. The percentage of home improvement loans to moderate-income borrowers is near to or equal to the percentage of moderate-income families in the AA. The bank's market share of home improvement loans to low-income families is somewhat lower than the bank's overall market share. The bank's market share of home improvement loans to moderate-income families exceeds its overall market share.

Home Refinance Loans

The distribution of home refinance loans by borrower income is adequate. The percentage of home refinance loans to low-income borrowers is lower than the percentage of low-income families in the AA. The percentage of home refinance loans to moderate-income borrowers is somewhat lower than the percentage of moderate-income families in the AA. The bank's market share of home refinance loans to low-income families in the AA exceeds its overall market share. The bank's market share of home refinance loans to moderate-income families is somewhat lower than its overall market share in the AA.

Small Loans to Businesses

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

The distribution of small loans to businesses is good. For the evaluation period, the percentage of loans to businesses with revenues of \$1 million or less was 38 percent, which is lower than the 67 percent of similar businesses in the AA. However, FVNB's market share of loans to businesses with revenues of \$1 million or less exceeds its market share. Additionally, a substantial majority of the loans, regardless of the business size, had original balances of \$100,000 or less.

Small Loans to Farms

Refer to Table 12 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 businesses.

The distribution of small loans to farms is good. The percentage of bank loans to farms with revenues of \$1 million or less is somewhat lower than the percentage of farms with revenues of \$1 million or less. This is supported by the fact that the bank's market share of loans to farms with revenues of \$1 million or less is near to or equal to its market share of loans businesses of all sizes. Additionally, a substantial majority of the loans, regardless of the business size, had original balances in amounts less than \$100,000.

Community Development Lending Activities

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

FVNB's community development lending volume is adequate and has a neutral impact on the overall level of lending in the AA. During the evaluation period, FVNB made 1 loan totaling \$18,000.

Product Innovation

The bank's loan products are responsive to the needs of the AA. However, the loan products were neither innovative nor flexible. The lack of innovativeness and flexibility did not have any impact on the conclusions in this evaluation.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, lending in the Corpus Christi, Houston, and Non-MSA AAs is not inconsistent with the bank's "Low Satisfactory" performance under the Lending Test. The borrower distribution of loans in the Corpus Christi and Houston MSA AAs is good. Performance in the Non-MSA AA is adequate.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the investment test is rated "High Satisfactory." Based on a full-scope review, the bank's performance in the Victoria MSA AA is good. Refer to Table 14 in appendix C for the facts and data used to evaluate the bank's level of qualified investments.

The most notable investment that FVNB has made benefits a broader statewide or regional area that includes the Victoria MSA AA but has yet to directly benefit the bank's AA. However, positive consideration is accorded under the investment test because the bank has adequately addressed the community development investment needs of its AA during the evaluation period. Since 1999, FVNB has made capital contributions totaling \$1.2 million to the Independent Bankers Capital Fund, L.P. (IBCF). IBCF is a qualified Small Business Investment Company that operates under rules promulgated by the Small Business Administration. The fund invests primarily in middle market companies that operate in "low tech" industries. Current period investments in the fund total \$717,000. An unfunded portion of \$776,000 remains outstanding on the bank's original \$2 million commitment. As of March 31, 2005, the fund has made 10 investments totaling \$24 million. Nine loans totaling \$22 million were to businesses headquartered in Texas.

Investments that directly benefit the Victoria MSA AA include 136 donations and contributions totaling \$129,000. The donations and contributions are directed to a variety of organizations that provide affordable housing and support social services targeted to low- and moderate-income individuals and households. For example, Bluebonnet Youth Ranch, Boys and Girls Club of Victoria, Habitat for Humanity of Calhoun County, Mid-Coast Family Services and the United Way of Victoria County.

Conclusions for Area Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Investment Test in the Corpus Christi MSA AA, the Houston MSA AA, and the non-MSA AA are weaker than the bank's overall high satisfactory performance under the investment test. Weak performance in these AAs did not impact the overall conclusions and is attributed to the lack of opportunities for investments in these AAs.

SERVICE TEST

The bank's performance under the Service Test is rated "Low Satisfactory." Based on a full-scope review, the bank's performance in the Victoria MSA AA is adequate. Branches are reasonably accessible to all portions of the AA. Business hours and services are convenient and are accessible to all segments of the AA. FVNB provides an adequate level of community development services.

Retail Banking Services

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

Accessibility of Delivery Systems and Changes in Branch Locations

FVNB's service delivery systems are reasonably accessible to geographies and individuals of different income levels in the AA. The branch system is the primary delivery system for retail banking services and is supplemented by 10 drive-up facilities and 18 ATMs. No branches were opened or closed since the last performance evaluation.

Branch penetration is adequate when compared with the percentage of the population in each income level. Based on 2000 U. S. Census data, 25 percent of the bank's branches, and 33 percent of the ATMs are located in moderate-income geographies, which contain 27 percent of the AA's population. No branches are situated in the one low-income census tract in the Victoria MSA AA where 2 percent of the population resides but 3 of the ATMs are located in close proximity.

The bank offers other alternative delivery systems that augment the branch system including telephone banking, ATM/Debit cards, and online banking. No data was available to determine the effectiveness of the bank's alternative delivery systems to low- and moderate-income individuals and geographies. Therefore, the impact of these systems did not provide significant weight when evaluating the bank's overall performance under the service test.

Reasonableness of Business Hours and Services

Banking hours provide adequate accessibility throughout the AA. All locations maintain standard banking hours Monday through Friday with extended lobby hours on Friday. All motor bank locations offer extended evening and weekend hours.

An adequate range of banking products and services are offered. Products and services are responsive to banking needs within the AA and do not vary in a way that inconveniences any portion of the AA, or any group of individuals, particularly low- or moderate-income individuals. Commercial and consumer loans are available at all branches.

A variety of deposit products and services are available and are offered at all branches throughout the AA. While FVNB does not offer any products that are primarily targeted to low- and moderate-income individuals, the bank does offer a free checking account that benefits those individuals who are unable to afford account fees. The free checking account has a \$100 minimum opening deposit, no monthly service fees, and unlimited check writing capability.

Community Development Services

The volume and responsiveness of the bank's community development services is adequate. Qualified services focus on volunteer activities within the community. FVNB officers and employees serve on various community development organizations in a direct advisory capacity. Each position relies upon the employee's financial skills to help the organization provide community development services. These organizations have community development as their primary purpose and/or primarily benefit low- and moderate-income individuals and families. The organizations include the following:

- Habitat for Humanity – This organization seeks to provide suitable housing for low- and moderate-income families. Since 1999, the bank has also been responsible for receiving and processing mortgage payments on houses built by Habitat for Humanity, including printing coupon books and processing insurance and tax payments.

Additionally, several bank officers have served in various capacities within the organization, including board member and family selection committee members.

- Missionary Catechists for the Sacred Hearts of Jesus and Mary – This is a convent that provides various services to low- and moderate-income families and victims of disasters. A bank officer provides assistance with budgeting and financial reporting.
- Perpetual Home Help – This agency provides assistance to low-income women upon their release from prison. Services provided include assistance with housing, financial planning and reestablishment within the community. Bank officers have served in various capacities within the organization, including board member and finance committee members.
- Victoria Community Food Bank – This organization benefits various groups and agencies whose primary purpose is to serve low- and moderate-income and underprivileged individuals and families. Organizations benefiting from the food bank include Victoria Christian Assistance Ministry, Salvation Army, Christ’s Kitchen, Martha’s Kids and the Red Cross.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank’s performance under the Service Test in the Corpus Christi, Houston, and Non-MSA AAs is not inconsistent with the bank’s overall “Low Satisfactory” performance under the Service Test. Performance in the Corpus Christi MSA AA is excellent. Performance in the Houston and Non-MSA AAs is adequate.

Appendix A: Scope of Examination

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

Time Period Reviewed	Lending Test (excludes CD Loans): 01/10/03 to 12/31/04 Month Day, Year to Month Day, Year) Investment and Service Tests and CD Loans: 06/03/02 to 07/18/05	
Financial Institution	Products Reviewed	
First Victoria National Bank (FVNB) Victoria, Texas	Small loans to business Small loans to farms HMDA loans CD loans	
Affiliate(s)	Affiliate Relationship	Products Reviewed
NA	NA	NA
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Victoria MSA AA Corpus Christi MSA AA Houston MSA AA Non-MSA AA	Full Scope Limited Scope Limited Scope Limited Scope	

Appendix B: Market Profiles for Full-Scope Areas

Victoria MSA AA

Demographic Information for Full-Scope Area: (Name of MA or Non-metropolitan Area)						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	26	3.85	30.77	50.00	15.38	0.00
Population by Geography	104,735	2.00	27.09	48.19	22.72	0.00
Owner-Occupied Housing by Geography	25,673	1.64	21.48	51.15	25.73	0.00
Businesses by Geography	6,738	1.13	34.58	41.56	22.74	0.00
Farms by Geography	304	0.66	17.4.3	58.22	23.68	0.00
Family Distribution by Income Level	27,953	21.02	17.44	20.32	41.22	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	10,751	3.15	35.94	47.08	13.82	0.00
Median Family Income	= \$43,259		Median Housing Value = \$63,813 Unemployment Rate = 2.36%			
HUD Adjusted Median Family Income for XXXX	= \$49,900					
Households Below the Poverty Level	= 13.32%					

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

Victoria, Texas is located 30 miles inland from the Gulf of Mexico and is within a 2-hour drive of Corpus Christi, Houston, San Antonio, and Austin. Victoria is a regional hub for a 7 county area. The City of Victoria, located near the geographic center of Victoria County, is the county seat. Known as the South Texas Crossroads, 3 major highways intersect in Victoria: U. S. Highways 59, 77, and 87. Highway 59 extends southwest to Laredo and northeast to Houston where it meets I-10 and I-45. Highway 77 travels north from Victoria to the DFW Metroplex and travels south to the Rio Grande Valley. Highway 87 connects Victoria with Port Lavaca to the southeast.

The Victoria MSA AA is comprised of 2 counties (Victoria and Calhoun) and 26 census tracts. Based on the 2000 U.S. census data estimates, the AA population is 104,735, compared to 111,663 for the MSA, and 20,851,820 for the State of Texas. Total population increased by 25 percent from 1990 census estimates. Approximately 50 percent of the population is age 25 to 64; 29 percent are 17 years of age or younger and 12 percent are age 65 and over.

There are 34,474 households of which 22 percent are low-income and 17 percent are moderate-income. Approximately 13 percent of the households in the AA are below the poverty level. The poverty level is comparable with the MSA and statewide estimates of 13 percent and 14 percent, respectively. The median household income in the AA is \$39,865, compared to \$39,480 for the MSA and \$39,927 statewide. Approximately 75 percent of the households in the AA are families, of which, 21 percent are low-income, and 17 percent are moderate-income. The percentage of low- and moderate-income families is comparable with the MSA and statewide percentages. Approximately 11 percent of the families in the AA are below the poverty level.

Approximately 59 percent of the housing units are owner-occupied; 27 percent are rental units, and 13 percent are vacant. The median housing value is \$68,000, 15 percent less than the statewide housing value. Fair market rents average \$492 per month. Approximately 79 percent of the dwellings in the AA are 1-4 family units, with the average age of housing stock 29 years old.

Approximately 4 percent of the census tracts in the Victoria MSA AA are low-income; 31 percent are moderate-income, 42 percent are middle income, and 23 percent are upper-income. U. S. census data estimates reflects that 2 percent of the population resides in the single low-income census tract; 27 percent reside in the moderate-income geographies, 42 percent in the middle-income geographies, and 29 percent reside in the upper-income geographies.

Approximately 5 percent of the labor force is unemployed which compares with the statewide average of 6 percent. There are 6,624 businesses and 279 farms in the Victoria AA; with 1 percent located in a low- or moderate-income census tract. Approximately 66 percent of the businesses and 90 percent of the farms report gross annual revenue of \$1 million or less. Sixty-one percent of the businesses have 1-4 employees. Approximately 85 percent of the businesses in the AA operate from a single location; 34 percent of the businesses are sole proprietorships, and 21 percent are corporations. Retail trade is the predominant industry type (36 percent), followed by services (20 percent). In the low- and moderate-income census tracts, services (29 percent) are the predominant industry, followed by retail trade (20 percent), and construction (14 percent).

At year-end 2004, the five largest employers in Victoria included the Victoria ISD (2,235 employees), Formosa Plastic (1,800 employees), The Interplast Group (1,500 employees), Citizens Medical Center (1,256 employees), and DeTar Healthcare System (1,038 employees). Recent economic development projects in Victoria include:

- The Victoria Sales Tax Development Corporation awarded Victoria a \$1.6 million Federal EDA Grant for the development of infrastructure in the new recently purchased 220-acre business park.
- Dow Chemical Company announced plans to build a new unit at the Dow Seadrift plant near Victoria. The new unit will replace two older units along the Gulf coast that are scheduled to shut down. The new unit will retain existing jobs and require new employees as well.
- South Texas Electric Coop has begun construction of a new 191-megawatt, dual fired generation system at their existing Sam Rayburn plant in Nursery near Victoria. This expansion is expected to create up to 40 new jobs.

Sonoco Plastics Company has begun a re-tooling and modernization project at its Victoria plant that will require the need to hire 10-12 new employees.

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: (1) purchased loans are treated as originations/purchases and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/assessment area; (2) Partially geocoded loans (loans where no census tract is provided) cannot be broken down by income geographies and, therefore, are only reflected in the Total Loans in Core Tables 2 through 7 and part of Table 13; and (3) Partially geocoded loans are included in the Total Loans and % Bank Loans Column in Core Tables 8 through 12 and part of Table 13. Tables without data are not included in this PE. [Note: Do not renumber the tables.]

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

- Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MA/assessment area. Community development loans to statewide or regional entities or made outside the bank’s assessment area may receive positive CRA consideration. Refer to Interagency Q&As __.12(i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans. When such loans exist, insert a line item with the appropriate caption in the MA/Assessment Area column and record the corresponding numbers and amounts in the “Community Development Loans” column with the appropriate caption, such as: “Statewide/Regional,” “Statewide/Regional with potential benefit to one or more AAs” or “Out of Assessment Area.” “Out of Assessment Area” is used ONLY if the bank has otherwise adequately met the CD lending needs of its assessment area.
- Table 1. Other Products** - Presents the number and dollar amount of any unreported category of loans originated and purchased by the bank over the evaluation period by MA/assessment area. Examples include consumer loans or other data that a bank may provide, at its option, concerning its lending performance. This is a two-page table that lists specific categories.
- Table 2. Geographic Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.
- Table 3. Geographic Distribution of Home Improvement Loans** - See Table 2.
- Table 4. Geographic Distribution of Home Mortgage Refinance Loans** - See Table 2.

- Table 5. Geographic Distribution of Multifamily Loans** - Compares the percentage distribution of the number of multifamily loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of multifamily housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.
- Table 6. Geographic Distribution of Small Loans to Businesses** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small business data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 7. Geographic Distribution of Small Loans to Farms** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 8. Borrower Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MA/assessment area. The table also presents market share information based on the most recent aggregate market data available.
- Table 9. Borrower Distribution of Home Improvement Loans** - See Table 8.
- Table 10. Borrower Distribution of Refinance Loans** - See Table 8.
- Table 11. Borrower Distribution of Small Loans to Businesses** - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.

Table 12. Borrower Distribution of Small Loans to Farms - Compares the percentage distribution of the number of small loans (less than or equal to \$500,000) originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm. Market share information is presented based on the most recent aggregate market data available.

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

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

A bank may receive positive consideration for qualified investments in statewide/regional entities or made outside of the bank's assessment area. See Interagency Q&As __.12(i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such investments. When such investments exist, insert a line item in the MA/Assessment Area column and record the corresponding numbers and amounts in the "Qualified Investments" column with the appropriate caption, such as: "Statewide/Regional," "Statewide/Regional with potential benefit to one or more AAs" or "Out of Assessment Area." "Out of the Assessment Area" is used ONLY if the bank has otherwise adequately met the qualified investment needs of its assessment area.

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

Table 1. Lending Volume

LENDING VOLUME		Geography: TEXAS				Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2004						
MA/Assessment Area:	% of Rated Area Loans (#) in MA/AA	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans **		Total Reported Loans		% of Rated Area Deposits in MA/AA ***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
Full Review:												
Victoria MSA AA	66.62	168	14,095	1,092	90,871	318	20,854	1	18	1,579	125,838	78.12
Limited Review:												
Corpus Christi MSA AA	7.68	2	490	73	6,756	107	15,897	0	0	182	23,143	5.06
Houston MSA AA	4.56	1	38	102	16,386	5	118	0	0	108	16,542	4.81
Non-MSA AA	21.14	72	7,973	264	23,275	164	12,772	1	1,050	501	45,070	12.01

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

** The evaluation period for Community Development Loans is June 3, 2002 to July 18, 2005.

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

Table 2A. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE			Geography: TEXAS				Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003					Market Share (%) by Geography				
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Over all	Low	Mod	Mid	Upp	
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans						
Full Review:																
Victoria MSA AA	39	69.64	2.08	0.00	22.53	7.69	48.77	56.41	26.62	35.90	2.66	0.00	1.14	3.14	2.79	
Corpus Christi MSA AA	1	1.79	0.00	0.00	24.63	0.00	61.25	0.00	14.13	100.00	0.08	0.00	0.00	0.00	0.34	
Houston MSA AA	0	0.00	0.35	0.00	15.70	0.00	31.69	0.00	52.26	0.00	0.00	0.00	0.00	0.00	0.00	
Non-MSA AA	16	28.57	0.00	0.00	7.06	12.50	43.30	56.25	49.64	31.25	1.93	0.00	4.00	2.80	1.10	

* Based on 2003 Peer Mortgage Data: Western Region.

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

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

Table 2B. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE		Geography: TEXAS					Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2004					Market Share (%) by Geography				
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Over all	Low	Mod	Mid	Upp	
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans						
Full Review:																
Victoria MSA AA	41	78.85	1.64	0.00	21.48	17.07	51.15	43.90	25.73	39.02	0.00	0.00	0.00	0.00	0.00	
Limited Review:																
Corpus Christi MSA AA	0	0.00	0.00	0.00	24.63	0.00	61.25	0.00	14.13	0.00	0.00	0.00	0.00	0.00	0.00	
Houston MSA AA	1	1.92	0.35	0.00	17.06	100.00	30.33	0.00	52.26	0.00	0.00	0.00	0.00	0.00	0.00	
Non-MSA AA	10	19.23	0.00	0.00	3.24	0.00	42.10	30.00	54.65	70.00	0.00	0.00	0.00	0.00	0.00	

* 2004 Peer Mortgage Data Unavailable.

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

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

Table 3A. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT															Geography: TEXAS					Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography													
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp									
Full Review:																								
Victoria MSA AA	13	59.09	2.08	0.00	22.53	7.69	48.77	61.54	26.62	30.77	7.43	0.00	2.56	9.76	7.41									
Limited Review:																								
Corpus Christi MSA AA	0	0.00	0.00	0.00	24.63	0.00	61.25	0.00	14.13	0.00	0.00	0.00	0.00	0.00	0.00									
Houston MSA AA	0	0.00	0.35	0.00	15.70	0.00	31.69	0.00	52.26	0.00	0.00	0.00	0.00	0.00	0.00									
Non-MSA AA	9	40.91	0.00	0.00	7.06	0.00	43.30	77.78	49.64	22.22	6.77	0.00	0.00	10.29	3.33									

* Based on 2003 Peer Mortgage Data: Western Region.

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

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

Table 3B. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT															Geography: TEXAS					Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2004				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography													
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp									
Full Review:																								
Victoria MSA AA	20	80.00	1.64	0.00	21.48	15.00	51.15	60.00	25.73	25.00	0.00	0.00	0.00	0.00	0.00									
Limited Review:																								
Corpus Christi MSA AA	0	0.0	0.00	0.00	24.63	0.00	61.25	0.00	14.13	0.00	0.00	0.00	0.00	0.00	0.00									
Houston MSA AA	0	0.00	0.35	0.00	17.06	0.00	30.33	0.00	52.26	0.00	0.00	0.00	0.00	0.00	0.00									
Non-MSA AA	5	20.00	0.00	0.00	3.24	0.00	42.10	80.00	54.65	20.00	0.00	0.00	0.00	0.00	0.00									

* 2004 Peer Mortgage Data is Unavailable.

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

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

Table 4A. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE												Geography: TEXAS					Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography										
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp						
Full Review:																					
Victoria MSA AA	34	73.91	2.08	0.00	22.53	17.65	48.77	41.18	26.62	41.18	1.89	0.00	2.68	1.73	1.84						
Limited Review:																					
Corpus Christi MSA AA	1	2.17	0.00	0.00	24.63	0.00	61.25	100.00	14.13	0.00	0.07	0.00	0.00	0.12	0.00						
Houston MSA AA	0	0.00	0.35	0.00	15.70	0.00	31.69	0.00	52.26	0.00	0.00	0.00	0.00	0.00	0.00						
Non-MSA AA	11	23.91	0.00	0.00	7.06	9.09	43.30	63.64	49.64	27.27	0.95	0.00	2.56	1.44	0.47						

* Based on 2003 Peer Mortgage Data: Western Region.

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

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

Table 4B. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE												Geography: TEXAS					Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2004				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography										
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp						
Full Review:																					
Victoria MSA AA	21	52.50	1.64	0.00	21.48	9.52	51.15	42.86	25.73	47.62	0.00	0.00	0.00	0.00	0.00						
Limited Review:																					
Corpus Christi MSA AA	0	0.00	0.00	0.00	24.63	0.00	61.25	0.00	14.13	0.00	0.00	0.00	0.00	0.00	0.00						
Houston MSA AA	0	0.00	0.35	0.00	17.06	0.00	30.33	0.00	52.26	0.00	0.00	0.00	0.00	0.00	0.00						
Non-MSA AA	19	47.50	0.00	0.00	3.24	0.00	42.10	52.63	54.65	47.37	0.00	0.00	0.00	0.00	0.00						

* 2004 Peer Mortgage Data is Unavailable.

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

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

Table 5A. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY		Geography: TEXAS					Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003					Market Share (%) by Geography				
MA/Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Over all	Low	Mod	Mid	Upp	
	#	% of Total**	% of MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans						
Full Review:																
Victoria MSA AA	0	0.00	2.13	0.00	36.28	0.00	42.94	0.00	18.64	0.00	0.00	0.00	0.00	0.00	0.00	
Limited Review:																
Corpus Christi MSA AA	0	0.00	0.00	0.00	12.85	0.00	63.96	0.00	23.19	0.00	0.00	0.00	0.00	0.00	0.00	
Houston MSA AA	0	0.00	5.80	0.00	13.28	0.00	28.81	0.00	52.12	0.00	0.00	0.00	0.00	0.00	0.00	
Non-MSA AA	2	100.0	0.00	0.00	3.35	0.00	78.67	50.00	17.98	50.00	40.0	0.00	0.00	50.0	50.0	

* Based on 2003 Peer Mortgage Data: Western Region.

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

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

Table 5B. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY		Geography: TEXAS					Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2004									
MA/Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography					
	#	% of Total**	% of MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp	
Full Review:																
Victoria MSA AA	0	0.00	1.85	0.00	33.54	0.00	42.83	0.00	21.78	0.00	0.00	0.00	0.00	0.00	0.00	
Limited Review:																
Corpus Christi MSA AA	0	0.00	0.00	0.00	12.85	0.00	63.96	0.00	23.19	0.00	0.00	0.00	0.00	0.00	0.00	
Houston MSA AA	0	0.00	5.80	0.00	13.28	0.00	28.81	0.00	52.12	0.00	0.00	0.00	0.00	0.00	0.00	
Non-MSA AA	0	0.00	0.00	0.00	1.83	0.00	84.63	0.00	13.53	0.00	0.00	0.00	0.00	0.00	0.00	

* 2004 Peer Mortgage Data is Unavailable.

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

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

Table 6A. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES															Geography: TEXAS					Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003				
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography													
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	Overall	Low	Mod	Mid	Upp									
Full Review:																								
Victoria MSA AA	559	78.18	1.36	0.36	39.46	31.31	36.35	42.22	22.83	26.12	18.04	9.09	18.91	19.21	19.61									
Limited Review:																								
Corpus Christi MSA AA	45	6.29	0.00	0.00	27.39	55.56	57.19	40.00	15.42	4.44	4.43	0.00	10.59	3.99	1.12									
Houston MSA AA	11	1.54	2.36	0.00	17.24	9.09	28.50	36.36	48.17	54.55	0.10	0.00	0.06	0.14	0.11									
Non-MSA AA	100	13.99	0.00	0.00	7.63	3.00	56.81	79.00	35.57	18.00	5.54	0.00	2.10	10.04	2.56									

* Based on 2003 Peer Small Business Data: US.

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

*** Source Data - Dun and Bradstreet 2003.

Table 6B. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES															Geography: TEXAS		Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2004				
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography										
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	Overall	Low	Mod	Mid	Upp						
Full Review:																					
Victoria MSA AA	533	65.32	1.13	0.38	34.58	30.21	41.56	37.52	22.74	31.89	0.00	0.00	0.00	0.00	0.00						
Limited Review:																					
Corpus Christi MSA AA	28	3.43	0.00	0.00	26.65	60.71	58.88	35.71	14.47	3.57	0.00	0.00	0.00	0.00	0.00						
Houston MSA AA	91	11.15	2.27	1.10	17.18	14.29	27.56	19.78	49.19	64.84	0.00	0.00	0.00	0.00	0.00						
Non-MSA AA	164	20.10	0.00	0.00	5.65	0.00	61.41	65.24	32.94	34.76	0.00	0.00	0.00	0.00	0.00						

* 2004 Peer Small Business Data is Unavailable.

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

*** Source Data - Dun and Bradstreet 2004

Table 7A. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS															Geography: TEXAS		Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003				
MA/Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography										
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	Overall	Low	Mod	Mid	Upp						
Full Review:																					
Victoria MSA AA	159	53.90	0.92	0.63	21.20	5.03	52.53	57.23	25.35	37.11	68.24	100.0	44.44	69.17	72.50						
Limited Review:																					
Corpus Christi MSA AA	47	15.93	0.00	0.00	23.65	63.83	69.95	36.17	6.40	0.00	66.20	0.00	85.71	51.52	0.00						
Houston MSA AA	0	0.00	0.73	0.00	17.32	0.00	35.08	0.00	46.87	0.00	0.00	0.00	0.00	0.00	0.00						
Non-MSA AA	89	30.17	0.00	0.00	1.81	1.12	68.95	87.64	29.24	11.24	39.11	0.00	100.0	52.74	15.87						

* Based on 2003 Peer Small Business Data: US.

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

*** Source Data - Dun and Bradstreet 2003.

Table 7B. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS															Geography: TEXAS		Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2004									
MA/Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography															
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	Overall	Low	Mod	Mid	Upp											
Full Review:																										
Victoria MSA AA	159	53.18	0.66	0.00	17.43	3.14	58.22	62.89	23.68	33.96	0.00	0.00	0.00	0.00	0.00											
Limited Review:																										
Corpus Christi MSA AA	60	20.07	0.00	0.00	21.29	61.67	71.29	38.33	7.43	0.00	0.00	0.00	0.00	0.00	0.00											
Houston MSA AA	5	1.67	0.66	0.00	18.01	60.00	33.91	20.00	47.42	20.00	0.00	0.00	0.00	0.00	0.00											
Non-MSA AA	75	25.08	0.00	0.00	1.35	0.00	62.33	53.33	36.32	46.67	0.00	0.00	0.00	0.00	0.00											

* 2004 Peer Small Business Data is Unavailable.

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

*** Source Data - Dun and Bradstreet 2004.

Table 8A. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: TEXAS					Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003					Market Share				
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers							
	#	% of Total**	% Families***	% BANK Loans****	% Families**	% BANK Loans****	% Families*	% BANK Loans****	% Families*	% BANK Loans****	Over all	Low	Mod	Mid	Upp	
Full Review:																
Victoria MSA AA	39	69.64	20.96	12.82	17.67	7.69	20.53	25.64	40.84	53.85	3.05	4.17	1.07	2.67	4.18	
Limited Review:																
Corpus Christi MSA AA	1	1.79	22.38	0.00	17.67	0.00	21.81	0.00	38.14	100.0	0.10	0.00	0.00	0.00	0.22	
Houston MSA AA	0	0.00	16.97	0.00	15.96	0.00	19.11	0.00	47.96	0.00	0.00	0.00	0.00	0.00	0.00	
Non-MSA AA	16	28.57	17.53	0.00	15.67	12.50	19.51	37.50	47.30	50.00	2.12	0.00	2.15	2.96	1.82	

* Based on 2003 Peer Mortgage Data: Western Region.

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

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

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

Table 8B. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: TEXAS					Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2004					Market Share				
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Over all	Low	Mod	Mid	Upp	
	#	% of Total**	% Families***	% BANK Loans****	% Families**	% BANK Loans****	% Families*	% BANK Loans****	% Families*	% BANK Loans****						
Full Review:																
Victoria MSA AA	41	78.85	21.02	5.13	17.44	12.82	20.32	12.82	41.22	69.23	0.00	0.00	0.00	0.00	0.00	
Limited Review:																
Corpus Christi MSA AA	0	0.00	22.21	0.00	17.56	0.00	21.72	0.00	38.51	0.00	0.00	0.00	0.00	0.00	0.00	
Houston MSA AA	1	1.92	17.18	0.00	16.17	0.00	19.16	0.00	47.49	100.0	0.00	0.00	0.00	0.00	0.00	
Non-MSA AA	10	19.23	16.89	0.00	15.28	0.00	19.39	25.00	48.44	75.00	0.00	0.00	0.00	0.00	0.00	

* 2004 Peer Mortgage Data is Unavailable.

** As a percentage of loans with borrower income information available. No information was available for 7.7% of loans originated and purchased by Bank.

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

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

Table 9A. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT			Geography: TEXAS				Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003					Market Share				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Over all	Low	Mod	Mid	Upp	
	#	% of Total**	% Families**	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****						
Full Review:																
Victoria MSA AA	13	59.09	20.96	7.69	17.67	15.38	20.53	15.38	40.84	61.54	7.83	4.00	8.33	5.13	10.26	
Limited Review:																
Corpus Christi MSA AA	0	0.00	22.38	0.00	17.67	0.00	21.82	0.00	38.14	0.00	0.00	0.00	0.00	0.00	0.00	
Houston MSA AA	0	0.00	16.97	0.00	15.96	0.00	19.11	0.00	47.96	0.00	0.00	0.00	0.00	0.00	0.00	
Non-MSA AA	9	40.91	17.53	0.00	15.67	0.00	19.51	44.44	47.30	55.56	7.20	0.00	0.00	14.81	5.56	

* Based on 2003 Peer Mortgage Data: Western Region.

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

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

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

Table 9B. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT			Geography: TEXAS				Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2004					Market Share				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Over all	Low	Mod	Mid	Upp	
	#	% of Total**	% Families**	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****						
Full Review:																
Victoria MSA AA	20	80.00	21.02	15.00	17.44	10.00	20.32	20.00	41.22	55.00	0.00	0.00	0.00	0.00	0.00	
Limited Review:																
Corpus Christi MSA AA	0	0.00	22.21	0.00	17.56	0.00	21.72	0.00	38.51	0.00	0.00	0.00	0.00	0.00	0.00	
Houston MSA AA	0	0.00	17.18	0.00	16.17	0.00	19.16	0.00	47.49	0.00	0.00	0.00	0.00	0.00	0.00	
Non-MSA AA	5	20.00	16.89	0.00	15.28	0.00	19.39	20.00	48.44	80.00	0.00	0.00	0.00	0.00	0.00	

* 2004 Peer Mortgage Data is Unavailable.

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

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

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

Table 10A. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE												Geography: TEXAS			Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share								
	#	% of Total**	% Families**	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	Over all	Low	Mod	Mid	Upp				
Full Review:																			
Victoria MSA AA	34	73.91	20.96	11.76	17.67	8.82	20.53	20.59	40.84	58.82	2.43	6.45	1.59	2.14	2.44				
Limited Review:																			
Corpus Christi MSA AA	1	2.17	22.38	0.00	17.67	0.00	21.81	0.00	38.14	100.0	0.11	0.00	0.00	0.00	0.16				
Houston MSA AA	0	0.00	16.97	0.00	15.96	0.00	19.11	0.00	47.96	0.00	0.00	0.00	0.00	0.00	0.00				
Non-MSA AA	11	23.91	17.53	0.00	15.67	18.18	19.51	27.27	47.30	54.55	1.14	0.00	2.82	1.85	0.83				

* Based on 2003 Peer Mortgage Data: Western Region.

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

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

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

Table 10B. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE															Geography: TEXAS		Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2004				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share										
	#	% of Total**	% Families**	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	Over all	Low	Mod	Mid	Upp						
Full Review:																					
Victoria MSA AA	21	52.50	21.02	0.00	17.44	10.53	20.32	42.11	41.22	47.37	0.00	0.00	0.00	0.00	0.00						
Limited Review:																					
Corpus Christi MSA AA	0	0.00	22.21	0.00	17.56	0.00	21.72	0.00	38.51	0.00	0.00	0.00	0.00	0.00	0.00						
Houston MSA AA	0	0.00	17.18	0.00	16.17	0.00	19.16	0.00	47.79	0.00	0.00	0.00	0.00	0.00	0.00						
Non-MSA AA	19	47.50	16.89	5.26	15.28	26.32	19.39	10.53	48.44	57.89	0.00	0.00	0.00	0.00	0.00						

* 2004 Peer Mortgage Data is Unavailable.

** As a percentage of loans with borrower income information available. No information was available for 5.0% of loans originated and purchased by Bank.

*** Percentage of Families is based on the 200 Census information.

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

Table 11A. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES					Geography: TEXAS		Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003			
MA/Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share*		
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev \$1 Million or Less	
Full Review:										
Victoria MSA AA	559	78.18	66.64	37.92	81.75	10.91	7.33	18.04	20.76	
Limited Review:										
Corpus Christi MSA AA	45	6.29	64.31	40.00	91.11	2.22	6.67	4.43	3.90	
Houston MSA AA	11	1.54	65.45	54.55	63.64	18.18	18.18	0.10	0.17	
Non-MSA AA	100	13.99	62.10	45.00	74.00	18.00	8.00	5.54	7.07	

* Based on 2003 Peer Small Business Data: US.

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

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

**** 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 39.86% of small loans to businesses originated and purchased by the Bank.

Table 11B. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES				Geography: TEXAS		Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2004			
MA/Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share*	
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev \$1 Million or Less
Full Review:									
Victoria MSA AA	533	65.32	67.22	37.34	79.74	14.26	6.00	0.00	0.00
Limited Review:									
Corpus Christi MSA AA	28	3.43	65.22	46.43	67.86	21.43	10.71	0.00	0.00
Houston MSA AA	91	11.15	66.47	56.04	54.95	23.08	21.98	0.00	0.00
Non-MSA AA	164	20.10	62.75	36.59	76.83	19.51	3.66	0.00	0.00

* 2004 Peer Small Business Data is Unavailable.

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

*** Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2004)

**** Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 44.24% of small loans to businesses originated and purchased by the Bank.

Table 12A. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS				Geography: TEXAS		Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003			
MA/Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share*	
	#	% of Total**	% of Farms***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev \$1 Million or Less
Full Review:									
Victoria MSA AA	159	53.90	90.32	56.60	81.76	11.95	6.29	68.24	62.64
Limited Review:									
Corpus Christi MSA AA	47	15.93	88.18	68.09	53.19	23.40	23.40	66.20	64.44
Houston MSA AA	0	0.00	89.81	0.00	0.00	0.00	0.00	0.00	0.00
Non-MSA AA	89	30.17	92.42	71.91	75.28	17.98	6.74	39.11	32.46

* Based on 2003 Peer Small Business Data: US.

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

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

**** 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 33.22% of small loans to farms originated and purchased by Bank.

Table 12B. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS			Geography: TEXAS		Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2004				
MA/Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share	
	#	% of Total**	% of ***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev \$1 Million or Less
Full Review:									
Victoria MSA AA	159	53.18	90.79	52.83	81.13	13.84	5.03	0.00	0.00
Limited Review:									
Corpus Christi MSA AA	60	20.07	88.12	63.33	45.00	31.67	23.33	0.00	0.00
Houston MSA AA	5	1.67	85.96	80.00	100.00	0.00	0.00	0.00	0.00
Non-MSA AA	75	25.08	91.48	66.67	77.33	18.67	4.00	0.00	0.00

* 2004 Peer Small Business Data: US.

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

*** Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2004).

**** Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 36.12% of small loans to farms originated and purchased by Bank.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography: TEXAS				Evaluation Period: JUNE 3, 2002 TO JULY 18, 2005			
MA/Assessment Area:	Prior Period Investments		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
Victoria MSA AA	0	0	136	129	136	129	9.50	0	0
Limited Review:									
Corpus Christi MSA AA	0	0	5	1	5	1	0.07	0	0
Houston MSA AA	0	0	7	3	7	3	0.22	0	0
Non-MSA AA	0	0	15	4	15	4	0.29	0	0
Statewide/Regional AA	3	507	3	717	6	1,224	89.93	1	776

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

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

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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS Geography: TEXAS Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2004																	
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full Review:																	
Victoria MSA AA	78.12	4	40.00	0.00	25.00	25.0	25.0	0.00	0.00	0	0	0	0	2.00	27.09	48.19	22.72
Limited Review:																	
Corpus Christi MSA AA	5.06	1	10.00	0.00	100.0	0.00	0.00	0	0	0	0	0	0	0.00	26.28	59.89	13.83
Houston MSA AA	4.81	1	10.00	0.00	0.00	0.00	100	0	0	0	0	0	0	1.49	19.95	30.32	48.24
Non-MSA AA	12.01	4	40.0	0.00	0.00	100	0.00	0	0	0	0	0	0	0.00	6.12	44.75	49.13