



**LARGE BANK**

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Office of the Comptroller of the Currency

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Washington, DC 20219

## **PUBLIC DISCLOSURE**

November 26, 2012

### **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

The American National Bank of Texas  
Charter Number 17043

102 W. Moore  
Terrell, TX 75160-3129

Office of the Comptroller of the Currency  
Dallas Field Office  
225 E. John Carpenter Freeway, Suite 500  
Irving, TX 75062-2326

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

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## Overall CRA Rating

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

The following table indicates the performance level of **The American National Bank of Texas (ANBTX)** with respect to the lending, investment, and service tests:

Performance Levels	The American National Bank of Texas Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding		X	X
High Satisfactory	X		
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			

\*The lending test is weighted more heavily than the investment and service tests when arriving at an overall rating.

The major factors that support this rating include:

- The bank’s excellent responsiveness to identified community development (CD) lending needs had a positive impact. The bank originated qualified CD loans during the evaluation period totaling \$62.5 million, equal to 27.74 percent of ANBTX’s total capital.
- Lending activity reflects a good responsiveness to the credit needs in the bank’s assessment areas (AA).
- The geographic distribution of loans is good.
- The distribution of loans to borrowers of different income is good.
- The volume of qualified CD investments, grants, and donations reflects an excellent response to identified CD needs. The bank received consideration for qualified investments totaling \$31.2 million, equal to 13.8 percent of ANBTX’s total capital.
- The bank provides an excellent level of community development services.
- Retail service delivery systems are readily accessible to all geographies, businesses, and individuals of different income levels throughout the assessment areas of the bank.
- ANBTX is a leader in providing CD 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.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definition of community development.

Activities that revitalize or stabilize-

- (i) Low-or moderate-income geographies;
- (ii) Designated disaster areas; or
- (iii) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, based on-
  - a. Rates of poverty, unemployment, and population loss; or
  - b. Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

**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 at least 120 percent of the area median income, or a median family income that is at least 120 percent, in the case of a geography.

## Description of Institution

ANBTX is a full-service, intra-state community bank, which is family owned with headquarters in Terrell, Texas. It is the largest community bank in Kaufman County, Texas which is east of Dallas County, Texas. Established in 1875, ANBTX is the oldest independently-owned bank in Texas. ANBTX is a wholly owned subsidiary of ANBTX Corporation, which is a one-bank holding company. As of September 30, 2012, the bank reported total assets of \$2.22 billion, loans of \$1.20 billion, deposits of \$1.90 billion, and total capital of \$225 million representing 10.14 percent of total assets. Balance sheet composition is centered in the loan and investment portfolios representing 54.18 percent and 37.37 percent, respectively. For our review period, the loan-to-deposit ratio was 67.54 percent.

ANBTX has 27 full service branches and 34 ATMs located in the Dallas MSA, Fort Worth-Arlington MSA, and rural Van Zandt County. Through its branches the bank offers a variety of loan, deposit, trust, insurance, and investment products. Loan products include residential and commercial real estate mortgages, construction loans, commercial and industrial loans, agriculture loans, and consumer loans. As of September 30, 2012, total loans were \$1.20 billion with the following composition: commercial real estate 49.16 percent, residential real estate 22.42 percent, and commercial and industrial 9.47 percent. ANBTX originates a large volume of residential mortgage loans and sells them in the secondary market.

ANBTX operates their banking centers with a community bank focus. Their primary customers live near the banking center where the customer has relationship managers to assist them. Management's philosophy is to serve the commercial and consumer needs of its customers located in the AAs. ANBTX's mission statement states, "Build loyal, mutually profitable relationships by excelling in understanding the needs and expectations of our clients and delivering superior value." In addition, ANBTX is committed to making their AA communities a better place to live and work through effective community involvement and reinvestment.

The bank has identified three assessment areas (AAs) that include all of the areas where the bank has their 27 offices. The largest AA is the Dallas AA which consists of the eastern portion of Dallas County, and all of Collin, Hunt, Kaufman, and Rockwall Counties. The Dallas AA has 20 of the bank's 27 branches and accounts for approximately 87.00 percent of the bank's total deposits. The second AA is the Fort Worth AA which consists of portions of Tarrant and Johnson Counties. This AA has five branches and accounts for approximately eight percent of the bank's total deposits. The final AA is Van Zandt County which is rural and is not an MSA. This AA has two branches and represents approximately five percent of the bank's deposits. All three AAs include whole geographies, and the bank has not arbitrarily excluded any low- or moderate-income geographies.

There are no legal or financial impediments hindering ANBTX's ability to meet the credit, investment, or service needs of its AAs. The bank has not been involved in any mergers or acquisitions since our prior CRA public evaluation.

The last CRA public evaluation of ANBTX's CRA performance was as of September 22, 2008 which resulted in a "Satisfactory" rating. A review of the bank's CRA Public File and OCC consumer complaint records did not identify any complaints relating to CRA performance since the previous evaluation.

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

The Performance Evaluation assesses the bank's performance under the Lending, Investment, and Service Tests. To evaluate the bank's lending performance, we reviewed residential mortgage loans subject to filing under HMDA, small loans to businesses subject to filing under the CRA, small farm loans, and community development (CD) loans. The Investment Test included a review of investments, grants, and donations made in the bank's AAs that meet the definition of CD investments. The Services Test included a review of retail and CD services provided in the bank's AAs.

The evaluation period for the Lending Test, except for CD loans, covered January 1, 2009 through December 31, 2011. For CD loans, Investment Test, and Service Test, the period covered started September 23, 2008 through June 30, 2012. We based our conclusions related to CD loans and qualified investments on the number and dollar amounts made during the evaluation period. We also considered the level of innovation, complexity, responsiveness to community credit needs, and the degree to which private investors do not provide these instruments.

### Data Integrity

In February 2012, OCC personnel verified the accuracy of data made available to the public in accordance with HMDA and CRA loan data reporting requirements. Public data includes home mortgage lending and small loans to businesses and farms. During the CRA examination, OCC personnel reviewed non-public data that ANBTX management submitted for CD loans, CD investments, and CD services to ensure that they met the regulatory definition for community development. Our review ensured that submitted CD loans, investments, and services met the definition for CD in the CRA regulations.

### Selection of Areas for Full-Scope Review

As previously identified, ANBTX has designated three AAs, the Dallas AA, Fort Worth AA, and rural Van Zandt County AA. All three AAs are in the state of Texas. For this evaluation period, we performed a full-scope review of the Dallas and Fort Worth AAs and a limited review of the Van Zandt County AA. Please see the table in Appendix A: Scope of the Examination for additional information.

### Ratings

ANBTX's overall rating is based primarily on the areas that received full-scope reviews with performance in the Dallas AA receiving the most weight in the overall analysis because the largest percentage of the bank's business (86.80 percent of deposits and 78.96 percent of total loans) is located in this AA. The Fort Worth AA also received a full-scope review which we considered in our analysis based on their percentage of business (8.05 percent of total deposits and 10.63 percent of total loans). Small business lending carried more weight in the overall conclusions than mortgage products since the bank's primary focus is commercial lending. In addition, we gave more weight to home purchase, home improvement, and home refinance lending than multi-family loans and small farm loans based on the limited volume of those types of loans.

## **Other**

During this examination, we conducted two community contacts. Our purpose of the community contacts was to discuss the community credits needs and CD opportunities in the bank's full-scope review AAs. These contacts included discussion with the Housing and Economic Development Department for the City of Fort Worth (Fort Worth AA) and the Chamber of Commerce for the City of Terrell (Dallas AA).

We discussed the credit needs of the community in an interview with the Economic Development Director of the Fort Worth Housing and Economic Development Department. The community contact noted that local financial institutions have been cooperative and involved in the development of Fort Worth. However, the lending guidelines did become less flexible since the 2008 recession. But the community contact did not believe that the lack of lending flexibility in Fort Worth has been inconsistent with national lending trends.

In our discussions with the Terrell Chamber of Commerce, the community contact noted that there was a need for banks to originate additional small business loans and to participate in local economic development projects.

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

Pursuant to 12 C.F.R. 25.28(c), or 12 C.F.R. 195.28(c), in determining a national bank's (bank) or Federal savings association's (FSA) CRA rating, respectively, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank or FSA, or in any assessment area by an affiliate whose loans have been considered as part of the bank's or FSA's lending performance.

We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.

## 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 upon a full-scope review of the following AAs:

- Overall lending performance in the Dallas AA is good.
- Overall lending performance in the Fort Worth AA is excellent.

The bank's excellent responsiveness to identified CD lending needs had a positive impact on the Lending Test results. ANBTX made qualified CD loans totaling \$62.5 million, which was equal to 27.74 percent of the bank's total capital as of September 30, 2012. In addition, these conclusions are based on the bank's performance context and the full-scope review of the specific AAs noted above. Small business lending carried more weight in the overall conclusions than mortgage products since the bank's primary focus is commercial lending. However, we gave more weight to home purchase, home improvement, and home refinance lending than multi-family loans and small farm loans based on the limited volume of those types of loans.

#### Lending Activity

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

The bank's overall lending activity for the review period is good. The loan-to-deposit ratio for the review period is good. This reflects the practice of lending to meet the credit needs of the community. The primary lending products are small loans to businesses followed by home mortgage loans. Community development lending was excellent, particularly those benefiting low- and moderate-income borrowers and had a positive effect on the Lending Test conclusions.

Over the evaluation period, ANBTX originated 2,862 reportable small loans to businesses totaling \$354.61 million, 2,286 home mortgage loans totaling \$349.19 million, 327 small loans to farms totaling \$17.22 million, and 37 community development loans totaling \$62.5 million.

ANBTX's loan-to-deposit ratio is considered good. Since the prior CRA evaluation in 2008, the bank's average loan-to-deposit ratio was 67.54 percent. In the Dallas AA, ANBTX ranks 11<sup>th</sup> in deposit market share with 1.15 percent of the deposits. In the Fort Worth AA, ANBTX ranks 29<sup>th</sup> in deposit market share with 0.52 percent of the deposits. Competition in both the Dallas AA and Fort Worth AA is very high.

Overall lending volume in the bank's AA is good. Market share data and rankings for deposits are from the FDIC's Summary of Deposits, Market Share Report as of June 30, 2011. Market share and rankings for loan information are from 2010 Peer Mortgage Data and 2010 Peer Small Business data.

**Dallas AA:** The bank has 1.15 percent of the deposit market share in the Dallas AA and ranks 11th in this market out of 127 financial institutions with branches in this AA. The bank is ranked 12<sup>th</sup> for small loans to businesses with a 1.15 percent market share. The bank is ranked 24<sup>th</sup> for HMDA originations and has a market share of 0.86 percent. Finally, the bank is ranked 2<sup>nd</sup> for small loans to farms with a 17.19 percent market share.

**Fort Worth AA:** The bank has 0.52 percent of the deposit market share in the Fort Worth AA and ranks 29th in this market out of 69 financial institutions with branches in this market. The bank is ranked 17<sup>th</sup> for small loans to businesses with a 0.66 percent market share. The bank is ranked 99<sup>th</sup> for HMDA originations and has a market share of 0.16 percent.

Each of these AAs includes a large number of financial institutions that results in a significant level of competition for small business and residential real estate loans.

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

### *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/purchases. Market share and rankings for loan information are from 2010 Peer Mortgage data (U.S. & Puerto Rico) and 2010 Peer Small Business data.

In the Dallas AA and the Fort Worth AA, ANBTX's overall distribution of home mortgage loans by income level of geography is good.

The bank originated a minimal number of multifamily loans; therefore, the geographical analysis of multifamily loans is not meaningful. ANBTX originated only three multifamily loans in the Dallas AA and Fort Worth AA. The table for multifamily loans is provided for informational purposes only.

### **Dallas AA**

The geographic distribution of home purchase, home improvement, and home mortgage refinance loans is good.

Though the bank's lending in low-income geographies for home purchase, home improvement, and for home mortgage refinance loans are below the number of owner occupied units, the bank's performance in low-income geographies is adequate. In the Dallas AA, only 1.43 percent of the owner-occupied geographies are low-income, which would indicate there is very limited opportunities for making home purchase, home improvement, or home mortgage refinance loans in a low-income geography. The bank's lending in moderate-income geographies for home purchase loans was excellent while their lending performance for home improvement and home mortgage refinance loans was good. For home purchase, home improvement, and home mortgage refinance loans, the bank's market share for low-income geographies was good. The bank's market share for moderate-income geographies for these three loan types was excellent.

The bank originated 663 home purchase loans with 18.85 percent of these loans being in moderate-income geographies, which exceeded the percent of owner-occupied units at 16.30 percent. ANBTX's

overall market share for home purchase loans in moderate-income geographies was 1.65 percent while their overall market share for these types of loans was 0.57 percent. The bank did not originate any home purchase loans in low-income geographies and a minimum number of home mortgage refinance loans were originated.

### **Fort Worth AA**

The geographic distribution of home purchase, home improvement, and home mortgage refinance loans is good.

The bank's distribution of home purchase loans in low-income geographies is good as these loans exceeded the percentage of owner-occupied housing units. In addition, the bank's distribution of home purchase loans in moderate-income geographies is good because these loans exceeded the percentage of owner-occupied housing units. ANBTX's market share in both low-income and moderate-income geographies was excellent.

The geographic distribution of home improvement loans in low-income geographies was adequate. As noted above, there is very little opportunity to lending in these geographies. The geographic distribution of lending in moderate-income geographies is poor. The bank's low-income market share by geography is poor for home improvement loans. In addition, the bank's market share in moderate-income geographies is also poor regarding home improvement loans.

ANBTX's geographic distribution of home mortgage refinance loans is good. The distribution of home refinance loans in low-income geographies is adequate; however, there are limited opportunities in these geographies. In the moderate-income geographies, ANBTX was good. The bank's market share in low-income geographies was adequate when compared to their overall market share and their market share in moderate-income geographies was good.

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

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

### **Dallas AA**

The geographic distribution of small loans to businesses in the Dallas AA is good.

The distribution of loans in low-income geographies is lower than the percentage of small businesses in those areas; however, the distribution of moderate-income geographies exceeds the percentage of small businesses in the moderate-income geographies. The bank's market share in low-income geographies is lower than the overall market share while the bank's market share in moderate-income geographies exceeds the overall market share. The bank originated approximately 80.00 percent of their small loans to businesses in this AA.

### **Fort Worth AA**

The geographic distribution of small loans to businesses in the Fort Worth AA is good.

The distribution of loans in low-income geographies is lower than the percentage of small businesses located in those areas. The distribution of loans in moderate-income geographies exceeds the percentage of small businesses located in moderate-income geographies. The bank's market share in low-income geographies is equal to the overall market share while the market share in moderate-income geographies exceeds the overall market share. The bank originated approximately 15.00 percent of their small loans to businesses in this AA.

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

Refer to Table 7 of Appendix C for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to farms.

A geographic distribution analysis of small loans to farms is not meaningful. This product represents less than six percent of the total loan originations. The bank only originated loans in one of the two full scope review AAs. ANBTX only originated 260 of these loans in the Dallas AA and none were originated in the Fort Worth AA. As a result, we only provided the table for informational purposes only.

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

Our review of the geographic distribution of loans did not detect any conspicuous or unexplained gaps in ANBTX's lending patterns in the Dallas AA and Fort Worth AA. We identified no unexplained or conspicuous gaps in the bank's origination of loans.

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

We performed an analysis of ANBTX's lending, within its AA, at the bank level. A majority of the home mortgage loans and small loans to businesses originated by ANBTX during the evaluation period were within its AA. Eighty-five percent of the total number of loans were originated within the bank's AAs. This analysis was performed at the bank-wide level rather than at the AA level. This good performance had a positive impact on the overall analysis of the geographic distribution of lending.

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

ANBTX's overall distribution of lending by income level of the borrower is good. In the Dallas AA and Fort Worth AA, ANBTX's distribution of home mortgage loans by income level of the borrowers is good. In addition, the bank's distribution of small loans to businesses is good.

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

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

ANBTX's overall distribution of home mortgage loans by income level of the borrower is good.

The bank originated a minimal number of multifamily loans; therefore, the geographical analysis of multifamily loans is not meaningful. ANBTX originated only three multifamily loans in the Dallas AA and Fort Worth AA. The table for multifamily loans is provided for informational purposes only.

### **Dallas AA**

The distribution of home mortgage loans by borrower income level is good.

The bank's borrower distribution of home purchase mortgage loans is good. Given that eight percent of the households are below the poverty level, the bank's home purchase lending to low-income borrowers is adequate while the bank's home purchase lending to moderate-income borrowers is good. The market share for low-income borrowers is excellent. However, the bank's market share for home purchase loans to moderate-income borrowers is good.

The distribution of home improvement loans to low-income borrowers was poor, and the distribution of lending in moderate-income borrowers was poor. The bank's market share distribution to low-income borrowers is poor for home improvement loans. In addition, the bank's market share distribution to moderate-income borrowers is also poor regarding home improvement loans.

The borrower distribution of home mortgage refinance loans is good. The market share for borrower distribution of home mortgage refinance loans to low-income and moderate-income borrowers exceeds the bank's overall market share and is excellent. The borrower distribution of home mortgage refinance loans to low-income borrowers is poor while the distribution to moderate-income borrowers is good.

### **Fort Worth AA**

The distribution of home purchase loans by borrower income level is adequate. The bank's distribution of home purchase loans by borrower income level was poor because the bank did not originate any home purchase loans to low-income borrowers. ANBTX's distribution of loans to moderate-income borrowers was excellent as it exceeded the percent of families in moderate-income census tracts. In addition, the market share for moderate-income borrowers was excellent because it was slightly above their overall market share. The bank's distribution of home purchase loans to low-income borrowers was poor.

ANBTX's distribution of home improvement loans is poor. The borrower distribution of home improvement loans to low-income borrowers was poor as was the distribution of home improvement loans to moderate-income borrowers. In addition, the market share of home improvement loans to low-income and moderate-income borrowers was poor.

The distribution of home mortgage refinance loans is poor. The distribution of home mortgage refinance loans to low-income borrowers is poor. In addition, the distribution of home mortgage refinance loans to moderate-income borrowers is poor. While the market share for low-income borrowers is good, the market share for moderate-income borrowers is poor.

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

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

The distribution of loans to businesses with annual revenue of \$1 million or less is adequate in the Dallas AA while the performance in the Fort Worth AA is good. Given the substantial amount of

competition in the Dallas and Fort Worth AAs, ANBTX has provided a good number of small loans to businesses.

### **Dallas AA**

The bank's borrower distribution of lending small loans to businesses is adequate. ANBTX's percentage of small loans to businesses with annual revenues of \$1.0 million or less is far below the percentage of businesses with annual revenues of \$1.0 million or less in this AA, which is adequate. However, the bank's market share exceeds its overall market share, which is good.

### **Fort Worth AA**

The bank's borrower distribution of lending small loans to businesses is good. ANBTX's percentage of small loans to businesses with annual revenues of \$1 million or less is less than the percentage of businesses with annual revenues of \$1.0 million or less in this AA, which is adequate. However, the bank's market share to businesses with annual revenue of \$1 million or less exceeds its overall market share, which is good.

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

Refer to Table 12 of Appendix C for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to farms.

A distribution analysis of small loans to farms is not meaningful. This product represents less than six percent of the total loan originations. The bank only originated loans in one of the two full scope review AAs. ANBTX only originated 260 of these loans in the Dallas AA and none in the Fort Worth AA. As a result, we provided the table for informational purposes only.

## **Community Development Lending**

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

ANBTX's Community Development (CD) lending performance reflects an excellent level of responsiveness to the community development needs of the AAs. This had a positive impact on the overall Lending Test conclusions. The bank originated 37 CD loans totaling \$62.5 million with 24 CD loans totaling \$38.1 million in the Dallas AA, with three CD loans totaling \$5.0 million in the Fort Worth AA, and ten CD loans totaling \$19.4 million outside of the AAs. The total dollar volume of CD loans represents 27.74 percent of ANBTX's total equity capital as of September 30, 2012. These loans financed activities for all four purposes of community development – affordable housing, community services, economic development for small businesses, and revitalization/stabilization. None of the CD loans are considered complex or innovative.

Examples of CD Lending within the AAs:

- ANBTX originated eight loans totaling \$21.9 million to finance activities that provide economic development to low- and moderate-income (LMI) individuals and/or geographies. All lending originated in the Dallas AA.
- ANBTX originated 17 loans totaling \$31.9 million for economic development of small businesses. Nine loans totaling \$12.6 million originated in the Dallas AA and two loans totaling \$4.6 million originated in the Fort Worth AA. In addition, the bank originated six loans for \$14.7 million outside of the AAs. All loans were made as part of the Small Business Administration's (SBA) 504 Certified Development Company program.
- ANBTX originated ten loans totaling \$7.1 million that provided permanent financing for the purchase and renovation of individual and multi-family units with affordable housing costs for LMI individuals. Six loans totaling \$3.3 million originated in the Dallas AA with the remaining one loan of \$0.4 million in the Fort Worth AA. In addition, the bank originated three loans for \$3.4 million adjacent to the AAs.

## **Product Innovation and Flexibility**

During the assessment period, ANBTX provided a variety of flexible lending products to assist LMI applicants and borrowers as well as small businesses.

During the review period, ANBTX established a Small Business Lending Department to be able to reach more small businesses. ANBTX is a preferred Lender with SBA and offers many of its loan products including the 504 and 7(a) program loans. Exclusive of the aforementioned 504 loans, ANBTX closed 26 loans totaling \$12 million in 2010 and 2011.

The following offered programs related to making housing more affordable for LMI individuals and families:

- ANBTX closed three loans in 2009 under the FNMA My Community Mortgage Program. This program targets first time homebuyers that are primarily LMI families. It allows for minimal down payments and favorable interest rates in addition to homebuyer counseling.
- During the assessment period, ANBTX closed a total of 155 FHA loans under the FHA Brokered Loan Program. This program focuses on LMI families allowing for expanded debt ratios, lower credit scores, a three percent down payment, and financing of private mortgage insurance. ANBTX originates and sells these loans prior to closing.
- In 2010, ANBTX closed one loan under the FNMA Low Down Payment Loan Program that provides loans to borrowers with little or no down payments.
- During the assessment period, ANBTX had 31 loans approved under the Home Affordable Modification Program. This program is usually offered to troubled FNMA borrowers whose incomes have been curtailed.
- In 2009 and 2010, ANBTX closed nine loans under the USDA Rural Development Loan Program. This program provides flexible credit terms for home purchases to qualifying LMI individuals and families.

## Conclusions for Areas Receiving Limited-Scope Reviews

Refer to Tables 1 through 14 of Appendix C for the facts and data that support these conclusions.

Based on a limited-scope review, ANBTX's performance in the Van Zandt AA is not inconsistent with the overall "High Satisfactory" rating. The Van Zandt AA does not have any low- or moderate-income census tracts; therefore, any geographic distribution analysis would not be meaningful. Mortgage lending based on borrower distribution was consistent with our full scope reviews. ANBTX's percentage of small loans to businesses with annual revenues of \$1.0 million or less exceeded the percentage of businesses with annual revenues of \$1.0 million or less in this AA. In addition, the bank's market share exceeds its overall market share. Limited lending opportunities exist in this rural non-MSA.

## INVESTMENT TEST

### Conclusions for Areas Receiving Full-Scope Reviews

ANBTX's performance under the Investment Test is rated "Outstanding." The full-scope review of the Dallas and Fort Worth AAs reflects an excellent performance relative to community involvement and management's responsiveness to the AAs' needs. Table 13 in Appendix C lists the facts and data used to evaluate the number and amount of qualified investments.

ANBTX's volume of qualified investments is excellent given the geographic size of the AAs, CD opportunities, and the bank's size and capacity. During the evaluation period, ANBTX purchased debt securities and equity investments, and made cash donations. Total qualified investments totaled \$31.2 million, which includes \$8.4 million of prior period, long-term investments that were still outstanding at the end of the current evaluation period. As of September 30, 2012, these investments represented 13.8 percent of the bank's total equity capital.

During the evaluation period, the bank made a \$2.3 million investment in CRA qualified investment funds. These investments promote economic development and job creation by financing small businesses. The impact of these investments was given strong consideration when reaching our conclusions about the bank's investment performance.

Overall, the bank's community development investments are responsive to the assessment area needs.

#### Debt Securities

At the end of the current evaluation period, ANBTX held \$29.7 million of qualified investments, \$8.4 million of which is from the prior review period. Of the \$29.7 million, the Dallas AA had investments of \$12.9 million while the Fort Worth AA had investments of \$2.2 million. The bank also purchased \$7.1 million in bonds outside of the AAs; however, these bonds were for the benefit of counties, which were either distressed or underserved.

The most significant purchases during the assessment period were \$11.0 million of Terrell ISD bonds that served to stabilize and revitalize two moderate-income census tracts. The Terrell ISD has eight campuses of which seven campuses are located in moderate-income census tracts. In addition, the Terrell ISD has an enrollment that has 73.2 percent of their students being economically disadvantaged.

## Equity Investments

At the end of the current evaluation period, ANBTX had funded \$1.3 million of a committed \$2.3 million in equity investments in three CRA-qualified funds. Of the two investments made during the assessment period, both were to Dallas-based Small Business Investment Companies (SBICs) that promote economic development by financing small businesses:

- ANBTX committed \$1.0 million to the SBIC fund of Valesco Industries, Inc. This is a private equity fund that invests in private and family-owned businesses that support or serve underserved communities and individuals primarily in the south central U.S. The bank has funded \$183,000 of this investment.
- ANBTX also committed \$250,000 to the Independent Bankers Capital Funds (IBCF) SBIC II fund. IBCF focuses on mezzanine lending and purchasing equity securities issued by lower middle-market companies primarily in Texas. ANBTX has funded \$85,000 of this investment.
- The bank continues to hold a \$1.0 million investment in Community Capital Management's CRA fund. This investment promotes economic development by financing small businesses under the SBIC program.

## Donations

During the evaluation period, ANBTX donated \$220,000 to non-profit organizations that help meet the needs of LMI individuals, families, and geographies. The Dallas AA received 78.5 percent of the donations and the Fort Worth AA 20.2 percent.

## Conclusions for Area Receiving Limited-Scope Reviews

Based on limited-scope reviews, ANBTX's performance under the investment test in the Van Zandt AA is not inconsistent with the overall "Outstanding" performance under the Investment Test. Refer to Table 14 of Appendix C for the facts and data that support these conclusions.

ANBTX made one investment of \$695 thousand in this rural non-MSA AA and approximately \$3 thousand in donations that qualified as CD investments.

## SERVICE TEST

### Conclusions for Areas Receiving Full-Scope Reviews

ANBTX's performance under the Service Test is rated "Outstanding." Based on a full-scope review, the bank's performance in the Dallas AA is excellent. The bank's performance in the Fort Worth AA was good.

### Retail Banking Services

The bank's retail service delivery systems are excellent and readily accessible to geographies and individuals of different income levels. Please see Table 14 – Distribution of Branch Delivery System for the facts and data used to evaluate the distribution of ANBTX's branch delivery system and branch openings and closings.

The delivery systems in the Dallas AA are excellent since they are readily accessible to all portions of the bank's AA. Of the twenty branches in this AA, two are in low-income geographies and four are in moderate-income geographies. The percentage of the bank's branches in low-income geographies exceeds the percentage of population residing in low-income geographies. The percentage of the bank's branches in moderate-income geographies is near to the percentage of population in moderate-income geographies. Each branch has an Automated Teller Machine (ATM).

The bank opened one branch in a moderate-income geography while one branch was closed in a middle-income geography. This improved the bank's retail delivery systems particularly in moderate-income geographies and had a positive impact on our overall conclusion on retail banking services in the Dallas AA.

The bank's delivery systems in the Fort Worth AA are good. Of the five branches in this AA, no branches are located in low-income geographies. However, the percent of this AA's population living in low-income geographies is limited to only 7.22 percent. The percentage of the bank's branches in moderate-income geographies exceeds the percentage of population residing in moderate-income geographies. In addition, each branch has an ATM. The bank opened one branch in an upper-income geography and no branches were closed in the Fort Worth AA.

Services are tailored to the convenience and needs for customers of both AAs, including low- and moderate-income geographies and individuals. Business hours do not vary in a way that inconveniences portions of the Dallas AA or the Fort Worth AA, particularly low- and moderate-income geographies and/or individuals. There are no material differences in the full-service branches regarding hours of operations and services available within different geographies.

Branch locations are augmented by a variety of alternative delivery systems that include ATMs, online banking, telephone banking, banking by mail, direct deposit, debit cards, and Treasury Management services. As of June 30, 2012, 34 proprietary ATMs supplement the 27 full-service branches with 24 of the ATMs accepting deposits.

## **Community Development Services**

ANBTX is a leader in providing CD services in the Dallas AA and the Fort Worth AA. Our review noted that the directors, management team, and employees have taken leadership roles such as Board members, directors, or committee chairs with several organizations in both the Dallas and Fort Worth AAs. The bank has met these needs primarily by providing financial services that take advantage of bank employees' financial expertise. The bank's CD activities are responsive to the needs of low-income and moderate-income individuals. These CD services include developing and conducting financial educational programs; providing financial technical assistance; and developing and participating in fundraising activities. ANBTX management and personnel provided a total of 10,123 hours of qualifying CD service during the evaluation period broken down as follows: 8,272 hours for the Dallas AA (82 percent of the total hours); 1,167 hours for the Fort Worth AA (11 percent); 512 hours for the Van Zandt AA (five percent); and 172 hours outside the AAs (two percent).

The following activities were identified for having a high impact on the AAs and demonstrated strong leadership by ANBTX.

- Economic Development Corporations (EDC) – ANBTX employees worked with six different EDCs in the Dallas and Fort Worth AAs and volunteered at least 1,035 hours during our review period. These organizations revitalize and stabilize communities by attracting businesses to create jobs through loans, grants and tax and other incentives. Bank employees provided technical financial assistance to the EDCs, small business owners, and small farm owner/operators. Specific examples of these activities are:
  1. The Banking Center President in Kaufman, Texas served as the Chairman of the Kaufman Economic Development Task Force. The Task Force was able to attract five new companies to the Kaufman area, which helped to create 62 new jobs.
  2. The bank's General Counsel, Terrell Banking Center President, and a commercial lender all worked and served with the Terrell Economic Development Corporation. Using their financial expertise, this group served over 500 hours of CD services. This work was able to attract Maines Paper & Food Service, Inc. to Terrell's Industrial Park. The company has 85 employees with a payroll ranging from \$30 thousand to \$57 thousand.
  3. The Banking Center President in Wills Point, Texas served as the President of the Wills Point EDC and contributed over 110 hours to this group in financial expertise. Within the past twelve months, the EDC has attracted three new businesses that created 20 new jobs in this very small East Texas community.
  4. The Canton Banking Center President has worked with the Canton EDC as a Director and as the President. Overall, he has contributed over 80 hours to this group by providing financial expertise and technical assistance. In 2011, this Canton EDC was successful in attracting two new businesses that established 92 jobs in this community with wages starting out at \$7.25 per hour.
  5. The Greenville, Texas Regional President serves on the Board of Development for the Greenville EDC. In the review period, he has contributed over 295 hours to this group. This group has been successful in starting the Main Street Project in Greenville's downtown area. Businesses can apply for credit incentives ranging from \$5,000 to \$50,000 that would go toward downtown revitalization.
- Terrell ISD – Career/Technical Center – (Dallas AA) An Executive Vice President of the bank acted in a leadership position for this program by serving as the Chairman of the Advisory Committee that successfully campaigned for a \$2.0 million tax referendum to build this facility at Terrell High School, which is located in a moderate-income census tract. With over 77 hours contributed to this project, he provided technical advice on financial matters to this governmental organization. In addition, several community groups, which target low-income and moderate-income individuals, participated in this project. The Technical Center was built so that the Terrell ISD could provide a workforce to area businesses. The Terrell ISD is made up of eight census tracts of which seven are moderate-income and one is middle-income. The creation of this Technical Center will provide valuable job training to individuals living in the Terrell ISD boundaries. Areas of study offered at the Technical Center include: agriculture; architecture & construction; arts, audio visual, and communication; business, finance, and marketing; education and training; engineering; health sciences; and information technology.
- Independent Bankers Association of Texas (IBAT) Education Foundation – (Dallas AA) An ANBTX Board member serves in a leadership position of this Foundation by serving as the Immediate Past President of the Board of Directors. The ANBTX Board member accrued over 80 hours of work for this Foundation in our review period. The IBAT Education Foundation is a 501(c)(3) not for profit company established to help community bankers in Texas to focus on financial literacy programs for consumers and bankers. To perform this service, the Foundation established three financial education programs:

1. IBAT Teach the Teacher Program – This program connects local community bankers and local teachers so that the banker may assist with training the teacher on how to teach financial literacy to their students.
  2. Senior Housing Crime Prevention – The Foundation teamed-up with Senior Crimestoppers to offer crime prevention at senior housing facilities throughout Texas.
  3. Junior Achievement – The Foundation works with local schools offering Junior Achievement. In doing so, local bankers provide financial literacy to students trying to learn more about operating a business.
- Terrell ISD Excellence Foundation – (Dallas AA) ANBTX’s CEO serves as President of this Foundation since 2008 and has contributed over 133 hours to assist this group in a leadership position. He assists the Foundation by providing technical assistance to a non-profit organization, including bookkeeping/accounting services. In addition, he assists on fundraising and arranging investments. The Foundation is committed to funding projects and activities that the Terrell ISD cannot fund due to the lack of financial resources. The Foundation focuses on career and technical initiatives, professional development initiatives, and advanced learning initiatives. In addition, the Terrell ISD is located within eight census tracts, which is made-up of seven moderate-income census tracts and one middle-income census tract. Working with local businesses, the Foundation is working to create permanent jobs within this community.

Other CD Services where the bank has made significant contributions include:

- Soroptimist – (Dallas AA) 700 hours were volunteered by ANBTX employees to this organization, which serve LMI individuals by providing clothes for women re-entering the work force. In addition, Soroptimist supports healthcare, dental care, and medical screenings for women and children who are LMI. Bank employees assisted with fundraising activities and provided technical financial assistance.
- Collin County College Foundation Board – (Dallas AA) 648 hours were volunteered by an ANBTX employee to this organization that provides scholarships to Collin College for LMI students. The employee assisted with fundraising and provided technical financial assistance.
- Rotary Club – (Fort Worth AA) 628 hours were volunteered by ANBTX employees for several community- and school-related activities for homeless and LMI residents and children. ANBTX employees provided financial technical assistance and assisted with fundraising activities.

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

Based on limited-scope reviews, ANBTX’s performance under the Service Test in the Van Zandt AA is not inconsistent with the bank’s overall “Outstanding” performance under the Service Test.

## Appendix A: Scope of Examination

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

<b>Time Period Reviewed</b>	Lending Test (excludes CD Loans): 1/1/2009 to 12/31/2011 Investment and Service Tests and CD Loans: 9/23/2008 to 6/30/2012	
<b>Financial Institution</b>		<b>Products Reviewed</b>
The American National Bank of Texas (ANBTX) Terrell, Texas		Home Purchase, Home Refinance, Home Improvement, Small Business, Small Farm CD Loans, CD Investments, and CD Services
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
N/A	N/A	N/A
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
Dallas AA MSA # 19124 Fort Worth AA MSA #23104 Van Zandt County	Full Scope Full Scope Limited Scope	Does not include all of Dallas MSA Does not include all of Fort Worth MSA All of the Van Zandt County Non-MSA

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

### Dallas Assessment Area

Demographic Information for Full-Scope Area: Dallas Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	360	6.39	22.78	32.50	37.78	0.56
Population by Geography	1,818,489	5.90	22.86	34.44	36.79	0.00
Owner-Occupied Housing by Geography	397,496	1.43	16.30	34.97	47.30	0.00
Businesses by Geography	196,220	2.83	17.57	31.96	46.10	1.55
Farms by Geography	3,865	1.45	15.39	40.03	42.64	0.49
Family Distribution by Income Level	457,736	19.23	16.94	19.80	44.03	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	165,537	10.31	35.11	37.24	17.33	0.00
Median Family Income	= \$56,313					
HUD Adjusted Median Family Income for 2011	= \$69,600					
Households Below the Poverty Level	= 8%					
				Median Housing Value	= \$132,780	
				Unemployment Rate	= 2.31%	

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2000 U.S. Census, and 2011 HUD updated MFI.

The Dallas AA includes five counties of the Dallas MSA starting with the eastern portion of Dallas County and all of Collin, Hunt, Kaufman, and Rockwall counties. This AA includes 360 geographies in all five counties with 29.17 percent of the geographies designated as LMI. ANBTX operates 20 of their 27 branches in this AA with six of the branches being in LMI geographies. The designation of these five counties as the bank's AA does not arbitrarily exclude any LMI geographies. Alternative delivery systems that provide readily available access to banking products include ATM/VISA Check Cards, online banking, online bill pay, and telephone banking. ANBTX ranks 11<sup>th</sup> in deposit market share with 1.15 percent in the AA, based on the FDIC Summary of Deposits report dated June 30, 2011.

The level of competition for loans, deposits, and investments in the Dallas AA continues to increase from large nationwide banks, regional banks, and community banks which have branched into the AA. A number of local credit unions also provide competition to the banking institutions in the AA. The FDIC Summary of Deposits report shows that Bank of America N.A. and JP Morgan Chase N.A. hold 57.82 percent of the deposits in this AA. The FDIC report further noted this AA has 127 different banks with 991 branches with total deposits of \$129.87 billion.

The Dallas AA economy is primarily based on petroleum, telecommunications, computer technology, banking, and transportation. The top five employers in the Dallas AA are Wal-Mart, American Airlines, Texas Health Resources, Bank of America, and the Dallas ISD. The unemployment rate in the three year review period changed dramatically. From 2008 to 2011, the unemployment rate in the Dallas AA

increased from 5.1 percent to 7.8 percent. It is also worth noting that in 2007, the AA's unemployment rate was only 4.4 percent.

We conducted one community contact in conjunction with this examination in the Dallas AA. We contacted the EVP of the Terrell Chamber of Commerce. The community contact noted the need for more loans to small businesses and investment in activities that promote economic development.

## Fort Worth Assessment Area

Demographic Information for Full-Scope Area: Fort Worth Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	261	9.20	31.80	32.57	26.44	0.00
Population by Geography	1,207,608	7.22	30.88	33.77	28.12	0.00
Owner-Occupied Housing by Geography	266,677	4.69	23.83	35.28	36.20	0.00
Businesses by Geography	102,641	4.18	28.04	34.37	33.41	0.00
Farms by Geography	1,864	2.68	22.42	39.86	35.03	0.00
Family Distribution by Income Level	307,958	21.18	19.32	21.33	38.17	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	124,725	11.89	43.22	32.29	12.60	0.00
Median Family Income	= \$53,268					
HUD Adjusted Median Family Income for 2011	= \$68,200					
Households Below the Poverty Level	= 11%					
				Median Housing Value	= \$93,759	
				Unemployment Rate	= 2.48 %	
				(2000 Census)		

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2000 U.S. Census and 2011 HUD updated MFI.

The Fort Worth AA includes portions of two counties of the Fort Worth-Arlington, Texas MSA which are Tarrant County and Johnson County. This AA includes 261 geographies with 41.00 percent of the geographies designated as LMI. ANBTX has five branches in Fort Worth AA with two of the branches located in LMI geographies. In addition, the bank has six ATMs in this AA. Alternative delivery systems that provide readily available access to banking products include ATM/VISA Check Cards, online banking, online bill pay, and telephone banking. ANBTX ranks 29<sup>th</sup> in deposit market share with 0.52 percent of the deposits in the AA, based upon the FDIC Summary of Deposits report dated June 30, 2011.

The level of competition for loans, deposits, and investments in the Dallas AA continues to increase from large nationwide banks, regional banks, and community banks with branches in this AA. In addition, a number of local credit unions also provide competition to the banking institutions in the AA. The FDIC Summary of Deposits report noted that the top four banks (JP Morgan Chase, Wells Fargo, Bank of America, and Frost) held 58.95 percent of the deposits in the AA. The Summary of Deposits report noted there are 69 total banks in this AA with 490 branches and total deposits of \$26.55 billion.

Tarrant County is an urban county located in the north central part of Texas. Johnson County is just south of Tarrant County. Fort Worth serves as the county seat to a population of 1.8 million people (entire Fort Worth-Arlington MSA). Growth in Tarrant County was greatest in Far North Fort Worth and in Mansfield. In addition, Tarrant County is one of the fastest growing areas in the United States that is home to diverse spectrum of businesses ranging from cattle and agriculture to aerospace companies and defense contractors. From 2008 to 2011, the unemployment rate in the Fort Worth AA increased from 4.9 percent to 7.8 percent.

We discussed the credit needs of the community in an interview with the Economic Development Director of the Fort Worth Housing and Economic Development Department. The community contact noted that local financial institutions have been cooperative and involved in the development of Fort Worth. However, the community contact did not believe that the lack of lending flexibility in Fort Worth has been inconsistent with national lending trends.

## Appendix C: Tables of Performance Data

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### Content of Standardized Tables

References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to Appendix A: Scope of the Examination). For purposes of reviewing the lending test tables, the following are applicable: (1) purchased loans are treated as originations/purchases and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/assessment area; (2) partially geocoded loans (loans where no census tract is provided) cannot be broken down by income geographies and, therefore, are only reflected in the Total Loans in Core Tables 2 through 7 and part of Table 13; and (3) partially geocoded loans are included in the Total Loans and % Bank Loans Column in Core Tables 8 through 12 and part of Table 13. Tables without data are not included in this PE.

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. See Interagency Q&As 25.12 (i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans. Refer to the CRA section of the Compliance Policy intranet page for guidance on table placement.
- 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 25.12 (i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such investments. Refer to the CRA section of the Compliance Policy intranet page for guidance on table placement.

**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, 2009 to December 31, 2011						
Assessment Area:	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
<b>Full Review:</b>												
Dallas AA	78.96	1,830	294,445	2,233	283,155	260	16,961	24	38,058	4,357	632,619	81.32
Fort Worth AA	10.63	161	16,166	421	63,931	0	0	3	5,060	585	85,157	10.95
<b>Limited Review:</b>												
Van Zandt County	10.41	295	38,579	208	17,521	67	4,056	0	0	570	60,156	7.73
CD Loans Outside of AA								10	19,359			

\* Loan Data as of December 31, 2011. Rated area refers to either the state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is September 22, 2008 to June 30, 2012.

\*\*\* Deposit Data as of June 30, 2011. Rated Area refers to the state, multi-state MA, or institution, as appropriate.

**Table 2. Geographic Distribution of Home Purchase Loans**

Geographic Distribution: HOME PURCHASE		Geography: TEXAS					Evaluation Period: January 1, 2009 to December 31, 2011					Market Share (%) by Geography*				
Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Over all	Low	Mod	Mid	Upp	
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans						
<b>Full Review:</b>																
Dallas AA	663	78.83	1.43	0.00	16.30	18.85	34.97	55.20	47.30	25.94	0.57	0.00	1.65	1.05	0.22	
Fort Worth AA	97	11.53	4.69	7.22	23.83	37.11	35.28	36.08	36.20	19.59	0.17	1.52	0.50	0.14	0.07	
<b>Limited Review:</b>																
Van Zandt County	81	9.63	0.00	0.00	0.00	0.00	80.43	79.01	19.57	20.99	8.06	0.00	0.00	7.16	12.90	

Occ - refers to Occupied

\* Based on 2010 Peer Mortgage Data (USPR)

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

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

**Table 3. Geographic Distribution of Home Improvement Loans**

Geographic Distribution: HOME IMPROVEMENT															Geography: TEXAS		Evaluation Period: January 1, 2009 to December 31, 2011				
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	Upp						
<b>Full Review:</b>																					
Dallas AA	94	73.44	1.43	0.00	16.30	9.57	34.97	37.23	47.30	53.19	2.35	0.00	0.74	2.97	2.33						
Fort Worth AA	18	14.06	4.69	0.00	23.83	5.56	35.28	16.67	36.20	77.78	1.21	0.00	0.58	0.28	2.23						
<b>Limited Review:</b>																					
Van Zandt County	16	12.50	0.00	0.00	0.00	0.00	80.43	50.00	19.57	50.00	6.00	0.00	0.00	0.00	75.00						

\* Based on 2010 Peer Mortgage Data (USPR)

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

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

**Table 4. Geographic Distribution of Home Mortgage Refinance Loans**

Geographic Distribution: HOME MORTGAGE REFINANCE											Geography: TEXAS Evaluation Period: January 1, 2009 to December 31, 2011				
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	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Dallas AA	1,070	81.43	1.43	0.09	16.30	13.36	34.97	54.95	47.30	31.59	0.75	0.00	3.16	1.99	0.29
Fort Worth AA	46	3.50	4.69	0.00	23.83	10.87	35.28	36.96	36.20	52.17	0.10	0.00	0.23	0.06	0.11
<b>Limited Review:</b>															
Van Zandt County	198	15.07	0.00	0.00	0.00	0.00	80.43	70.20	19.57	29.80	19.03	0.00	0.00	16.44	31.67

\* Based on 2010 Peer Mortgage Data (USPR)

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

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

**Table 5. Geographic Distribution of Multifamily Loans**

Geographic Distribution: MULTIFAMILY			Geography: TEXAS				Evaluation Period: January 1, 2009 to December 31, 2011					Market Share (%) by Geography*				
MA/Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% of MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans						
<b>Full Review:</b>																
Dallas AA	3	100.00	11.74	0.00	28.70	100.00	35.01	0.00	24.55	0.00	0.00	0.00	0.00	0.00	0.00	
Fort Worth AA	0	0.00	9.15	0.00	33.10	0.00	42.17	0.00	15.57	0.00	0.00	0.00	0.00	0.00	0.00	
<b>Limited Review:</b>																
Van Zandt County	0	0.00	0.00	0.00	0.00	0.00	93.55	0.00	6.45	0.00	0.00	0.00	0.00	0.00	0.00	

\* Based on 2010 Peer Mortgage Data (USPR)

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

\*\*\* Percentage of multifamily units is the number of multifamily housing units in a particular geography divided by number of multifamily housing units in the area based on 2000 Census information.

**Table 6. Geographic Distribution of Small Loans to Businesses**

Geographic Distribution: SMALL LOANS TO BUSINESSES												Geography: TEXAS		Evaluation Period: January 1, 2009 to December 31, 2011			
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		
<b>Full Review:</b>																	
Dallas AA	2,229	77.99	2.83	0.54	17.57	24.05	31.96	45.22	46.10	30.19	1.50	0.96	1.93	2.34	0.95		
Fort Worth AA	421	14.73	4.18	2.85	28.04	34.92	34.37	34.68	33.41	27.55	0.68	0.68	1.01	0.87	0.44		
<b>Limited Review:</b>																	
Van Zandt County	208	7.28	0.00	0.00	0.00	0.00	85.71	77.88	14.29	22.12	14.87	0.00	0.00	16.26	23.68		

\* Based on 2010 Peer Small Business Data: (USPR)

\*\* 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 2010.

**Table 7. Geographic Distribution of Small Loans to Farms**

Geographic Distribution: SMALL LOANS TO FARMS															Geography: TEXAS		Evaluation Period: January 1, 2009 to December 31, 2011								
Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*														
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	Overall	Low	Mod	Mid	Upp										
<b>Full Review:</b>																									
Dallas AA	260	79.51	1.45	0.00	15.39	19.23	40.03	66.54	42.64	14.23	28.00	0.00	25.37	42.38	11.11										
Fort Worth AA	0	0.00	2.68	0.00	22.42	0.00	39.86	0.00	35.03	0.00	0.73	0.00	0.00	0.00	2.22										
<b>Limited Review:</b>																									
Van Zandt County	67	20.49	0.00	0.00	0.00	0.00	83.50	46.27	16.50	53.73	52.63	0.00	0.00	45.00	78.57										

\* Based on 2010 Peer Small Business Data: (USPR)

\*\* 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 2010.

**Table 8. Borrower Distribution of Home Purchase Loans**

Borrower Distribution: HOME PURCHASE		Geography: TEXAS					Evaluation Period: January 1, 2009 to December 31, 2011					Market Share*				
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp	
	#	% of Total*	% Families***	% BANK Loans***	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****						
<b>Full Review:</b>																
Dallas AA	663	78.83	19.23	9.92	16.94	14.63	19.80	21.30	44.03	54.15	0.59	0.76	0.47	0.55	0.62	
Fort Worth AA	97	11.53	21.18	0.00	19.32	22.73	21.33	13.64	38.17	63.64	0.04	0.00	0.06	0.00	0.08	
<b>Limited Review:</b>																
Van Zandt County	81	9.63	16.86	5.13	15.26	8.97	20.99	15.38	46.89	70.51	8.58	20.00	5.77	1.83	12.18	

\* Based on 2010 Peer Mortgage Data: (USPR)

\*\* 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 Families is based on the 2000 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 15.0% of loans originated and purchased by bank.

**Table 9. Borrower Distribution of Home Improvement Loans**

Borrower Distribution: HOME IMPROVEMENT			Geography: TEXAS				Evaluation Period: January 1, 2009 to December 31, 2011					Market Share*				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Families***	% BANK Loans***	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****						
<b>Full Review:</b>																
Dallas AA	94	73.44	19.23	2.17	16.94	3.26	19.80	8.70	44.03	85.87	2.42	0.00	0.00	1.89	3.16	
Fort Worth AA	18	14.06	21.18	0.00	19.32	0.00	21.33	0.00	38.17	100.00	1.27	0.00	0.00	0.00	2.44	
<b>Limited Review:</b>																
Van Zandt County	16	12.50	16.86	0.00	15.26	6.25	20.99	0.00	46.89	93.75	6.52	0.00	14.29	0.00	7.14	

\* Based on 2010 Peer Mortgage Data: (USPR)

\*\* 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 Families is based on the 2000 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 1.6% of loans originated and purchased by bank.

**Table 10. Borrower Distribution of Home Mortgage Refinance Loans**

Borrower Distribution: HOME MORTGAGE REFINANCE															Geography: TEXAS		Evaluation Period: January 1, 2009 to December 31, 2011		
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****	Overall	Low	Mod	Mid	Upp				
<b>Full Review:</b>																			
Dallas AA	1,070	81.43	19.23	5.00	16.94	14.49	19.80	23.18	44.03	57.34	0.79	1.48	1.06	0.94	0.69				
Fort Worth AA	46	3.50	21.18	7.89	19.32	10.53	21.33	18.42	38.17	63.16	0.11	0.40	0.00	0.13	0.11				
<b>Limited Review:</b>																			
Van Zandt County	198	15.07	16.86	1.05	15.26	6.81	20.99	16.23	46.89	75.92	21.89	16.67	21.05	14.29	23.77				

\* Based on 2010 Peer Mortgage Data: (USPR)

\*\* 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 Families is based on the 2000 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 6.4% of loans originated and purchased by Bank.

**Table 11. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: SMALL LOANS TO BUSINESSES					Geography: TEXAS		Evaluation Period: January 1, 2009 to December 31, 2011		
Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share*	
	#	% of Total**	% of Businesses** *	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev \$1 Million or Less
<b>Full Review:</b>									
Dallas AA	2,233	78.02	77.98	50.52	69.50	17.51	12.99	1.50	2.19
Fort Worth AA	421	14.71	79.87	58.43	65.56	19.95	14.49	0.68	0.98
<b>Limited Review:</b>									
Van Zandt County	208	7.27	80.77	65.38	83.65	9.13	7.21	14.87	25.27

\* Based on 2010 Peer Small Business Data: (USPR)

\*\* 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 - Year).

\*\*\*\* 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 [Percentage] of small loans to businesses originated and purchased by the Bank.

**Table 12. Borrower Distribution of Small Loans to Farms**

Borrower Distribution: SMALL LOANS TO FARMS					Geography: TEXAS		Evaluation Period: January 1, 2009 to December 31, 2011		
Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share*	
	#	% of Total**	% of Farms***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev \$1 Million or Less
<b>Full Review:</b>									
Dallas AA	260	79.51	95.89	75.00	84.62	10.77	4.62	28.00	31.28
Fort Worth AA	0	0.00	96.30	0.00	0.00	0.00	0.00	0.73	0.00
<b>Limited Review:</b>									
Van Zandt County	67	20.49	96.50	94.03	82.09	17.91	0.00	52.53	71.43

\* Based on 2010 Peer Small Business Data: (USPR)

\*\* 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&amp;B - 2010).

\*\*\*\* 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 [Percentage] of small loans to farms originated and purchased by Bank.

**Table 13. Qualified Investments**

QUALIFIED INVESTMENTS		Geography: TEXAS				Evaluation Period: September 23, 2008 to June 30, 2012			
Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
Dallas AA	4	7,747	70	13,334	74	21,081	67.62	2	982
Fort Worth AA	0	0	29	2,257	29	2,257	7.24	0	0
<b>Limited Review:</b>									
Van Zandt County	1	695	4	3	5	698	2.24	0	0
Outside of Assessment Areas			7	7,140	7	7,140	22.90		

\* '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 14. Distribution of Branch Delivery System and Branch Openings/Closings**

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS Geography: TEXAS Evaluation Period: September 23, 2008 to June 30, 2011																	
Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full Review:</b>																	
Dallas AA	86.80	20	74.07	10.00	20.00	35.00	35.00	1	1		+1	-1		5.90	22.86	34.44	36.79
Fort Worth AA	8.05	5	18.52	0.00	40.00	20.00	40.00	1	0				1	7.22	30.88	33.77	28.12
<b>Limited Review:</b>																	
Van Zandt County	5.15	2	7.41	0.00	0.00	100.00	0.00	0	0	0	0	0	0	0.00	0.00	81.06	18.94

