



**LARGE BANK**

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Comptroller of the Currency  
Administrator of National Banks

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## **Public Disclosure**

**March 10, 2003**

# **Community Reinvestment Act Performance Evaluation**

**Eastland National Bank  
Charter Number: 14299**

**201 East Main  
Eastland, TX 76448**

**Office of the Comptroller of the Currency**

**ADC - Dallas South  
500 North Akard Street Suite 1600  
Dallas, TX 75201**

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

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## Overall CRA Rating

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

The following table indicates the performance level of **Eastland National Bank (ENB)** with respect to the Lending, Investment, and Service Tests:

Performance Levels	Eastland National Bank Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X	X	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:

- Lending volume is good and indicates that ENB is responsive to community credit needs. More than 90% of both the dollar and number of loans are inside the assessment area, indicating the bank’s willingness to extend credit within its AA.
- Geographic distributions of small business loans and home mortgage loans are excellent with good penetrations in the moderate-income block numbering area in the AA.
- The penetration of loans to low- and moderate-income borrowers is good for home mortgage loans in relation to the low- and moderate-income families located in the AA.
- The penetration of loans to low- and moderate-income borrowers is strong for consumer loans. Performance is strongest for moderate-income borrowers as these loans exceed the percentage of families in the AA that are moderate-income. Loans to low-income borrowers meet the percentage of families that are low-income.
- The number of loans made to businesses with less than \$1 million in annual revenues is excellent and exceeds the percentage of businesses in the AA that are reported as small.
- The single banking office is centrally located within the AA. Business hours plus alternative delivery systems provide good access to banking products and services.
- The level of qualified community development loans and investments represent good responsiveness to community development needs. Qualified loans totaled \$500,000 and qualified investments totaled \$100,000 during the evaluation period, representing 8.5% and 1.7% of Tier 1 Capital, respectively.

## 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.

**Block Numbering Area (BNA):** A statistical subdivision of a county for grouping and numbering blocks in non-metropolitan counties where local census statistical area committees have not established census tracts. A BNA does not cross county lines.

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

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

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

**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 primary metropolitan area (PMA), metropolitan area (MA), or consolidated metropolitan area (CMA), as defined by the Office of Management and Budget, with a population of 250,000 or more, and any other area designated as such by the appropriate federal financial supervisory agency.

**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. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial 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

Eastland National Bank (ENB), chartered in 1934, is a small intrastate community bank located in Eastland, Texas. In 1982, First Financial Bankshares, Inc. acquired the bank. The bank's single location offers drive-up service and an onsite ATM. Eastland is situated approximately 140 miles west of the Dallas/Ft. Worth metroplex and approximately 60 miles east of Abilene, Texas.

ENB reported total assets of \$59 million as of December 31, 2002. The bank is a wholly owned subsidiary of First Financial Bankshares, Inc. (FFBI), a multi-bank holding company headquartered in Abilene, Texas. Including ENB, the parent company owns ten banks operating in Central, West, and North Texas. Consolidated holding company assets total \$1.9 billion as of December 31, 2002. A full range of credit products, depository accounts, trust services and retail nondeposit investment services are offered throughout the company. ENB has no operating subsidiaries and has had no merger or acquisition activity during the evaluation period.

ENB offers a wide variety of products and services, including home purchase and refinance loans, home improvement loans, commercial real estate and construction loans, large and small business loans, small farm loans, and consumer loans. The loan portfolio is diversified as follows: real estate (39%), consumer (20%), commercial (20%), and agriculture (13%). The bank's primary strategy is to meet the financial needs of individuals and businesses in the assessment area and to build and maintain relationships with its customers. Tier 1 Capital averaged \$5.6 million during the evaluation period. As of December 31, 2002 the bank reported total loans of \$32 million, or 54% of total assets. The return-on-assets ratio (ROAA) was 1.70% and the Tier 1 leverage capital ratio was 9.83%. Based on the bank's condition, size, and product offerings, it has no legal, financial, or other factors impeding its ability to help meet credit needs in the AA.

ENB received an overall rating of "Satisfactory" during the previous CRA examination conducted in September 1997. 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 CRA examination.

## **Scope of the Evaluation**

### **Evaluation Period/Products Evaluated**

The evaluation period for the Lending Test includes full calendar years 2000, 2001 and 2002. Loan products evaluated include consumer loans, home purchase loans, small loans to businesses, and small loans to farms. For the Service and Investment Tests, the evaluation period runs from January 1, 2000 through the start date of the current CRA examination, March 10, 2003.

### **Data Integrity**

We verified the accuracy of CRA loan data reported by the bank during a Data Integrity Review in October 2002. We selected samples of small business and small farm loans, community development services and investments in accordance with sampling methods described in the Large Bank CRA Examiner Guidance, dated December 2000. We identified a systemic error regarding submission of block numbering area, county codes, and income indicator codes. During the March 2003 CRA Review, we verified that management implemented the appropriate measures to correct previously identified errors, ensuring the accuracy of publicly reported loan data. As a result, we were able to rely upon that publicly reported data in evaluating the bank's performance.

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

We performed a full-scope review was performed on the bank's single assessment area – Eastland County, Texas. Refer to the table in Appendix A for more information.

### **Ratings**

The bank's overall rating is based on our full-scope review of the bank's single AA.

### **Other**

We conducted one community contact in Eastland, Texas for the purpose of determining a community profile, identifying opportunities for participation by local financial institutions, and determining the performance of local financial institutions. The organization we contacted is involved in economic development for the city of Eastland. Their goal is assisting in the location of new business enterprises and the expansion of existing businesses in an effort to create more jobs. This contact identified access to lending for new and small businesses, including cattle ranching, as the primary credit need. The contact also indicated that most financial institutions in Eastland County, including ENB, are willing to participate in community development lending programs.

## **Fair Lending Review**

An analysis of the most recent public comments and consumer complaint information was performed in accordance with the OCC's risk based fair lending approach. Based on its analysis of the information, the OCC decided that a comprehensive fair lending examination would not need to be conducted in connection with the CRA evaluation this year. The latest comprehensive fair lending exam was performed September 1997.

## Conclusions with Respect to Performance Tests

### LENDING TEST

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

The bank's performance under the lending test is rated "High Satisfactory". Based on a full-scope review, the bank's performance is good of its single AA in Eastland County.

#### Lending Activity

Refer to Table 1 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 consumer, residential mortgage, small business, small farm, and community development lending to assess lending activity. Consumer, small business and small farm weighed most heavily in evaluating the bank's performance under the Lending Test as they represent the largest loan types reviewed.

The bank's volume of lending is very good. ENB is the leader in deposits in the AA at 28% market share with First American Bank a close second at 24% market share. Small farm lending indicates an excellent volume of lending as the bank leads with 73% of the market share. Small business loans lending indicates 37% of the market share.

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

None of the geographies in ENB's AA are designated as low-income.

#### *Home Mortgage Loans*

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

Based on sampling activities, the geographic distribution of home purchase loans is good. The percentage of these loans to borrowers in the moderate-income geography compares favorably to the percentages of owner occupied units in the geography. The bank originated a very small number of multifamily loans; therefore, a geographical analysis of multifamily loans is not meaningful.

#### *Consumer Loans*

Refer to Table 9 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of consumer loans.

The geographic distribution of consumer loans is good. The percentage of the bank's consumer loans to borrowers in the moderate-income geography compares favorably to the percentage of moderate-income households in this geography.

***Small Loans to Businesses***

Refer to Table 4 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.

The geographic distribution of small loans to businesses is good. The percentage of the bank's small business loans to borrowers in moderate-income geography compares favorably to the percentage of small businesses in this geography. Additionally, the bank's market share for this product and geography is high compared to other AA financial institutions.

***Small Loans to Farms***

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

The geographic distribution of small loans to farms is very good. The percentage of the bank's small farm loans to borrowers in the moderate-income geography compares favorably with the percentage of small farms in this geography. The bank's market share for this product and geography greatly exceeds other AA financial institutions.

**Lending Gap Analysis**

We did not identify any unexplained or conspicuous gaps in lending. Home purchase, consumer, small loans to businesses and farms, which weighed most heavily in the Lending Test, were made in all geographies in the AA.

***Inside/Outside Ratio***

Refer to Tables 6 and 9 in Appendix C for the facts and data used to evaluate the geographic distribution of the loans originated and purchased within the bank's assessment areas.

Another aspect of geographic distribution is the percentage of loans originated and purchased within the bank's assessment areas compared to outside its assessment areas. The information includes bank originations and purchases only. ENB's lending activity within its AA is excellent. The results of this analysis had a positive impact on the overall Lending Test rating. A substantial majority, at least 90%, of loans in all reported categories was made within the AA.

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

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

Refer to Table 6 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

Based on sampling activities, the borrower distribution of home mortgage loans is good. Performance is very good for low- and moderate-income borrowers. The percentage of the bank's loans to low- and moderate-income borrowers for home purchase compares favorably to the percentage of families that are low- and moderate-income. The market share for all home loan products for low- and moderate-income borrowers nearly meets or exceeds the bank's overall market share.

### ***Consumer Loans***

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

Based on sampling activities, the distribution of consumer loans is excellent. Performance is strong for low- and moderate-income borrowers. The percentage of the bank's loans to low- and moderate-income borrowers for consumer purposes meets or exceeds the percentage of families that are low- and moderate-income.

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

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

The distribution of small business loans is excellent. The percentage of the bank's loans to businesses with revenues of \$1 million or less exceeds the percentage of businesses in the AA that are reported as small. Additionally, the bank's market share of loans to small businesses exceeds its market share of loans to businesses of all sizes. A substantial majority of the loans, regardless of business size, had original balances of \$100,000 or less.

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

Refer to Table 8 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 borrower distribution of small farm loans is strong. ENB extended a substantial majority of small farm loans, 98%, to farms with revenues of \$1 million or less exceeding the reported 94% of AA farms that have revenues of \$1 million or less. The bank achieved a market share of 73% and 74% for all small farm loans and small farm loans to farmers with revenues of \$1 million or less, respectively. A substantial majority of ENB's small farm loans had original balances of \$100,000 or less.

## **Community Development Lending**

Community development lending activities consists of one loan to Eastland Economic Development, Inc. (EEDI) totaling \$500 thousand, representing 8.5% of Tier I Capital. This revolving line of credit, originated in 1997, qualifies as a community development loan under the provisions of CRA because EEDI periodically draws this line to extend loans to businesses that provide low- and moderate-income job opportunities to individuals within the AA. Local employers that participate in the program include Eastlander Designs and Morgan Building and Spa Corporation.

Although not specifically targeted towards low- and moderate-income individuals, ENB has also extended a loan to the City of Eastland for community improvement. Projects include updating the infrastructure of the downtown square including street curbing and gutters.

**Product Innovation and Flexibility**

The bank did not report any innovative and flexible loan products.

## **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 its single assessment area, Eastland County is good.

Refer to Table 10 in Appendix C for the facts and data used to evaluate the bank's level of qualified investments.

Total qualified investments during the evaluation period totaled \$102 thousand or 1.7% of Tier 1 Capital. ENB's management indicated, and our review of activities conducted by competing financial institutions confirmed, that qualified community development investment opportunities within the AA are limited.

During the evaluation period, the bank made four qualified contributions totaling a little over \$2 thousand to organizations directly benefiting the AA. The Mission Eastland 2002 aids low-income and the elderly with home repairs, medical transportation assistance, and utility bill payments. The Olden Community Center provides after-school activities for low- and moderate-income children. Donations to the Eastland Memorial Hospital Emergency Room assist with subsidizing emergency room costs for low- and moderate-income individuals. The Eastland Ministerial Alliance assists the community by providing food, clothing, and utility bill payments to low- and moderate-income individuals.

ENB's most significant qualified investment was a \$100 thousand investment in a CRA qualified investment fund. The fund, similar to a mutual fund, invests solely in community development securities and allows shareholders (banks or other financial institutions) to invest in CRA-qualifying projects within their assessment area. ENB's investment was allocated to Freddie Mac loan pools backed by mortgages to low-income borrowers in rural counties, including Eastland County.

## **SERVICE TEST**

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

The bank's performance under the Service Test is rated "High Satisfactory". Based on a full-scope review, the bank's performance in Eastland County is good. The bank's sole location is accessible to all portions of the AA. A wide variety of products and services are offered and are tailored to meet needs of the AA. Business hours and services are convenient and accessible to all segments of the AA. The bank did not provide any qualifying community development services.

### **Retail Banking Services**

Services, including business hours, do not vary in a way that inconveniences any portion of the AA or any group of individuals, particularly low- or moderate-income individuals. Banking hours provide good accessibility throughout the AA. The bank maintains standard banking hours Monday through Friday with extended lobby hours on Friday. ENB offers extended hour motor banking Monday through Friday. Alternative delivery systems include an ATM, telephone and Internet banking.

Products and services are consistent throughout the assessment area. ENB does not offer any products that are solely targeted to low- and moderate-income individuals. However, the bank does offer a free checking account and a budget savings account which benefits those individuals who are least able to afford account fees. These accounts have no minimum balance requirements, no monthly service charges, and no per check fees on the checking account. The bank also offers a checking account designed for small businesses with lower banking transaction volumes. There is no minimum opening deposit, no minimum daily balance requirement, and a low monthly service charge.

### **Community Development Services**

During the evaluation period ENB's management team and employees participated in numerous civic and community organization services and activities. However, none of the services qualified as community development services under the provisions of CRA.

## 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 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”).

<b>Time Period Reviewed</b>	Lending Test (excludes CD Loans): 01/01/2000 to 12/31/2002 Investment and Service Tests and CD Loans: 01/01/2000 to 03/11/2003	
<b>Financial Institution</b>	<b>Products Reviewed</b>	
Eastland National Bank (ENB) Eastland, Texas	Consumer, Home Mortgage, Small Business and Small Farm Loans	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
None		
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
Eastland County, Texas	Full Scope	

# Appendix B: Market Profiles for Full-Scope Areas

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

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**Eastland County**

Demographic Information for Full Scope Area: Eastland County						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	5	0.00	20.00	80.00	0.00	0.00
Population by Geography	18,488	0.00	18.11	81.89	0.00	0.00
Owner-Occupied Housing by Geography	5,465	0.00	16.71	83.29	0.00	0.00
Business by Geography	1,413	0.00	14.08	85.92	0.00	0.00
Farms by Geography	129	0.00	7.75	92.25	0.00	0.00
Family Distribution by Income Level	5,073	26.06	22.53	18.77	32.64	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	2,465	0.00	18.66	81.34	0.00	0.00
Median Family Income		24,585	Median Housing Value		26,393	
HUD Adjusted Median Family Income for 2002		36,100	Unemployment Rate (1990 US		2.87%	
Households Below Poverty Level		23.84%	Census)			

(\*) The NA category consists of geographies that have not been assigned an income classification.  
 Source: 1990 US Census and 2002 HUD updated MFI

ENB has one assessment area identified as the five block numbering areas that make up Eastland County, Texas. The AA meets the requirements of the CRA regulation by including whole geographies. The AA contains no low-income geographies and only two moderate-income geographies.

Eastland is located 140 miles west of the Dallas/Fort Worth metroplex with a limited economic base derived primarily from ranching, agriculture, small manufacturing, and some retail. Major employers include EBAA Iron, Eastland Memorial Hospital, and Eastland Independent School District. The local economy is declining and loan demand is flat. Competition is strong for deposit and loan customers with major competitors being branches of First American Bank- Bryan/College Station and Peoples State Bank-Clyde. Several local investment firms selling various investment products also provide competition for deposits. ENB’s deposit market share in Eastland County was 28% at year end 2002.

## Appendix C: Tables of Performance Data

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### Content of Standardized Tables

References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the lending test tables, the following are applicable: purchased loans are treated as originations/purchases 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. 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. 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, such as “Statewide/Regional” or “Out of Assessment Area,” in the MA/Assessment Area column and record the corresponding numbers and amounts in the “Community Development Loans” column.
- Table 2. 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 3. 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.
- Table 4. 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 5. 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 6. 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 7. 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 8. 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 9. 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. This is a two-page table that lists the specific categories.
- Table 10. 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 with the appropriate caption, such as "Statewide/Regional" or "Out of Assessment Area," in the MA/Assessment Area column and record the corresponding numbers and amounts in the "Qualified Investments" column.

## Table 1. Lending Volume

LENDING VOLUME 2002		Geography: EASTLAND COUNTY						Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31,				
MA/Assessment Area (2002):	% 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>												
Eastland	100.00	0	0	394	14,221	365	6,624	0	0	759	20,845	100.00

\* Loan Data as of December 31, 2002. Rated area refers to either the state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is From January 01, 2000 to December 31, 2002.

\*\*\* Deposit Data as of June 30, 2002. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

## Table 2. Other Products

LENDING VOLUME 2002		Geography: EASTLAND COUNTY								Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31,				
MA/Assessment Area (2002):	% of Rated Area Loans (#) in MA/AA	Total Optional Loans**		Small Business Real Estate Secured**		Home Equity**		Motor Vehicle**		Credit Card**		Other Secured Consumer**		% of Rated Area Deposits in AA**
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
<b>Full Review:</b>														
Johnson County	0	0	0	0	0	0	0	0	0	0	0	0	0	100.00

\* Loan Data as of December 31, 2002. Rated area refers to either the state or multi-state MA rating area.

\*\* The evaluation period for Optional Product Line(s) is From January 01, 2000 to December 31, 2002.

\*\*\* Deposit Data as of June 30, 2002. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

## Table 2. Other Products

LENDING VOLUME 2002		Geography: EASTLAND COUNTY		Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31,	
MA/Assessment Area (2002):	Other Unsecured Consumer Loans*		Other Optional Loans*		
	#	\$ (000's)	#	\$ (000's)	
<b>Full Review:</b>					
Johnson County	0	0	0	0	

\* The evaluation period for Optional Product Line(s) is From January 01, 2000 to December 31, 2002.

### Table 3. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE DECEMBER 31, 2002		Geography: EASTLAND COUNTY				Evaluation Period: JANUARY 1, 2000 TO	
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies	Moderate-Income Geographies	Middle-Income Geographies	Upper-Income Geographies	Loans made outside of AA
	#	% of Total**	% of Sampled Loans	% of Sampled Loans	% of Sampled Loans	% of Sampled Loans	% of Sampled Loans
<b>Full Review:</b>							
Eastland County	30	100.00	0.00	3.33	93.34	0.00	3.33

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Based upon a sample of thirty home purchase loans, the above chart reflects the percentage of the loan sample made to various geographies within the bank's assessment area. There are no low and upper income geographies in the bank's assessment area.

## Table 4. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES DECEMBER 31, 2002			Geography: EASTLAND COUNTY								Evaluation Period: JANUARY 1, 2000 TO				
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 Business***	% BANK Loans	% of Business***	% BANK Loans	% of Business***	% BANK Loans	% of Business***	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Eastland County	394	100.00	0.00	0.00	14.08	13.71	85.92	86.29	0.00	0.00	36.67	0.00	41.67	38.62	0.00

\* Based on 2001 Peer Small Business Data: US&PR.

\*\* 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 (2002).

## Table 5. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS DECEMBER 31, 2002			Geography: EASTLAND COUNTY						Evaluation Period: JANUARY 1, 2000 TO						
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	Overa ll	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Eastland County	365	100.00	0.00	0.00	7.75	22.47	92.25	77.53	0.00	0.00	72.97	0.00	100.0 0	71.26	0.00

\* Based on 2001 Peer Small Business Data: US&PR.

\*\* 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 (2002).

## Table 6. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE 2000 TO DECEMBER 31, 2002			Geography: EASTLAND COUNTY						Evaluation Period: JANUARY 1,			
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Loans made outside of AA	
	#	% of Total**	% of Number	% of Amount	% of Number	% of Amount	% of Number	% of Amount	% of Number	% of Amount	% of Number	% of Amount
<b>Full Review:</b>												
Eastland County	30	100.0 0	16.67	9.59	20.00	12.93	23.33	23.12	36.67	51.54	3.3 3	2.82

The above chart is based on a sample of thirty home purchase loans. The dollar amount of loans reviewed total \$1,168 million. Based on the sample of loans, 96.67% of the loans sampled were made within the bank's assessment area.

## Table 7. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES DECEMBER 31, 2002		Geography: EASTLAND COUNTY			Evaluation Period: JANUARY 1, 2000 TO				
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****	\$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>									
Eastland County	394	100.00	73.25	83.50	94.42	3.30	2.28	36.67	55.45

\* Based on 2001 Peer Small Business Data: US&PR.

\*\* 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 - 2002).

\*\*\*\* 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 1.78% of small loans to businesses originated and purchased by the bank.

## Table 8. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS DECEMBER 31, 2002		Geography: EASTLAND COUNTY				Evaluation Period: JANUARY 1, 2000 TO			
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 \$1,000,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
Eastland County	365	100.00	93.80	99.45	98.36	1.64	0.00	72.97	74.18

\* Based on 2001 Peer Small Business Data: US&PR.

\*\* 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 - 2002).

\*\*\*\* 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 0.27% of small loans to farms originated and purchased by the bank.

## Table 9. Geographic Distribution of Consumer Loans

Geographic Distribution: Consumer Loans 31, 2002		Geography: EASTLAND COUNTY				Evaluation Period: JANUARY 1, 2000 TO DECEMBER	
MA/Assessment Area:	Total Consumer Loans		Low-Income Geographies	Moderate-Income Geographies	Middle-Income Geographies	Upper-Income Geographies	Loans made outside of AA
	#	% of Total**	% of Sampled Loans	% of Sampled Loans	% of Sampled Loans	% of Sampled Loans	% of Sampled Loans
<b>Full Review:</b>							
Eastland County	30	100.00	0.00	3.33	86.67	0.00	10.00

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Based upon a sample of thirty consumer loans, the above chart reflects the percentage of the loan sample made to various geographies within the bank's assessment area. There are no low and upper income geographies in the bank's assessment area.

### Table 9. Borrower Distribution of Consumer Loans

Borrower Distribution: Consumer Loans 2000 TO DECEMBER 31, 2002			Geography: EASTLAND COUNTY				Evaluation Period: JANUARY 1,					
MA/Assessment Area:	Total Consumer Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Loans made outside of AA	
	#	% of Total**	% of Number	% of Amount	% of Number	% of Amount	% of Number	% of Amount	% of Number	% of Amount	% of Number	% of Amount
<b>Full Review:</b>												
Eastland County	30	100.00	16.67	10.71	36.67	35.72	13.33	10.71	23.33	33.93	10.00	8.93

The above chart is based on a sample of thirty consumer loans. The dollar amount of loans reviewed total \$56 thousand. Based on the sample of loans, 90% of the loans sampled were made within the bank's assessment area.

### Table 10. Qualified Investments

QUALIFIED INVESTMENTS 31, 2002		Geography: EASTLAND COUNTY				Evaluation Period: JANUARY 1, 2000 TO DECEMBER			
MA/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>									
Eastland County	0	0	5	102	5	102	100	0	0

\* '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.

# GEOGRAPHY

## Eastland County

Demographic Information for Full Scope Area: Eastland County						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	5	0.00	20.00	80.00	0.00	0.00
Population by Geography	18,488	0.00	18.11	81.89	0.00	0.00
Owner-Occupied Housing by Geography	5,465	0.00	16.71	83.29	0.00	0.00
Business by Geography	1,413	0.00	14.08	85.92	0.00	0.00
Farms by Geography	129	0.00	7.75	92.25	0.00	0.00
Family Distribution by Income Level	5,073	26.06	22.53	18.77	32.64	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	2,465	0.00	18.66	81.34	0.00	0.00
Median Family Income HUD Adjusted Median Family Income for 2002 Households Below Poverty Level		24,585 36,100 23.84%	Median Housing Value Unemployment Rate (1990 US Census)		26,393 2.87%	

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 1990 US Census and 2002 HUD updated MFI