



LARGE BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

PUBLIC DISCLOSURE

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COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Amegy Bank, N.A.
Charter Number: 17479

4400 Post Oak Parkway
Houston, Texas 77027

Office of the Comptroller of the Currency

**Assistant Deputy Comptroller – Midsize Bank Supervision
250 E Street, SW
Washington, DC 20219-0001**

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 **Amegy Bank, N.A.** with respect to the Lending, Investment, and Service Tests:

| Performance Levels | Amegy Bank, N.A. Performance Tests | | |
|---------------------------|---------------------------------------|-----------------|--------------|
| | Lending Test* | Investment Test | Service Test |
| Outstanding | | | |
| High Satisfactory | | | X |
| Low Satisfactory | X | X | |
| Needs to Improve | | | |
| Substantial Noncompliance | | | |

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

The major factors that support this rating include:

- A good distribution of loans to geographies of different income levels. We consider the distribution of small business loans excellent, home purchase loans good, and home refinance loans and home improvement loans poor.
- A poor distribution of loans to borrowers of different income levels. We consider the distribution of small business loans poor, home improvement loans adequate, home purchase loans excellent, and home refinance loans poor.
- An excellent level of overall lending and Community Development (CD) lending.
- An overall adequate level and responsiveness of CD investments.
- A branch distribution system that is accessible to individuals living in low- and moderate-income geographies along with an excellent level of 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 (CD): 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 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 (LMI) 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 geographical area.

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 Metropolitan Area (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 geographical area.

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 geographical area.

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). 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

Amegy Bank, N.A. (Amegy), is a full service commercial bank that is headquartered in Houston, Texas. This is an intrastate bank that operates 81 branches located in four assessment areas in Texas. Amegy is a wholly-owned subsidiary of Zions Bancorporation (Zions), a multi-bank holding company headquartered in Salt Lake City, Utah. As of December 31, 2011, Zions had over \$53.0 billion in assets. Zions is comprised of five national bank affiliates (including Amegy), three state bank affiliates, and one national trust bank. Zions conducts business in the states of Arizona, California, Colorado, Idaho, Nevada, New Mexico, Oregon, Texas, Utah, and Washington. None of the banking activities of these affiliates will be considered in the evaluation of Amegy's performance under the CRA. In addition, Amegy wholly owns a mortgage subsidiary, Amegy Mortgage Company, LLC (Amegy Mortgage). The activities of this subsidiary were not considered in assessing Amegy's performance under the CRA. An analysis of Amegy Mortgage's December 31, 2011 financial information indicated its assets and profitability would not have a significant influence on the bank's capacity to lend or invest in its AAs.

On September 6, 2007, Amegy acquired Intercontinental National Bank. With this merger, Amegy added the San Antonio assessment area and five branches to its scope of operations.

As of December 31, 2011, Amegy had total assets of \$12.2 billion, total loans of \$8.0 billion and Tier 1 Capital of \$1.6 billion. According to the FDIC Deposit Market Share Report, dated June 30, 2011, Amegy had deposits of \$8.5 billion. Approximately 40.0 percent of the bank's loan portfolio was comprised of real estate loans, of which the predominant portion (60.0 percent) was secured by non-farm, non-residential properties. Commercial and industrial loans comprised 57.6 percent of the portfolio.

Amegy offers a full range of banking services, including lending, investment, trust, international and cash management products and services to small and medium size commercial enterprises and individual customers. As of the evaluation date, Amegy operates 81 full-service banking offices and 40 deposit-taking Automated Teller Machines (ATM) in Texas. Although the bank's business strategy is not limited to any one business endeavor, its primary focus is commercial banking with an emphasis on lending to mid-size and small businesses, along with energy lending. Amegy has been the leading Small Business Administration (SBA) 504 lender in the Houston District for 2010 and 2011. Amegy received the SBA Rising Star Award in 2011, which is awarded to the lender accomplishing the most significant increases in SBA loan activity compared to the prior year. These factors will receive consideration in our evaluation of the bank's performance under the Lending Test.

Competition is strong in Amegy's assessment areas (AA) with numerous local, regional, and national banks as well as credit unions, mortgage companies, and non-bank lenders. Specifically, in the bank's Houston AA, the June 30, 2011, FDIC Deposit Market Share Report lists 100 financial institutions operating 1,428 branches. Other institutions such as JP Morgan Chase, Bank of America, N.A., Wells Fargo Bank, N.A., and Compass Bank compete strongly for deposits, home mortgage loans, small business loans, CD loans, and investment opportunities.

There are no known legal, financial, or other factors impeding the bank's ability to help meet credit needs in its communities. The bank received a Satisfactory rating in its previous CRA examination dated April 2, 2007.

Scope of the Evaluation

Evaluation Period/Products Evaluated

We reviewed home mortgage and small business loans for the period January 1, 2007 through December 31, 2010. The mortgage loans reviewed were home purchase, home improvement, and home refinance loans. Multifamily and small farm loans were not primary loan products for the bank and were not evaluated. Amegy only made six multifamily loans and 17 small farm loans in this evaluation period, all in the Houston AA. However, we did consider multifamily loans that meet the CD definition as part of the evaluation of CD lending. We reviewed CD loans, investments, and services for the period April 2, 2007, through February 6, 2012.

Data Integrity

Prior to this CRA evaluation, we performed two data integrity examinations to ensure the accuracy of the bank's publicly filed information on home mortgage loans, small loans to businesses, and small loans to farms. The data we reviewed was collected and reported by the bank over the evaluation period. The testing indicated no substantive inaccuracies in the data. Therefore, we concluded that the home mortgage loans, small loans to businesses, and small loans to farms data could be relied upon for this examination. Additionally, CD loans, investments, and services made or rendered during the evaluation period were reviewed to determine their eligibility for consideration. We included in this examination all activities found to meet the definition of CD. Finally, we reviewed the appropriateness of the bank's processes for collecting and reporting home mortgage, small business, and small farm loan data. We found no substantive deficiencies in these processes.

Selection of Areas for Full-Scope Review

The Houston-Sugar Land-Baytown MSA AA (Houston AA) was selected for a full-scope review. The bank's headquarters building is located in this AA, as well as 84.0 percent of its branches. Approximately 92.5 percent of the bank's deposit base comes from this AA. As can be seen in the Tables of CRA performance data in Appendix C, the vast majority of the bank's loan and investment activity also occurred in this AA. Clearly this AA is the most important one in the bank's operations and carries the most weight in this CRA evaluation. Limited-scope reviews were performed for the Dallas-Plano-Irving MD AA (Dallas AA), the San Antonio MSA AA (San Antonio AA), and the TX non-MSA AA.

Ratings

Amegy's overall CRA rating is a blend of its performance under the Lending, Investment, and Service Tests. Under each of those tests, performance in the Houston AA carried the most weight as the full-scope AA.

Additionally, when evaluating the bank's performance under the Lending Test, we placed a higher value on the bank's distribution of small business loans (both by borrower income and geography) than the distribution of home mortgage loans. And, within the home mortgage loan category, greater weight was placed on home improvement loans, with home purchase and

home refinance loans receiving substantially less weight. We placed emphasis on small business lending due to it being the bank's primary lending focus and an expressed credit need in all assessment areas. Secondary emphasis was placed on home mortgage loan performance due to the identified community needs for affordable housing.

Community Contacts

We conducted contacts with two community organizations within the Houston AA to identify community needs. One is a nonprofit that provides financial counseling, foreclosure mitigation counseling, and financial education services targeted primarily at low- and moderate-income (LMI) persons. The other organization is a local Chamber of Commerce. According to these contacts some of the most pressing financial needs and opportunities for financial institutions in the Houston area are as follows:

- lending to small businesses, including lines of credit, working capital loans, and contract financing;
- more educational outreach to the small business community to provide information about the kinds of credit available;
- greater collaboration on New Markets Tax Credit developments;
- lower cost accounts to encourage the unbanked segment of the population to develop banking relationships and enter the mainstream economy;
- locate more ATM's in LMI areas;
- provide better education about the use of debit cards to help people avoid overdrafts and high service fees;
- offer 'second chance' accounts and starter accounts to the unbanked people in the community; and
- financial support for affordable housing programs.

Fair Lending or Other Illegal Credit Practices Review

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 Area Receiving Full-Scope Review

Amegy's performance under the Lending Test in Texas is rated "Low Satisfactory." Based on a full-scope review, the bank's overall performance in the Houston AA is adequate.

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 in the State of Texas is excellent.

Houston AA

Lending activity is excellent in the Houston AA, considering the competition for reportable home mortgage loans and small loans to businesses. The percentage of Amegy's lending that occurs in the Houston AA very closely correlates with its concentration of deposits in that AA. This demonstrates that bank is strategically focusing its lending activities to reinvest deposit resources into the community that helps fund its operations.

The bank originated or purchased 12,311 home mortgage, small business, small farm, and CD loans in the Houston AA that totaled more than \$1.9 billion. By number of loans made and reported, small loans to businesses accounted for 74.6 percent of the total volume, home mortgage loans were 24.4 percent, CD loans were 1.0 percent, and small loans to farms and multifamily housing loans were nominal amounts. This represents a significant amount of CRA reportable lending activity that meets a variety of credit needs in the community by providing financing to small businesses, individuals, households, nonprofits, small farms, builders of affordable housing, and others. However, due to the low volume of loans to small farms and loans for multifamily units, those kinds of loans will not be evaluated.

Market share information for loans and deposits shows that Amegy operates in a highly competitive banking environment. Large financial institutions whose operations encompass the entire country are active in this AA. Based on number of loans, 2010 market share data for small loans to businesses indicated Amegy ranked 7th with a market share of 2.9 percent out of 151 lenders. The dominant small business lenders were American Express, Wells Fargo Bank, JP Morgan Chase Bank, and Citigroup, which together achieved a combined market share of 72.5 percent. For home improvement loans, Amegy ranked 2nd among 201 reporting lenders, with a market share of 8.5 percent. The bank ranked 72nd among 574 lenders for home purchase loans, and it ranked 51st among 560 lenders for home refinancing loans. The bank's market share was less than 1.0 percent for both home purchase and home refinance loans. The dominant lender for all three home mortgage loan products was Wells Fargo Bank; but Bank of America, JP Morgan Chase, and Ally Financial all achieved market shares in

excess of 5.0 percent in the home purchase and home refinance products. In terms of market rank and market share, the bank's lending activity in small business loans and home improvement loans was comparable to its deposit taking activity, and these were the bank's two most important loan products evaluated under CRA in this evaluation period. As of June 30, 2011, Amegy ranked 5th among 100 depository institutions with a market share of 5.3 percent for deposits.

There were several important contextual factors that affected the bank's lending activity during this evaluation period. Most important was the recent recession that had a lengthy and pervasive impact on many sectors of the economy. Loss of jobs, declining home values, increasing foreclosures, and decreasing construction activity all had an adverse impact on the banking environment. And, in 2008, Hurricane Ike created significant property damage in parts of Texas, including portions of the Houston AA. Parts of Houston were evacuated for a period of time. Recessionary pressures, property damage, and dislocation of population from natural disasters disrupted normal economic activity and quite likely curtailed the bank's opportunity to make loans. But the lending activity and market share data discussed above demonstrates that the bank successfully met these challenges and achieved an overall excellent level of lending activity in the full-scope AA. However, these negative events also created opportunities for the bank to participate in special disaster recovery grant and loan programs.

Distribution of Loans by Income Level of Geography

Overall, the geographic distribution of the bank's lending activity is good. As noted previously, more weight was placed on the bank's small loans to businesses and home improvement loan performance. Small loans to farms and multifamily mortgage loans were minimal in number and no weight was given to those loans in the evaluation of the bank's performance.

Home Mortgage Loans

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

The overall geographic distribution of Amegy home mortgage loans in the Houston AA is poor. We did not place significant weight on geographic distribution of home mortgage loan products to low-income geographies since there are fewer opportunities to originate home mortgage loans. Owner-occupied housing units in low-income CTs represent only 3.0 percent of all owner-occupied units in this assessment area.

The geographic distribution of the bank's home purchase loans is good. The portion of home mortgage loans made by the bank in both low- and moderate-income geographies was near to the demographic comparator, indicating good performance. With an overall home purchase loan market share of only 0.13 percent, an analysis of the bank's market share performance in low- and moderate-income CTs in this AA was not meaningful.

Geographic distribution of home improvement loans is poor. The portion of home improvement loans in both low- and moderate-income CTs is significantly below the demographic comparators. Performance in low-income CTs is very poor and performance in moderate-income CTs is poor. The bank did not achieve a measurable market share in low-

income CTs, reflecting very poor performance. In moderate-income geographies, the bank's market share exceeded its overall market share, which reflected excellent performance.

The geographic distribution of home refinance loans in the Houston AA is poor. The portion of loans made by the bank in both low- and moderate-income geographies was significantly below the percentage of owner-occupied units and was considered very poor and poor, respectively. As mentioned previously, greater weight was given to the bank's performance in moderate-income CTs. With an overall home refinance loan market share of only 0.25 percent, an analysis of the bank's market share performance in low- and moderate-income CTs in this AA was not meaningful.

Small Loans to Businesses

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

The geographic distribution of the bank's small loans to businesses is excellent. The portion of the bank's loans made in low- and moderate-income CTs was near to the portion of businesses in those geographies, reflecting good performance. Additionally, the market share of small loans to businesses in both low- and moderate-income CTs exceeded the bank's overall market share, indicating excellent performance.

Small Loans to Farms

The volume of small loans to farms was too low for meaningful analysis.

Lending Gap Analysis

We analyzed Amegy's lending distribution in the Houston AA to determine if any unexplained conspicuous gaps existed in the bank's home mortgage loan and small business loan activity. We used lending distribution reports to identify geographies where the bank did not make any loans. We also reviewed the demographics of geographies where no loans were made. We considered loan distributions, branch locations, market conditions, and demographic information. As a result of this analysis, no unexplained conspicuous gaps were found in home mortgage lending activity.

The analysis of the bank's small business lending patterns evidenced similar overall results. However, the mapping of these loans did identify three groups of 8 to 12 contiguous LMI CTs with no lending activity. Further research determined that reasonable explanations existed for these apparent gaps. These explanations include strong competition from branches of other financial institutions located in or closer to the areas, some of the CTs contained relatively large amounts of vacant land, and limited lending opportunities due to the existence of few businesses in some of the tracts.

Inside/Outside Ratio

This ratio is a bank-wide calculation, and is not calculated by individual AA. Analysis is limited to bank originations and purchases, and does not include any affiliate data. For the combined four year evaluation period, a substantial majority of all loan products were made inside the

bank's AAs (91.2 percent). The percentage in number of loans made inside the AAs by loan type are as follows: small loans to businesses (93.9 percent), home improvement loans (93.2 percent), home refinance loans (92.1 percent), and home purchase loans (89.1 percent).

Distribution of Loans by Income Level of the Borrower

The overall borrower distribution of the bank's lending activity in the Houston AA is poor. In making this determination we gave the most weight to the bank's performance in its highest volume products, small loans to businesses and home improvement loans.

Home Mortgage Loans

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

The distribution of home mortgage loans to borrowers of different income levels in the Houston AA is adequate. Borrower distribution for home purchase loans is excellent, home improvement loans is adequate, and home refinance loans is poor.

Distribution of home purchase loans to low- and moderate-income borrowers is excellent. The portion of home purchase loans to low-income borrowers was near to the percentage of low-income families; however, this was considered excellent when considering the percentage of households (12.0 percent) below the poverty level. The portion of home purchase loans made to moderate-income borrowers exceeded the percentage of moderate-income families and was also considered excellent. With an overall home purchase loan market share of only 0.13 percent, an analysis of the bank's market share performance to low- and moderate-income borrowers in this AA was not meaningful.

Distribution of home improvement loans to low- and moderate-income borrowers is adequate. The portion of home improvement loans made to both low- and moderate-income borrowers was substantially below the percentages of low- and moderate-income families, and was considered poor. The market share of home improvement loans to both low- and moderate-income borrowers exceeded the bank's overall market share and was considered excellent.

Distribution of home refinance loans to low- and moderate-income borrowers is poor. The portion of home refinance loans made to low-income borrowers was substantially below the percentage of low-income families in the assessment area; however, was considered poor when considering the percent of households below the poverty level. The portion of loans made to moderate-income borrowers was somewhat below the demographic comparator and was considered adequate. With an overall home refinance loan market share of only 0.28 percent, an analysis of the bank's market share performance to low- and moderate-income borrowers in this AA was not meaningful.

Small Loans to Businesses

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

Amegy's record of lending to small businesses in the Houston AA is poor. The portion of bank loans to businesses that are small, those with gross annual revenues of \$1 million or less, was well below the demographic comparator, and was considered poor. The bank's market share of small loans to businesses substantially met its overall market share, and was considered good.

Small Loans to Farms

The volume of small loans to farms was too low for meaningful analysis.

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 CD lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans.

Amegy's level of CD lending had a positive impact on the overall evaluation of its lending performance in the Houston AA. During the evaluation period the bank reported 124 loans totaling \$115.7 million that equaled 7.8 percent of allocated Tier 1 Capital¹. The bank also reported three CD loans totaling \$950 thousand that were made to a nonprofit organization that benefits a statewide area that includes the bank's assessment areas. Amegy's CD lending reflects good responsiveness to the identified needs in the AA of affordable housing financing and small business financing. Specifically, the bank's CD loans were made to a variety of entities that provide CD benefits to the community that include affordable housing, micro-lending, economic development, community services targeted at LMI persons and the homeless, revitalization and stabilization of LMI areas through redevelopment activities, and others. By dollar volume, about 17.4 percent were economic development in nature and made in conjunction with the SBA 504 loan program. The bank's CD lending also made a significant impact by financing 1,285 affordable housing units in the full-scope AA during the evaluation period.

Some of the bank's CD loans were complex in that they involved multiple sources of financing and coordination between multiple entities in order to structure the financing. An example of this complexity is the Travis Street Plaza project. The purpose of the project is to construct Phase II of a veteran's housing complex that will create an additional 192 affordable housing units. The mission of the project is to provide transitional housing for homeless veterans and other low-income persons. To be eligible for this housing a person cannot earn more than 60.0 percent of the HUD average median income (AMI). The financing for this project included this bank's CD loan, grants from local and federal government entities, a loan from the City of Houston, deferred developer fees, and tax credit equity funding from an institutional investor.

Product Innovation and Flexibility

Amegy Bank participates in innovative and flexible lending programs to meet the credit needs of its assessment areas.

¹ The term "allocated Tier 1 Capital" is used to describe the portion of capital that is equal to the portion a specific AA represents in relation to total bank deposits. It is used only as a reference. The term is used in relation to Amegy's CD lending and qualified investments.

The bank participates in the City of Houston subsidized residential development program called Home Investment Partnership Program (HOPE). The purpose of the program is to encourage developers to build affordable homes in six specifically designated LMI areas in the city and provide assistance to first time homebuyers to purchase the homes. In this program, Houston uses federal grant money to make a \$70 thousand principal reduction on the construction loan when a qualifying home is completed and sold to a LMI buyer. In addition, qualified first time homebuyers who earn less than 80.0 percent of the HUD AMI can receive up to \$45 thousand in down payment assistance if they purchase one of these homes. During this evaluation period the bank made construction loans totaling \$1.3 million to three developers who built 13 homes in this program. Furthermore, Houston has a companion program called Land Assemblage Redevelopment Authority (LARA) to entice developers to participate in the HOPE program. In the LARA program the city sells lots to participating developers for \$1 if the resulting homes are sold to LMI buyers. During the evaluation period Amegy Bank made construction loans to two builders who constructed five affordable homes in the LARA program.

In addition to the HOPE and LARA programs already described, Amegy Bank has made significant other efforts to participate in numerous programs which promote affordable housing. The bank has a CRA/Community Development Lending Department that includes staff with bi-lingual skills and that specialize in working with undocumented residents, LMI persons, persons with disabilities, and first time homebuyers. The bank has developed expertise in homebuyer assistance programs and actively seeks partners to help deliver these kinds of loan products. The bank participates with city governments, county governments, the State of Texas, and the Federal Home Loan Bank (FHLB) in nine different homebuyer assistance programs. During this evaluation period the bank made more than 50 loans through these programs. These loans were reported in the bank's HMDA loan data and are included in the Lending Tables in Appendix C.

Amegy has developed a loan program called ITIN Mortgage that is targeted towards the estimated 125,000 to 200,000 undocumented persons in the Houston area who are long term residents, who work, and who pay taxes. Through year-end 2011, the bank has made 246 mortgage loans totaling \$18.6 million to qualifying LMI families under this program. To the extent that some of these loans were reportable HMDA loans, the data for them is reflected in the Lending Tables in Appendix C.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, Amegy Bank's performance under the Lending Test in the Dallas AA, San Antonio AA, and TX non-MSA AA is not inconsistent with the bank's overall "Low Satisfactory" performance under the Lending Test. Refer to Tables 1 through 13 in Appendix C for the facts and data that support these conclusions.

INVESTMENT TEST

The bank's performance under the Investment Test is rated "Low Satisfactory." Based on a full-scope review, the bank's performance in the Houston AA is adequate. Performance in the limited-scope AAs did not impact the bank's Investment Test rating.

Conclusions for Areas Receiving Full-Scope Reviews

Refer to Table 14 in Appendix C for the facts and data used to evaluate the bank's level of qualified investments.

During the evaluation period, Amegy originated 248 investments in the Houston AA totaling \$41.6 million. This represented approximately 2.6 percent of allocated Tier 1 Capital. In addition, we considered the ongoing impact that investments made prior to the current evaluation period had within the AA. The remaining balance on seven prior period investments as of the date of our examination was \$3.8 million. When considering both current and prior period investments, the total of \$45.4 million represents approximately 3.1 percent of allocated Tier 1 Capital for the AA.

The bank's responsiveness to the CD needs in the AA is adequate. In terms of total dollar amount, 92.8 percent of the bank's investments and grants were made to organizations focused on affordable housing. This includes \$42.0 million in mortgage-backed securities where the underlying mortgages were made to LMI borrowers. The remaining investments and grants were made to organizations focused on community service and community revitalization and stabilization activities. Funding for small businesses and affordable housing are two of the main identified CD needs in the AA. There are ample investment opportunities for financial institutions in the AA. Community development corporations (CDC), community development financial institutions (CDFI), and many nonprofit organizations are located in and serve the greater Houston area. These organizations provide affordable housing and community services to LMI families, economic development activities, and small business financial and educational support.

The bank also made investments and grants to organizations and funds throughout the State of Texas, but not located within any of the AAs in the state. These investments and grants, while not located directly within the bank's AAs, have the potential to benefit one or more of the AAs in the state. In the current and prior evaluation periods, five investments totaling \$3.6 million and one investment totaling \$1.0 million were made in the statewide area and broader regional area with potential to benefit the AAs, respectively.

Conclusions for Area Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance in the San Antonio AA and TX non-MSA AA is stronger than the overall "Low Satisfactory" performance under the Investment Test and is considered excellent. Performance in the Dallas AA is also stronger and is good. This performance is stronger due to a higher level of investments. The combined performance in the limited-scope AAs was not significant enough to impact the overall rating for the bank. Refer to Table 14 in Appendix C for the facts and data that support these conclusions.

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

Amegy's performance under the Service Test in the Houston AA is "High Satisfactory." A full-scope review of the bank's performance in the Houston AA revealed an overall good level of performance. The bank's performance in the limited-scope AAs did not impact the Service Test rating for the bank.

Retail Banking Services

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

Amegy's branch distribution in the Houston AA is good. Branches are accessible to geographies and individuals of different income levels in the AA. The distribution of Amegy's branches and ATMs in low-income CTs is below the percentage of the population of these CTs and somewhat below in moderate-income CTs. However, performance in both low- and moderate-income areas is good after considering near-to branches. Near-to branches are those located in middle- or upper-income CTs that are within one half mile from a low or moderate-income CT. Amegy has an additional 17 branches that are considered near-to LMI areas, increasing the accessibility of these areas.

Branch openings and closings have not affected the overall accessibility of the bank's delivery systems, particularly to low- and moderate-income individuals. Overall, the bank's activity during the evaluation period resulted in three less branches in moderate-income CTs of the Houston AA. Two of these closures were due to operating losses and lack of traffic in the location while one was a Kroger branch where the lease was terminated by Kroger. Branch services are tailored to the needs of the AA and do not vary in a way that would inconvenience portions of the AA, particularly low- and moderate-income individuals or CTs.

Community Development Services

Amegy employees provided an excellent level of community development services by participating in a variety of organizations that benefit LMI individuals, promote economic development, and provide affordable housing. Bank employees hold leadership positions in many organizations, including board and committee memberships of CD organizations that address needs including affordable housing and small business development. During the evaluation period, 132 bank employees provided their expertise to 114 different community development organizations in the Houston AA. Examples of Amegy's community development services are listed below.

- FHLB Affordable Housing Grant programs – Since 2007, Amegy has partnered with the FHLB to award grants that have assisted in the creation, rehabilitation or purchase of housing units. Amegy has been instrumental in helping to write and provide technical expertise, on behalf of organizations seeking grants for varying projects that serve the needs of lower income families through home ownership or rental units.

- Various local Economic Development Councils - Bank employees served on the board and on committees for local economic development councils whose primary purpose is creating and preserving jobs by attracting and retaining new businesses.
- Gulf Coast Community Services Association (GCCSA) – GCCSA is a community organization that helps low-income residents become more self sufficient by providing educational services, including banking services, to assist low income residents. Bank employees provide professional expertise related to programs, services, and products provided by the bank as well as financial literacy presentations.
- Neighborhood Centers, Inc. – Neighborhood Tax Centers: Bank employees prepared and filed taxes for free for LMI taxpayers. In addition to serving as tax preparers, employees serve on the board and committees of this community based non-profit organization.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance in the Dallas AA and San Antonio AA is not inconsistent with the Bank's overall "High-Satisfactory" performance under the Service Test. In the TX non-MSA AA, performance is weaker than the bank's overall "High Satisfactory" performance and is adequate. Performance differences in this area are not significant enough to impact the bank's overall rating. Refer to Table 15 in Appendix C for the facts and data that support these conclusions.

Appendix A: Scope of Examination

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

| | | |
|---|--|---|
| Time Period Reviewed | Lending Test (excludes CD Loans): 01/01/07 to 12/31/10 Investment and Service Tests and CD Loans: 04/02/07 to 02/06/12 | |
| Financial Institution | | Products Reviewed |
| Amegy Bank, N.A. Houston, Texas | | Home Purchase, Home Improvement, and Home Refinance loans; Small Business and Small Farm loans; Community Development Loans, Investments, and Services. |
| Affiliate(s) | Affiliate Relationship | Products Reviewed |
| Not applicable. | NA | NA |
| List of Assessment Areas and Type of Examination | | |
| Assessment Area | Type of Exam | Other Information (Reflects counties in non-MSA areas and/or counties in MSAs where whole MSAs were not selected) |
| Houston AA | Full Scope | Chambers, Fort Bend, Galveston, Harris, Montgomery, and Waller Counties |
| Dallas AA | Limited Scope | Dallas County |
| San Antonio AA | Limited Scope | Wharton County |
| TX non-MSA AA | Limited Scope | |

Appendix B: Market Profiles for Full-Scope Areas

Houston AA

| Demographic Information for Full-Scope Area: Houston AA | | | | | | |
|---|------------|---------------|--------------------|-----------------------|-----------------|---------------|
| Demographic Characteristics | # | Low % of # | Moderate % of # | Middle % of # | Upper % of # | NA* % of # |
| Geographies (Census Tracts/BNAs) | 804 | 8.089 | 31.72 | 28.73 | 30.22 | 1.24 |
| Population by Geography | 4,295,008 | 6.71 | 30.89 | 29.49 | 32.79 | 0.12 |
| Owner-Occupied Housing by Geography | 903,068 | 2.99 | 23.45 | 30.57 | 42.99 | 0.00 |
| Businesses by Geography | 402,791 | 4.32 | 23.26 | 27.25 | 44.53 | 0.64 |
| Farms by Geography | 7,207 | 2.98 | 19.34 | 35.65 | 41.82 | 0.21 |
| Family Distribution by Income Level | 1,081,250 | 22.51 | 17.28 | 18.76 | 41.45 | 0.00 |
| Distribution of Low- and Moderate-Income Families throughout AA Geographies | 430,232 | 11.93 | 44.64 | 28.58 | 14.85 | 0.00 |
| Median Family Income | = \$51,431 | | | | | |
| HUD Adjusted Median Family Income for 2010 | = \$65,100 | | | | | |
| Households Below the Poverty Level | = 12% | | | | | |
| | | | | Median Housing Value | = \$101,299 | |
| | | | | Unemployment Rate | = 7.5% | |
| | | | | (2011 BLS Statistics) | | |

(*) The NA category consists of geographies that have not been assigned an income classification.

Source: 2000 US Census, November 2011 Bureau of Labor Statistics, and 2010 HUD updated MFI.

This AA consists of six counties within the Houston-Sugar Land-Baytown Metropolitan Statistical Area (MSA), including the counties of Harris, Fort Bend, Montgomery, Waller, Galveston and Chambers. As of June 30, 2011, the Bank had \$7.9 billion in deposits in this AA, representing 92.5 percent of total deposits in the State of Texas. There are 100 FDIC insured financial institutions in the MSA with over 1,400 offices. Amegy operates 68 branches and 33 deposit-taking ATMs in this AA. Given the large number of banks in the MSA, competition for deposit products, loans, and investments is strong. Some of the larger deposit competitors include JPMorgan Chase Bank, N.A., Wells Fargo Bank, N.A., Bank of America, N.A., Capital One, N.A., Compass Bank, and Sterling Bank.

Based on the 2000 Census, the population of the Houston AA was 4,295,008. Since 2000, the MSA has seen significant population growth, which from 2000 to 2010 was approximately 21.0 percent. The City of Houston comprises a majority of the AA, with approximately 74.0 percent of the population. The 2010 HUD adjusted median family income for the AA was \$65,100. 22.5 percent of the families in the AA were low-income, earning a median annual income of \$32,549 or less. Approximately 17.3 percent of the families were moderate-income, earning an annual income of \$52,079 or less. Approximately 12.0 percent of all households in the AA had incomes below the poverty level, and 2.4 percent received public assistance.

Employment and Economic Factors

According to the Bureau of Labor Statistics, the 2000 unemployment rate for the Houston-Sugar Land-Baytown MSA was 3.5 percent. For the State of Texas and nationwide in 2000, this rate was 3.7 percent and 4.0 percent, respectively. These ratios rose dramatically by December 2011 to 7.7 percent for the Houston-Sugar Land-Baytown MSA, 7.8 percent for the state, and 8.5 percent nationally. The Houston-Sugar Land-Baytown MSA is a ten-county metropolitan area located in the Gulf Coast region of Southeast Texas. The MSA is the sixth largest in the nation with a population of 5.9 million as of the 2010 U.S. Census estimate. The largest city in the AA is Houston. It is the largest city in Texas and the fourth largest in the nation. Houston is in Harris County.

Harris County is the largest county in Texas, representing 16.0 percent of the state's population and is the third largest county in the nation. The Harris County population is estimated at 4.1 million according to a 2010 U.S. Census Bureau estimate with a growth rate of 20.0 percent from the 2000 to 2010 Census. It is ranked third for the most populated county in the United States. The U.S. Bureau of Labor Statistics shows an unemployment rate of 8.7 percent in 2010. As of 2010, Harris County accounts for 9.0 percent of all U.S. jobs, which is up from 1.7 percent ten years ago.

The county's economic activity is centered in the City of Houston. In January of 2012, the Brookings Institute named Houston as North America's fastest growing metro area. Houston is home to the Port of Houston, which ranks first in the United States in foreign waterborne tonnage and first in United States imports. Houston is also home to the largest medical center in the world, the Texas Medical Center. With 160 thousand visitors a day, the Center's economic impact exceeds \$14.0 billion annually, and it has approximately 93 thousand employees. Houston is second only to New York City in Fortune 500 company headquarters, and more than 5 thousand energy-related firms are located in the city. The county's major employers include Memorial Hermann Healthcare System, Administaff, The University of Texas MD Anderson Cancer Center, ExxonMobil, Shell, Continental Airlines, and Walmart Stores.

There are changes for some of the top employers in the Houston AA that will have a significant impact to the area's economics. Following the announcements of the end of the space shuttle program and cancellation of the Constellation program, a number of contract aerospace companies including Boeing and United Space Alliance announced layoffs. Bob Mitchell, President of the Bay Area Houston Economic Partnership, says that the Houston area has already lost about 2,000 space shuttle related jobs. NASA had an economic impact on Texas of \$6.5 billion, with \$2.0 billion stemming directly from the space shuttle program.

Continental Airlines reported that an additional 500 Houston jobs were eliminated in February 2011 as a result of the merger with United Airlines. The combined company has moved headquarters to Chicago, although some departments will remain in Houston. Therefore, the company is not yet sure how many of the 3,000 employees who worked at the headquarters before the merger will keep their jobs.

Funding cuts to education budgets across Texas have further strained local economies and will continue to have an impact in the near future. Layoffs and furloughs have been common in many school districts. The Houston Independent School District's Board is expected to cut

approximately 12,000 school-based employees such as teachers, librarians, and nurses. An additional 282 administrative positions are also likely to be cut. In addition, during 2011, the City of Houston instituted a policy requiring that all city workers take six days of unpaid leave during the year. This policy was followed in April of 2011 by an announcement that budget constraints would require the city to layoff or furlough as many as 23,000 employees.

Vacant office space in Houston AA improved to 17.3 percent in the first quarter 2011, down from 17.6 percent in the third quarter of 2010, according to the May 2011 Market and Performance Report provided by Property and Portfolio Research. While some of the increase in vacant office space can be traced to tenants' downsizing their space requirements, there are a number of new office buildings scheduled to come on-line during 2011. These additions are expected to add another 1.2 million square feet of vacant space by year-end 2011.

There are a myriad of community based organizations in the AA. The primary purposes of these organizations vary greatly and include affordable housing and healthcare, financial literacy, and creation and retention of small businesses.

Through our community contact program, we had an opportunity to meet with representatives from several community-based organizations operating in the AA. These representatives indicated the following significant identified community needs and opportunities for financial institutions: loans for small and start-up businesses, educational outreach to the small business community, financial support for affordable housing programs, greater collaboration on New Markets Tax Credit developments, lower cost accounts targeted to the unbanked segment of the population, more ATM's in LMI areas; better education about the use of debit cards, and 'second chance' accounts and starter accounts targeted to the unbanked people in the community.

Housing

Within the Houston AA, 55.6 percent of the housing units are owner-occupied, 37.3 percent are renter occupied, and 7.1 percent of the housing units are vacant. Additionally, 26.4 percent of all owner occupied units and 48.3 percent of renter occupied units were located in LMI CTs. 31.4 percent of all single family (1-4 unit) homes and 45.3 percent multifamily (5+ unit) housing units were located in LMI CTs. According to the 2000 Census, the median housing value was \$101,299 and median monthly gross rent was \$612. 9.3 percent of homeowners and 12.4 percent of renters had home related costs that exceeded 30.0 percent of their income. Data from the Houston Association of Realtors (HAR) shows that the Houston housing market ended 2011 with increases in sales volume, average sales price and median sales price. HAR indicated that December 2011, was the 7th straight month of increased home sales and the inventory of homes for sale was the lowest level in two years. The year-end 2011, the average sales price of a single family home was \$213,723, an increase of 0.9 percent from year-end 2010. The median single-family home price rose 0.7 percent to \$155,000 at year-end 2011.

According to the HAR December 2011 Monthly Summary, foreclosures account for 20.5 percent of all property sales. The December 2011, median sales price for foreclosures was \$82,550, unchanged from December of 2010. According to the Texas Comptroller of Public Accounts, the Texas foreclosure rate, for December 2011 was one in every 1,133 mortgages, substantially better than the national rate of one in every 634 mortgages.

Appendix C: Tables of Performance Data

Content of Standardized Tables

References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to Appendix A: Scope of the Examination). For purposes of reviewing the lending test tables, the following are applicable: (1) purchased loans are treated as originations/purchases and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/assessment area; (2) Partially geocoded loans (loans where no census tract is provided) cannot be broken down by income geographies and, therefore, are only reflected in the Total Loans in Core Tables 2 through 7 and part of Table 13; and (3) Partially geocoded loans are included in the Total Loans and percent 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 __.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 2. Geographic Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.
- Table 3. Geographic Distribution of Home Improvement Loans** - See Table 2.
- Table 4. Geographic Distribution of Home Mortgage Refinance Loans** - See Table 2.
- Table 5. Geographic Distribution of Multifamily Loans** - Compares the percentage distribution of the number of multifamily loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of multifamily housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.
- Table 6. Geographic Distribution of Small Loans to Businesses** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to

businesses originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small business data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.

- Table 7. Geographic Distribution of Small Loans to Farms** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 8. Borrower Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MA/assessment area. The table also presents market share information based on the most recent aggregate market data available.
- Table 9. Borrower Distribution of Home Improvement Loans** - See Table 8.
- Table 10. Borrower Distribution of Refinance Loans** - See Table 8.
- Table 11. Borrower Distribution of Small Loans to Businesses** - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.
- Table 12. Borrower Distribution of Small Loans to Farms** - Compares the percentage distribution of the number of small loans (less than or equal to \$500,000) originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm. Market share information is presented based on the most recent aggregate market data available.
- Table 13. Geographic and Borrower Distribution of Consumer Loans (OPTIONAL)** - For geographic distribution, the table compares the percentage distribution of the

number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households within each geography. For borrower distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage of households by income level in each MA/assessment area.

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

A bank may receive positive consideration for qualified investments in statewide/regional entities or made outside of the bank's assessment area. See Interagency Q&As __.12 (i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such investments. 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, 2007 TO DECEMBER 31, 2010 | | | | |
|--------------------------------|-------------------------------------|------------------|------------|---------------------------|------------|----------------------|------------|---|------------|----------------------|-----------|--------------------------------------|
| Assessment Area: | % of Rated Area Loans (#) in MA/AA* | Home Mortgage | | Small Loans to Businesses | | Small Loans to Farms | | Community Development Loans** | | Total Reported Loans | | % of Rated Area Deposits in MA/AA*** |
| | | # | \$ (000's) | # | \$ (000's) | # | \$ (000's) | # | \$ (000's) | # | \$(000's) | |
| Full Review: | | | | | | | | | | | | |
| Houston-Sugar Land-Baytown MSA | 91.53 | 2,991 | 275,981 | 9,179 | 1,550,739 | 17 | 4,070 | 0124 | 0115,706 | 12,311 | 1,946,496 | 92.53 |
| Limited Review: | | | | | | | | | | | | |
| Dallas-Plano-Irving MD | 5.32 | 31 | 5,953 | 498 | 101,734 | 0 | 0 | 5 0 | 5,414 | 529534 | 113,101 | 5.12 |
| San Antonio MSA | 3.00 | 35 | 6,996 | 288 | 51,513 | 0 | 0 | 0 | 5,255 | 323327 | 63,764 | 2.05 |
| Texas non-MSA Area | 0.15 | 33 | 949 | 12 | 2,282 | 0 | 0 | 0 0 | 0 | 45 | 3,231 | 0.310 |
| Texas Statewide Area | NA | NA | NA | NA | NA | NA | NA | 3 | 950 | NA | NA | NA |

* Loan Data as of December 31, 2010. Rated area refers to either state or multi-state MA rating area.

** The evaluation period for Community Development Loans is from April 02, 2007 to February 06, 2012.

*** Deposit Data as of June 30, 2011. Rated Area refers to either 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, 2007 TO DECEMBER 31, 2010 | | | | | Market Share (%) by Geography | | | | |
|--|---------------------------|--------------|------------------------|------------------|-----------------------------|------------------|---|------------------|--------------------------|------------------|---------|-------------------------------|------|------|------|--|
| Assessment Area: | Total Home Purchase Loans | | Low-Income Geographies | | Moderate-Income Geographies | | Middle-Income Geographies | | Upper-Income Geographies | | Overall | Low | Mod | Mid | Upp | |
| | # | % of.. Total | % Owner Occ Units | % BANK Loans**** | % Owner Occ Units | % BANK Loans**** | % Owner Occ Units | % BANK Loans**** | % Owner Occ Units | % BANK Loans**** | | | | | | |
| Full Review: | | | | | | | | | | | | | | | | |
| Houston-Sugar Land-Baytown MSA | 590 | 96.72 | 2.99 | 2.71 | 23.45 | 20.85 | 30.57 | 38.31 | 42.99 | 38.14 | 0.13 | 0.32 | 0.26 | 0.19 | 0.08 | |
| Limited Review: | | | | | | | | | | | | | | | | |
| Dallas-Plano-Irving MD | 9 | 1.48 | 4.24 | 0.00 | 29.53 | 33.33 | 35.01 | 0.00 | 31.22 | 66.67 | 0.00 | 0.00 | 0.00 | 0.00 | 0.01 | |
| San Antonio MSA | 11 | 1.80 | 1.49 | 0.00 | 28.43 | 9.09 | 37.16 | 9.09 | 32.91 | 81.82 | 0.01 | 0.00 | 0.03 | 0.00 | 0.01 | |
| Texas non-MSA Area | 0 | 0.00 | 0.00 | 0.00 | 3.79 | 0.00 | 38.84 | 0.00 | 57.37 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |

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

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 3. Geographic Distribution of Home Improvement Loans

| Geographic Distribution: HOME IMPROVEMENT | | | Geography: TEXAS | | | | Evaluation Period: JANUARY 1, 2007 TO DECEMBER 31, 2010 | | | | | Market Share (%) by Geography | | | | |
|---|------------------------------|---------------|------------------------|-------------------|-----------------------------|-------------------|---|-------------------|--------------------------|-------------------|---------|-------------------------------|-------|------|-------|--|
| Assessment Area: | Total Home Improvement Loans | | Low-Income Geographies | | Moderate-Income Geographies | | Middle-Income Geographies | | Upper-Income Geographies | | Overall | Low | Mod | Mid | Upp | |
| | #** | % of Total*** | % Owner Occ Units**** | % BANK Loans***** | % Owner Occ Units**** | % BANK Loans***** | % Owner Occ Units**** | % BANK Loans***** | % Owner Occ Units**** | % BANK Loans***** | | | | | | |
| Full Review: | | | | | | | | | | | | | | | | |
| Houston-Sugar Land-Baytown MSA | 1,828 | 97.13 | 2.99 | 0.55 | 23.45 | 12.04 | 30.57 | 26.37 | 42.99 | 61.05 | 8.55 | 0.00 | 10.46 | 8.85 | 8.15 | |
| Limited Review: | | | | | | | | | | | | | | | | |
| Dallas-Plano-Irving MD | 14 | 0.74 | 4.24 | 0.00 | 29.53 | 14.29 | 35.01 | 35.71 | 31.22 | 50.00 | 0.37 | 0.00 | 0.00 | 0.91 | 0.19 | |
| San Antonio MSA | 14 | 0.74 | 1.49 | 0.00 | 28.43 | 14.29 | 37.16 | 14.29 | 32.91 | 71.43 | 0.29 | 0.00 | 0.23 | 0.10 | 0.46 | |
| Texas non-MSA Area | 26 | 1.38 | 0.00 | 0.00 | 3.79 | 0.00 | 38.84 | 15.38 | 57.37 | 84.62 | 15.38 | 0.00 | 0.00 | 3.70 | 25.00 | |

* Based on 2010 Peer Mortgage Data (USPR)

** Total Home Improvement Loans does not include loans originated or purchased in NA census tracts.

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

***** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

| Geographic Distribution: HOME MORTGAGE REFINANCE | | Geography: TEXAS | | | | Evaluation Period: JANUARY 1, 2007 TO DECEMBER 31, 2010 | | | | | | | | | |
|--|-------------------------------------|------------------|------------------------|------------------|-----------------------------|---|---------------------------|------------------|--------------------------|------------------|-------------------------------|------|------|------|------|
| 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 |
| Full Review: | | | | | | | | | | | | | | | |
| Houston-Sugar Land-Baytown MSA | 565 | 95.76 | 2.99 | 1.24 | 23.45 | 14.51 | 30.57 | 30.09 | 42.99 | 54.16 | 0.25 | 0.12 | 0.46 | 0.36 | 0.20 |
| Limited Review: | | | | | | | | | | | | | | | |
| Dallas-Plano-Irving MD | 8 | 1.36 | 4.24 | 0.00 | 29.53 | 0.00 | 35.01 | 25.00 | 31.22 | 75.00 | 0.01 | 0.00 | 0.00 | 0.03 | 0.00 |
| San Antonio MSA | 10 | 1.69 | 1.49 | 0.00 | 28.43 | 20.00 | 37.16 | 10.00 | 32.91 | 70.00 | 0.02 | 0.00 | 0.11 | 0.00 | 0.02 |
| Texas non-MSA Area | 7 | 1.19 | 0.00 | 0.00 | 3.79 | 0.00 | 38.84 | 0.00 | 57.37 | 100.00 | 0.82 | 0.00 | 0.00 | 0.00 | 1.08 |

* Based on 2010 Peer Mortgage Data (USPR)

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

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

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 5. Geographic Distribution of Multifamily Loans

| Geographic Distribution: MULTIFAMILY | | Geography: TEXAS | | | | | | Evaluation Period: JANUARY 1, 2007 TO DECEMBER 31, 2010 | | | | | | | |
|--------------------------------------|-------------------------|------------------|------------------------|------------------|-----------------------------|------------------|---------------------------|---|--------------------------|------------------|-------------------------------|------|------|------|------|
| Assessment Area: | Total Multifamily Loans | | Low-Income Geographies | | Moderate-Income Geographies | | Middle-Income Geographies | | Upper-Income Geographies | | Market Share (%) by Geography | | | | |
| | # | % of.. Total | % of MF Units*** | % BANK Loans**** | % MF Units*** | % BANK Loans**** | % MF Units*** | % BANK Loans**** | % MF Units*** | % BANK Loans**** | Overall | Low | Mod | Mid | Upp |
| Full Review: | | | | | | | | | | | | | | | |
| Houston-Sugar Land-Baytown MSA | 6 | 100.00 | 10.01 | 0.00 | 35.32 | 50.00 | 30.50 | 33.33 | 24.17 | 16.67 | 2.16 | 0.00 | 2.56 | 1.96 | 2.70 |
| Limited Review: | | | | | | | | | | | | | | | |
| Dallas-Plano-Irving MD | 0 | 0.00 | 18.13 | 0.00 | 36.96 | 0.00 | 30.79 | 0.00 | 14.12 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| San Antonio MSA | 0 | 0.00 | 1.81 | 0.00 | 35.34 | 0.00 | 40.82 | 0.00 | 22.03 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Texas non-MSA Area | 0 | 0.00 | 0.00 | 0.00 | 0.47 | 0.00 | 47.68 | 0.00 | 51.85 | 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 units in a particular geography divided by the number of multifamily housing units in the area based on 2000 Census information.

**** Multifamily loan distribution includes Home Purchases, Home Improvement and Refinances.

Table 6. Geographic Distribution of Small Loans to Businesses

| Geographic Distribution: SMALL LOANS TO BUSINESSES | | Geography: TEXAS | | | | | | | | | | Evaluation Period: JANUARY 1, 2007 TO DECEMBER 31, 2010 | | | | | |
|--|----------------------------|------------------|------------------------|--------------|-----------------------------|--------------|---------------------------|--------------|--------------------------|--------------|-------------------------------|---|---------|------|------|-----|-----|
| 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 | % of Businesses**** | % BANK Loans | Overall | Low | Mod | Mid | Upp |
| Full Review: | | | | | | | | | | | | | | | | | |
| Houston-Sugar Land-Baytown MSA | 9,081 | 92.13 | 4.32 | 3.76 | 23.26 | 22.02 | 27.25 | 24.09 | 44.53 | 50.13 | 2.90 | 2.91 | 3.27 | 2.86 | 2.90 | | |
| Limited Review: | | | | | | | | | | | | | | | | | |
| Dallas-Plano-Irving MD | 476 | 4.83 | 5.92 | 11.34 | 29.14 | 35.29 | 33.16 | 21.43 | 30.09 | 31.93 | 0.46 | 1.09 | 0.58 | 0.39 | 0.35 | | |
| San Antonio MSA | 288 | 2.92 | 1.48 | 1.74 | 24.13 | 25.00 | 35.84 | 28.82 | 38.37 | 44.44 | 0.61 | 0.60 | 0.67 | 0.54 | 0.68 | | |
| Texas non-MSA Area | 12 | 0.12 | 0.00 | 0.00 | 2.56 | 0.00 | 45.67 | 41.67 | 51.77 | 58.33 | 0.90 | 0.00 | 0.00 | 1.18 | 0.93 | | |

* Based on 2010 Peer Small Business Data -- US and PR

** Total Small Business Loans does not include loans originated or purchased in NA census tracts.

*** 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, 2007 TO DECEMBER 31, 2010 | | | | | | | |
|---|------------------------|--------------------------|---------------------------|--------------|-----------------------------|--------------|---------------------------|---|---------------------------|--------------|-------------------------------|------|------|------|------|
| Assessment Area: | Total Small Farm Loans | | Low-Income Geographies | | Moderate-Income Geographies | | Middle-Income Geographies | | Upper-Income Geographies | | Market Share (%) by Geography | | | | |
| | # | % of ^{**} Total | % of Farms ^{***} | % BANK Loans | % of Farms ^{***} | % BANK Loans | % of Farms ^{***} | % BANK Loans | % of Farms ^{***} | % BANK Loans | Overall | Low | Mod | Mid | Upp |
| Full Review: | | | | | | | | | | | | | | | |
| Houston-Sugar Land-Baytown MSA | 17 | 100.00 | 2.98 | 0.00 | 19.34 | 11.76 | 35.65 | 17.65 | 41.82 | 70.59 | 0.91 | 0.00 | 1.00 | 0.58 | 1.26 |
| Limited Review: | | | | | | | | | | | | | | | |
| Dallas-Plano-Irving MD | 0 | 0.00 | 4.43 | 0.00 | 28.94 | 0.00 | 35.18 | 0.00 | 30.64 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| San Antonio MSA | 0 | 0.00 | 0.65 | 0.00 | 15.70 | 0.00 | 46.68 | 0.00 | 36.86 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Texas non-MSA Area | 0 | 0.00 | 0.00 | 0.00 | 1.29 | 0.00 | 38.30 | 0.00 | 60.41 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

* Based on 2010 Peer Small Business Data -- US and 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 (2010).

Table 8. Borrower Distribution of Home Purchase Loans

| Borrower Distribution: HOME PURCHASE | | Geography: TEXAS | | | | | | Evaluation Period: JANUARY 1, 2007 TO DECEMBER 31, 2010 | | | | | | | |
|--------------------------------------|---------------------------|--------------------------|---------------------------|------------------------------|---------------------------|------------------------------|---------------------------|---|---------------------------|------------------------------|------------------|------|------|------|------|
| Assessment Area: | Total Home Purchase 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 |
| Full Review: | | | | | | | | | | | | | | | |
| Houston-Sugar Land-Baytown MSA | 590 | 96.72 | 22.51 | 21.49 | 17.28 | 35.35 | 18.76 | 12.61 | 41.45 | 30.55 | 0.13 | 0.70 | 0.20 | 0.05 | 0.06 |
| Limited Review: | | | | | | | | | | | | | | | |
| Dallas-Plano-Irving MD | 9 | 1.48 | 26.10 | 20.00 | 20.12 | 0.00 | 20.22 | 0.00 | 33.56 | 80.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| San Antonio MSA | 11 | 1.80 | 21.16 | 0.00 | 17.99 | 9.09 | 20.54 | 0.00 | 40.31 | 90.91 | 0.01 | 0.00 | 0.01 | 0.00 | 0.01 |
| Texas non-MSA Area | 0 | 0.00 | 18.23 | 0.00 | 17.51 | 0.00 | 19.14 | 0.00 | 45.13 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

* 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. Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**** As a percentage of loans with borrower income information available. No information was available for 5.1 percent 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, 2007 TO DECEMBER 31, 2010 | | | | | Market (%) Share | | | | |
|---|------------------------------|------------------|----------------------|-------------------|---------------------------|------------------|---|------------------|------------------------|------------------|---------|------------------|-------|-------|-------|--|
| 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**** | | | | | | |
| Full Review: | | | | | | | | | | | | | | | | |
| Houston-Sugar Land-Baytown MSA | 1,830 | 97.13 | 22.51 | 5.20 | 17.28 | 9.07 | 18.76 | 15.10 | 41.45 | 70.63 | 8.75 | 11.60 | 12.24 | 10.30 | 7.22 | |
| Limited Review: | | | | | | | | | | | | | | | | |
| Dallas-Plano-Irving MD | 14 | 0.74 | 26.10 | 7.14 | 20.12 | 0.00 | 20.22 | 7.14 | 33.56 | 85.71 | 0.39 | 0.00 | 0.00 | 0.00 | 0.69 | |
| San Antonio MSA | 14 | 0.74 | 21.16 | 7.14 | 17.99 | 7.14 | 20.54 | 7.14 | 40.31 | 78.57 | 0.30 | 0.43 | 0.00 | 0.18 | 0.40 | |
| Texas non-MSA Area | 26 | 1.38 | 18.23 | 8.00 | 17.51 | 12.00 | 19.14 | 12.00 | 45.13 | 68.00 | 14.06 | 28.57 | 16.67 | 8.33 | 12.82 | |

* 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. Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**** As a percentage of loans with borrower income information available. No information was available for 1.2 percent 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, 2007 TO DECEMBER 31, 2010 | | | | | Market (%) Share | | | | |
|--|-------------------------------------|--------------|----------------------|------------------|---------------------------|------------------|---|------------------|------------------------|------------------|---------|------------------|------|------|------|--|
| Assessment Area: | Total Home Mortgage Refinance 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**** | | | | | | |
| Full Review: | | | | | | | | | | | | | | | | |
| Houston-Sugar Land-Baytown MSA | 565 | 95.76 | 22.51 | 6.99 | 17.28 | 14.52 | 18.76 | 21.14 | 41.45 | 57.35 | 0.28 | 1.27 | 0.53 | 0.40 | 0.19 | |
| Limited Review: | | | | | | | | | | | | | | | | |
| Dallas-Plano-Irving MD | 8 | 1.36 | 26.10 | 12.50 | 20.12 | 0.00 | 20.22 | 25.00 | 33.56 | 62.50 | 0.01 | 0.11 | 0.00 | 0.02 | 0.00 | |
| San Antonio MSA | 10 | 1.69 | 21.16 | 10.00 | 17.99 | 10.00 | 20.54 | 10.00 | 40.31 | 70.00 | 0.03 | 0.17 | 0.05 | 0.00 | 0.03 | |
| Texas non-MSA Area | 7 | 1.19 | 18.23 | 0.00 | 17.51 | 14.29 | 19.14 | 28.57 | 45.13 | 57.14 | 0.99 | 0.00 | 0.00 | 2.63 | 0.66 | |

* Based on 2010 Peer Mortgage Data (USPR)

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

*** Percentage of Families is based on the 2000 Census information. Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**** As a percentage of loans with borrower income information available. No information was available for 3.6 percent 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, 2007 TO DECEMBER 31, 2010 | | | | |
|--|---------------------------------|------------------|---|-------------------|---|-------------------------|---------------------------|------------------|-------------------------|
| Assessment Area: | Total Small Loans to Businesses | | Businesses With Revenues of \$1 million or less | | Loans by Original Amount Regardless of Business Size | | | Market (%) Share | |
| | # | % of.. Total | % of Businesses *** | % BANK Loans **** | \$100,000 or less | >\$100,000 to \$250,000 | >\$250,000 to \$1,000,000 | All | Rev\$ 1 Million or Less |
| Full Review: | | | | | | | | | |
| Houston-Sugar Land-Baytown MSA | 9,179 | 92.00 | 79.06 | 37.06 | 63.85 | 17.13 | 19.02 | 2.90 | 3.02 |
| Limited Review: | | | | | | | | | |
| Dallas-Plano-Irving MD | 498 | 4.99 | 75.52 | 37.75 | 53.41 | 22.29 | 24.30 | 0.46 | 0.51 |
| San Antonio MSA | 288 | 2.89 | 78.84 | 37.85 | 57.64 | 20.14 | 22.22 | 0.61 | 0.62 |
| Texas non-MSA Area | 12 | 0.12 | 74.68 | 66.67 | 66.67 | 0.00 | 33.33 | 0.90 | 2.34 |

* Based on 2010 Peer Small Business Data -- US and 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 - 2010).

**** 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 19.78 percent 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, 2007 TO DECEMBER 31, 2010 | | | |
|---|----------------------------|--------------|--|-------------------|--|---|-------------------------|------------------|-------------------------|
| Assessment Area: | Total Small Loans to Farms | | Farms With Revenues of \$1 million or less | | Loans by Original Amount Regardless of Farm Size | | | Market (%) Share | |
| | # | % of.. Total | % of Farms *** | % BANK Loans **** | \$100,000 or less | >\$100,000 to \$250,000 | >\$250,000 to \$500,000 | All | Rev\$ 1 Million or Less |
| Full Review: | | | | | | | | | |
| Houston-Sugar Land-Baytown MSA | 17 | 100.00 | 96.07 | 64.71 | 29.41 | 23.53 | 47.06 | 0.91 | 0.77 |
| Limited Review: | | | | | | | | | |
| Dallas-Plano-Irving MD | 0 | 0.00 | 93.87 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| San Antonio MSA | 0 | 0.00 | 97.07 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Texas non-MSA Area | 0 | 0.00 | 94.86 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

* Based on 2010 Peer Small Business Data -- US and 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 - 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 23.53 percent of small loans to farms originated and purchased by the bank.

Table 14. Qualified Investments

| QUALIFIED INVESTMENTS | | Geography: TEXAS | | | | Evaluation Period: APRIL 2, 2007 TO FEBRUARY 6, 2012 | | | |
|--------------------------------|--------------------------|------------------|----------------------------|-----------|-------------------|--|------------|----------------------|-----------|
| Assessment Area: | Prior Period Investments | | Current Period Investments | | Total Investments | | | Unfunded Commitments | |
| | # | \$(000's) | # | \$(000's) | # | \$(000's) | % of Total | # | \$(000's) |
| Full Review: | | | | | | | | | |
| Houston-Sugar Land-Baytown MSA | 7 | 3,765 | 241 | 41,597 | 248 | 45,362 | 79.34 | 0 | 0 |
| Limited Review: | | | | | | | | | |
| Dallas-Plano-Irving MD | 0 | 0 | 9 | 4,019 | 9 | 4,019 | 7.03 | 0 | 0 |
| San Antonio MSA | 0 | 0 | 11 | 3,856 | 11 | 3,856 | 6.75 | 0 | 0 |
| Texas non-MSA Area | 0 | 0 | 3 | 289 | 3 | 289 | 0.50 | 0 | 0 |
| Texas Statewide | 1 | 1,000 | 4 | 2,646 | 5 | 3,646 | 6.38 | 0 | 0 |

| QUALIFIED INVESTMENTS | | Geography: BROADER REGIONAL AREA | | | | Evaluation Period: APRIL 2, 2007 TO FEBRUARY 6, 2012 | | | |
|---|--------------------------|----------------------------------|----------------------------|-----------|-------------------|--|------------|----------------------|-----------|
| Assessment Area: | Prior Period Investments | | Current Period Investments | | Total Investments | | | Unfunded Commitments | |
| | # | \$(000's) | # | \$(000's) | # | \$(000's) | % of Total | # | \$(000's) |
| Broader Regional Area with Potential to Benefit AAs | 0 | 0 | 1 | 1,000 | 1 | 1,000 | 100.00 | 0 | 0 |

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

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

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

| DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS Geography: TEXAS Evaluation Period: JANUARY 1, 2007 TO DECEMBER 31, 2010 | | | | | | | | | | | | | | | | | |
|--|--------------------------------|--------------------|--------------------------------|---|------|------|------|--------------------------|----------------------|---|-----|------------|-----|---------------------------------------|-------|-------|-------|
| MA/Assessment Area: | Deposits | Branches | | | | | | Branch Openings/Closings | | | | Population | | | | | |
| | % of Rated Area Deposits in AA | # of BANK Branches | % of Rated Area Branches in AA | Location of Branches by Income of Geographies (%) | | | | # of Branch Openings | # of Branch Closings | Net change in Location of Branches (+ or -) | | | | % of Population within Each Geography | | | |
| | | | | Low | Mod | Mid | Upp | | | Low | Mod | Mid | Upp | Low | Mod | Mid | Upp |
| Full Review: | | | | | | | | | | | | | | | | | |
| Houston-Sugar Land-Baytown MSA | 92.53 | 68 0 | 83.95 | 2.94 | 16.2 | 25.0 | 54.4 | 0 | 13 | 0 | 0 | +1 | -2 | 6.71 | 30.89 | 29.49 | 32.79 |
| Limited Review: | | | | | | | | | | | | | | | | | |
| Dallas-Plano-Irving MD | 5.12 | 7 | 8.64 | 0.00 | 42.9 | 14.3 | 28.6 | 3* | 0 | 0 | 0 | 0 | +1 | 11.31 | 37.04 | 30.75 | 20.90 |
| San Antonio MSA | 2.05 | 5 | 6.17 | 0.00 | 40.0 | 20.0 | 40.0 | 0 | 0 | 0 | +2 | +1 | +2 | 2.45 | 35.31 | 35.83 | 26.41 |
| Texas non-MSA Area | 0.310 | 1 | 1.23 | 0.00 | 0.00 | 0.00 | 100. | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 | 4.40 | 43.21 | 52.39 |

*One branch was opened in a NA Census Tract.