



LARGE BANK

Comptroller of the Currency
Administrator of National Banks
Washington, DC 20219

Public Disclosure

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Community Reinvestment Act Performance Evaluation

**Western National Bank
Charter Number: 16658**

**2700 West County Road
Odessa, TX 79760**

Office of the Comptroller of the Currency

**Lubbock Field Office
5225 South Loop 289 Suite 108
Lubbock, TX 79424**

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 **Western National Bank** with respect to the Lending, Investment, and Service Tests:

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

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

The major factors that support this rating include:

- WNB’s lending volume is good given the size and competition in its primary market. A substantial majority of the bank’s loans were within its designated assessment areas. The distribution of these loans by geography is good based upon the demographics of the assessment areas and the distribution of these loans by borrower income level reflects a good penetration of all income levels. In addition, the bank has made an excellent level of community development loans, which had a positive affect on the bank’s lending performance.
- The level of qualified community development investments, grants and donations represents an adequate responsiveness to identified community development needs.
- WNB’s service delivery systems are accessible to geographies and individuals of different income levels in its assessment areas. The bank opened one branch in a moderate-income area during this evaluation period. Each branch provides the same products and services.

Definitions and Common Abbreviations

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

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

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

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

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

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

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

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

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also

include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into 'male householder' (a family with a male household and no wife present) or 'female householder' (a family with a female householder and no husband present).

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

Geography: A census tract or a block numbering area delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applications, the amount of loan requested, and the disposition of the application (e.g., approved, denied, and withdrawn).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Small Loan(s) to Business(es): A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial loans.

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

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

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

Description of Institution

Western National Bank (WNB) is an independent national banking association headquartered in Odessa, Texas. WNB was chartered in 1977 and reported total assets of \$523 million and Tier I capital of 9.84 percent as of December 31, 2004.

WNB is a wholly owned subsidiary of WNB Financial Corporation, a Delaware corporation, which is wholly owned by WNB Bancshares, Inc., headquartered in Odessa, Texas. As of December 31, 2004, the holding company reported total assets of \$523 million. The holding company has one non-bank subsidiary, WNB Capital Trust I, a statutory trust formed to administer the holding company's subordinated debt securities. In addition, WNB has six affiliates, of which five were not considered in this evaluation of CRA performance. One affiliate, Permian Basin Community Development Corporation (PBCDC) was created to invest in mortgage loans to low- and moderate-income individuals and making community development loans. Additional discussion of PBCDC activities is included under the Investment Test section of this evaluation.

As of December 31, 2004, WNB reported total loans of \$355 million comprising 68 percent of total assets. The bank's loan-to-deposit ratio was 88 percent. Based on WNB's call report information, the loan portfolio as of December 31, 2004 consisted of 53 percent commercial loans, 41 percent commercial real estate loans, three percent consumer loans, two percent residential real estate loans and one percent agricultural loans.

WNB's philosophy is to be a full service institution by providing a wide array of financial services to businesses and consumers. WNB is an intrastate bank with six banking centers in Odessa, Midland and Big Spring. The bank's main location and four branches are located in Odessa and Midland. During the evaluation periods, a new branch in Big Spring was opened. In addition to its banking centers, WNB provides bank customers free access to their accounts through a network of 159 non-proprietary automated teller machines (ATMs) located throughout West Texas and Central New Mexico. WNB also offers alternative delivery channels including Internet banking at www.wnbonline.com and Smartline telephone banking.

The bank's CRA performance was last evaluated using small bank CRA procedures on May 7, 2001. WNB received a rating of "Satisfactory." Beginning January 1, 2002, WNB became a large bank under CRA guidelines and subject to large bank CRA requirements.

Scope of the Evaluation

Evaluation Period/Products Evaluated

This Performance Evaluation is based on three distinct time periods: January 1, 2001 through December 31, 2002 (2001 – 2002 Evaluation Period), January 1, 2003 through December 31, 2003 (2003 Evaluation Period) and January 1, 2004 through December 2004 (2004 Evaluation Period). The first time period was evaluated using 1990 Census demographic information and the second evaluation period used 2000 Census demographic information. The third evaluation period was based on the 2000 Census demographic information, but also includes the revised MSA boundaries and definitions established by the Office of Management Budget. Some differences in demographic information are evident between the two Censuses. Refer to Appendix B for the facts and data.

Conclusions regarding the Lending Test are based primarily on small business and HMDA reportable loans from the 2001 – 2002 Evaluation Period, 2003 Evaluation Period and 2004 Evaluation Period. Only 11 small loans to farms were originated during the entire evaluation period, consequently little consideration was given in our analysis. Aggregate data to determine market share during 2004 was not available for review and therefore, a market analysis was not used in the analysis of the bank's lending in 2004. For community development loans and the Service and Investment Tests, the evaluation period starts from the ending date of the last CRA evaluation period to the start date of the current CRA examination. This evaluation period is May 8, 2001 through April 20, 2005.

Data Integrity

A Data Integrity Review was conducted in October 2003 to determine the accuracy of WNB's loan data to be used at this evaluation. Samples of HMDA loans made by the bank in 2001, 2002, and through June 30, 2003, and samples of the bank's CRA small business small farm loan made in 2002 and through June 30, 2003, were included in the review. Data regarding community development loans, qualified community debt or equity investments, qualified donations, and qualified community development services was also verified. Information regarding HMDA and CRA loan data was substantially inaccurate and documentation supporting the community development loans, investments, and services was limited. A follow-up Data Integrity review performed in January 2004 verified that HMDA and CRA loan data to be used at this evaluation was substantially accurate and reliable. We also reviewed all of the bank's community development investments and services to ensure they met the definition for community development.

Selection of Areas for Full-Scope Review

WNB has designated three assessment areas (AA) that consist of the Midland MSA, Odessa MSA, and Howard County. For the 2001 – 2002 and 2003 Evaluation Periods, Midland and Odessa consisted of one MSA. As a result of the Office of Management and Budget's revised standards for MSAs, the Midland and Odessa MSA was divided into to separate MSAs for 2004. For this evaluation period, we performed full-scope reviews for the Midland and Odessa MSAs. The AAs selected for review were areas in which the bank maintains a substantial share of its business. For the 2001 – 2002 and 2003 Evaluation Periods, 100 percent of deposits and 100 percent of reportable loans were located in the Midland – Odessa MSA. For the 2004 Evaluation Period, the Midland MSA and Odessa MSA had approximately 92 percent of deposits and 98 percent of reportable loans. A limited scope review was conducted for the

Howard County AA. Refer to the table in Appendix A: Scope of the Examination for additional information.

The following chart shows a summary of the assessment areas evaluated for each period and the census data used for the period. Primary consideration for performance under the lending test is given to areas where full scope reviews are performed.

Western National Bank Assessment Areas				
Assessment Area Review	2001 – 2002 Evaluation Period	2003 Evaluation Period	2004 Evaluation Period	Census Data
Odessa and Midland MSA	Full			1990
Odessa and Midland MSA		Full		2000
Howard County		Limited	Limited	2000
Odessa MSA			Full	2000
Midland MSA			Full	2000

Ratings

The bank’s overall rating is based on those areas that received full-scope reviews. The Lending Test conclusions are primarily based on the bank’s lending of small loans to businesses, which represents approximately 82 percent of the bank’s originations during the evaluation periods. Minimal weight was given to home mortgage lending. Home purchase lending was given more weight than home improvement, home refinance, and multifamily loans. Due to the minimal volume of small loans to farms, no weight was given to small farm lending.

Other

We conducted two community contacts during this examination. Our goal was to discuss credit needs and community development opportunities in the bank’s full-scope AAs. These contacts included a community economic development corporation and a business development agency. The community contacts most commonly cited the continued need for access for small business loans and stressed the importance of local bank participation in economic development lending opportunities designed to create new jobs within the community.

Fair Lending Review

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

Conclusions with Respect to Performance Tests

LENDING TEST

The bank's performance under the Lending Test is rated "Outstanding". Based on a full-scope review, the bank's performance in the Odessa-Midland MSA (2001-2002 Evaluation Period) is excellent. In the Odessa-Midland MSA (2003 Evaluation Period), the bank's performance is excellent. The bank's performance in the Odessa MSA and Midland MSA (2004 Evaluation Period) is good. WNB has made an excellent level of community development loans, which had a positive affect on the bank's lending performance.

LENDING TEST CONCLUSIONS FOR TIME PERIOD MAY 8, 2001 THROUGH DECEMBER 31, 2002.

Conclusions for Areas Receiving Full-Scope Reviews

Based on the full-scope review of the AA, the bank's overall lending performance in the Odessa and Midland MSA is good. WNB has good lending performance relative to the bank's size and locations. WNB primarily lends for small business loans as is noted in the volume of lending in the AA.

The conclusion regarding the bank's lending performance is supported by the bank's level of small business loans. The majority of loans are small loans to businesses representing 88.3 percent of reportable loans in this evaluation period. Although residential real estate lending is not a primary product, WNB originates residential real estate loans for home purchase, home improvement, refinancing, and multifamily residences. The bank makes residential real estate loans for sale on the secondary market. Loans for home mortgage purposes are 10.5 percent of the number of loans and equal 4.9 percent of the dollar volume of loans. Small loans to farms constitute 0.9 percent of the number and 0.3 percent of the dollar volume of loans in the AA. Very little weight was given to the bank's lending for residential real estate or for small farm purposes. WNB originated two community development loans in the AA for a total of \$23 million, resulting in a positive impact on the Lending Test conclusion.

Lending Activity

Refer to Table 1 Lending Volume in the 2002 section of Appendix C for the facts and data used to evaluate the bank's lending activity. Tables 1 Other Products have been eliminated from the Public Evaluation since other lending products were not considered in this Public Evaluation.

WNB's lending volume is good given the size and competition in its primary market. WNB's lending is comparable to the volume of deposits held in the AA. The bank ranks 5th in deposits with a market share of 10.5 percent. In addition, 100 percent of the bank's deposits originated within the AA. WNB has a 4.4 percent market share of small business loans, ranking 8th in the AA. WNB has 3.4 percent of AA loans for small farms, ranking 9th in the AA. Other institutions with higher market shares of deposits and loans are generally much larger institutions and are not locally owned or operated. These figures reflect the high volume of competition in the area. WNB has the highest market share and ranking for small business loans compared to other locally owned financial institutions.

Based on HMDA aggregate data for 2002, WNB's market share for mortgage lending products is 0.31 percent, which ranks 39th. WNB's overall market share for the origination and purchase of home purchase loans is 0.38 percent, and home mortgage refinance is 0.10 percent. For home improvement lending, WNB had an overall market share of 1.19 percent. The lower market presence reflects that mortgage lending is not a primary product in this evaluation period and the large number of competitors and aggressive level of competition in this AA.

Distribution of Loans by Income Level of the Geography

For the 2001 – 2002 evaluation period, WNB's overall distribution of loans by income level of geographies is good.

Refer to Tables 2, 3, 4 and 5 in the 2001-2002 section of Appendix C for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

Home Purchase Loans

WNB's geographic distribution of home purchase loans is adequate in the Odessa and Midland MSA AA. The percentage distribution of home purchase loans is lower than the percentage of owner-occupied housing units in low-income CTs as the bank made no loans in low-income geographies for home purchase. In the AA, only 6.52 percent or 3,488 owner-occupied housing units are available in low-income geographies. This results in limited opportunities to make loans for home purchases in these geographies. The percentage distribution of home purchase loans is somewhat lower than the percentage of owner-occupied housing units in moderate-income CTs. WNB's market share of loans in moderate-income CTs exceeds the overall market share.

Home Improvement Loans

WNB's geographic distribution of home improvement loans is good. WNB's lending in low-income CTs is somewhat lower than the percentage of owner-occupied units in low-income CTs. The percentage distribution of home improvement loans exceeds the percentage of owner-occupied housing units in the moderate-income CTs. The market share of loans in moderate-income CTs exceeds the overall market share.

Home Mortgage Refinance Loans

WNB's lending for home mortgage refinance loans is adequate. The bank did not make any home mortgage refinance loans in low-income CTs. The lack of performance is mitigated due to a low percentage of owner-occupied housing units located in this geography. The percentage of loans in moderate-income CTs is somewhat lower than the percentage of owner-occupied units in the moderate-income CTs. However, the bank's market share for moderate-income CTs significantly exceeds their overall market share.

Multi-family Loans

The geographic distribution of multi-family loans is not relevant due to the small volume of loans generated during the evaluation period.

Small Loans to Businesses

Refer to Table 6 in the 2001-2002 section of Appendix C for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

WNB's geographic distribution of small business loans is good. The percentage of small business loans in low-income CTs is somewhat lower than the percentage of businesses in the low-income CTs. However, WNB's market share in low-income CTs exceeds the bank's overall market share in the AA. The percentage of small business loans in moderate-income CTs exceeds the level of businesses in those CTs. Also, the market share in moderate-income CTs exceeds the bank's overall market share in the AA.

Small Loans to Farms

Refer to Table 7 in the 2001-2002 section of Appendix C for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to farms.

WNB has a very limited volume of loans to small farms. Performance for these loans in the Odessa and Midland MSA AA is good, with lending in moderate-income CTs exceeding the percentage of farms in those geographies. The bank made no farm loans in low-income geographies. WNB does not reflect a market share in the low- and moderate-income CTs.

Lending Gap Analysis

Our evaluation includes a review of WNB's lending throughout the Odessa and Midland MSA AA, including the low- and moderate-income tracts. Maps with the bank's lending in each tract were analyzed. No unexplained gaps in the bank's lending were identified.

Inside/Outside Ratio

At the bank level, the comparison was made of loans provided to borrowers inside and outside the bank's AA. See the Inside/Outside Ratio discussion in the 2004 lending performance section of the Lending Test.

Distribution of Loans by Income Level of the Borrower

During this evaluation period, WNB's overall distribution of loans by income level of borrowers is good.

Home Mortgage Loans

Refer to Tables 8, 9, and 10 in the 2001-2002 Section of Appendix C for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

Home Purchase Loans

WNB has an adequate level of lending to borrowers of different income levels. Bank loans to low-income borrowers are somewhat lower than the percentage of low-income borrowers in the AA. Also, the percentage of loans to moderate-income borrowers is lower than the level of moderate-income borrowers in the AA. Approximately 22.18 percent of families are low-income and 20.49 percent are moderate-income. Based on the updated median family income for the area of \$42,700, low-income families in this AA earn less than \$21,350 per year. In addition, roughly 14.22 percent of families in this AA are below poverty level. Based on 1990 census data, the median housing cost is \$56,278. It is very difficult for families living below the

poverty level to qualify for home purchase mortgages. However, the bank's market share for both low- and moderate-income loans exceeds the overall market share of home purchase loans.

Home Improvement Loans

WNB has an adequate level of lending to low- and moderate-income borrowers. There were no home improvement loans made to low-income borrowers by the bank. The level of lending to moderate-income borrowers is somewhat lower than the percentage of moderate-income families in the AA. In addition, the bank's market share for low- and moderate-income families is below the overall market share. This level of performance is mitigated by information previously identified in the performance context and detailed under home purchase loans.

Home Mortgage Refinance Loans

WNB made no loans to low-income borrowers for home mortgage refinance loans. The lending to moderate-income borrowers exceeds the percentage of moderate-income borrowers in the AA. Also, the bank's market share of loans to low- and moderate-income families is below the overall market share. WNB's performance is considered adequate for this product with primary consideration being given to the percentage of bank loans to moderate-income borrowers.

Small Loans to Businesses

Refer to Table 11 in the 2001-2002 section of Appendix C for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

The distribution of loans to small businesses is good. The percentage of bank loans to businesses with revenues of \$1 million or less is near to the percentage of businesses with revenues of \$1 million or less. For this evaluation period, WNB made 63.53 percent of small business loans to businesses with revenues of \$1 million or less. Also, the bank made 67.18 percent of its loans for amounts of \$100 thousand or less regardless of business size. WNB's market share of loans to businesses with revenues of \$1 million or less significantly exceeds its overall market share.

Small Loans to Farms

Refer to Table 12 in the 2001-2002 section of Appendix C for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to farms.

WNB's loan distribution to small farms is excellent. The percentage of bank loans to farms with revenues of \$1 million or less exceeds the percentage of farms with revenues of \$1 million or less. The bank's market share to farms with revenues of \$1 million or less is lower than its overall market share. Additionally, all loans were for amounts of \$100 thousand or less. Small farm loans comprise a very small portion of the bank's lending activities, representing 0.85 percent of the CRA reportable loans for this evaluation period. As a result, little weight is given to small farm lending.

Community Development Lending

Refer to Table 1 Lending Volume in the 2002 section of Appendix C for the facts and data used to evaluate the bank's level of community development lending. This table includes all CD loans, including multi-family loans that also qualify as CD loans. In addition, Table 5

includes geographic lending data on all multi-family loans, including those that also qualify as CD loans. Table 5 does not separately list CD loans, however.

CD lending performance had a positive impact on the Lending Test for this evaluation period. During the evaluation period, WNB made two CD loans totaling \$23 million in the Odessa and Midland MSA. WNB made a \$23 million loan for the construction of a specialty hospital located in the South Odessa Enterprise/Reinvestment Zone, which is located in a moderate-income CT. WNB was integral in the funding of this loan, which provided revitalization to an enterprise zone. The hospital supports permanent job retention by creating over 250 jobs. Of these positions, approximately 37 percent have wages less than \$15 an hour that result in moderate-income wages.

Additionally, WNB originated a loan for \$128 thousand to a local investor for an apartment complex to provide affordable housing to low- and moderate-income families and individuals. This apartment complex is also located in the designated Enterprise/Reinvestment Zone. The average monthly rent for these units is \$284. With these loans, WNB has addressed revitalization of low- and moderate-income geographies.

Product Innovation and Flexibility

WNB did not introduce any innovative or flexible lending practices that targeted low- or moderate-income individuals or geographies during the evaluation period.

LENDING TEST CONCLUSIONS FOR TIME PERIOD JANUARY 1, 2003 THROUGH DECEMBER 31, 2003.

Conclusions for Areas Receiving Full-Scope Reviews

WNB has a good record of lending, giving consideration to the bank's size and locations. WNB continues to be primarily a small business lender, as demonstrated by the volume of lending by product in the Odessa-Midland AA. During this evaluation period, small business loans represent 77.7 percent of CRA reportable loans. The bank's home mortgage loans comprised 21.0 percent of reportable loans. Small farm loans represented 0.8 percent of reported loans. The bank also originated three community development loans during this period, resulting in a positive impact on the lending test conclusion.

Lending Activity

Refer to Table 1 Lending Volume in the 2003 section of Appendix C for the facts and data used to evaluate the bank's level of lending activity during this period.

WNB's lending volume is good given the size and competition in its primary market. WNB's lending is comparable to the volume of deposits held in the Odessa-Midland MSA. The bank ranks 5th in deposits with a market share of 10.5 percent. As of June 30, 2003, 100 percent of the bank's deposits originated within the Odessa-Midland MSA. WNB has a 7.4 percent market share of small business loans, ranking 6th in the Odessa-Midland MSA. WNB ranked 4th in small farm loans with a 10.2 percent market share. Other institutions with higher market shares of deposits and CRA reportable loans continue to be much larger institutions that are not locally owned or operated. WNB continues to have the highest market share and ranking for small business loans compared to other locally owned financial institutions.

Based on HMDA aggregate data for 2003, WNB's market share for mortgage lending products is 10.9 percent, which ranks 24th. WNB's overall market share for the origination and purchase of home purchase loans is 1.32 and home refinance is 0.98 percent. For home improvement lending, WNB had an overall market share of 1.27 percent.

Distribution of Loans by Income Level of the Geography

For the 2003 evaluation period, WNB's overall distribution of loans by income level of geographies is good.

Home Mortgage Loans

Refer to Tables 2, 3, 4 and 5 in the 2003 section of Appendix C for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

Home Purchase Loans

WNB's geographic distribution of home purchase loans is adequate in the Odessa-Midland MSA. The percentage of loans is lower than the percentage of owner-occupied housing units in the low-income CT as the bank made no home purchase loans in the one low-income geography. This performance is mitigated, as only 1.13 percent or 676 owner-occupied housing units are available in this geography. This results in limited opportunities to make loans for home purchases. The percentage distribution of home purchase loans is somewhat near the percentage of owner-occupied housing units in moderate-income geographies. The bank's market share in moderate-income CTs exceeds its overall market share in the AA.

Home Improvement Loans

WNB's geographic distribution of home improvement loans is good in the Odessa-Midland MSA AA. There were no home improvement loans made in the low-income CT. The lack of performance is mitigated due to the low percentage of owner-occupied housing units located in this geography. The percentage distribution of home improvement loans significantly exceeds the percentage of owner-occupied housing units in the moderate-income CTs. The market share of loans in moderate-income CTs significantly exceeds the bank's overall market share.

Home Mortgage Refinance Loans

WNB's geographic distribution of home mortgage refinance loans is adequate in the Odessa-Midland MSA AA. There were no home mortgage refinance loans made in the low-income CT. There are little lending opportunities as only 1.13 percent of owner-occupied housing units are located in this geography. The percentage of bank loans in moderate-income geographies is somewhat lower than the percentage of owner-occupied units in these areas. The bank's market share in moderate-income CTs significantly exceeds the bank's overall market share for these loans.

Multi-family Loans

The geographic distribution of multi-family loans is not relevant because of the small volume of these loans originated during this evaluation period.

Small Loans to Businesses

Refer to Table 6 in the 2003 section of Appendix C for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

WNB's geographic distribution of small loans to businesses in the Odessa-Midland MSA AA is good. The percentage of loans made in the low-income CT exceeds the percentage of businesses in that CT. In moderate-income CTs, bank performance is near to the level of businesses located those CTs. Bank market share in both low- and moderate-income CTs exceeds the bank's overall market share of small loans to businesses.

Small Loans to Farms

Refer to Table 7 in the 2003 section of Appendix C for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to farms.

WNB's geographic distribution of small loans to farms is poor in the Odessa-Midland MSA AA as no loans were made to small farms in any low- or moderate-income geographies. According to the 2003 Dunn and Bradstreet data, only 2.22 percent of businesses in the AA are farming operations resulting in a limited opportunity to make those loans. WNB does not reflect a market share in the low- and moderate income CTs. Small farm loans comprise a very small portion of the bank's lending activities. As a result, no weight is given to small farm lending.

Lending Gap Analysis

Our evaluation includes a review of WNB's lending throughout the Odessa and Midland MSA AA, including the low- and moderate-income tracts. Maps with the bank's lending in each tract were analyzed. No unexplained gaps in the bank's lending were identified.

Inside/Outside Ratio

At the bank level, the comparison was made of loans provided to borrowers inside and outside the bank's AA. See the Inside/Outside Ratio discussion in the 2004 lending performance section of the Lending Test.

Distribution of Loans by Income Level of the Borrower

WNB's overall distribution of lending by income levels of the borrower in the Odessa-Midland MSA AA is good during this evaluation period.

Home Mortgage Loans

Refer to Tables 8, 9, and 10 in the 2003 section of Appendix C for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

Home Purchase Loans:

WNB's lending for home purchase loans to borrowers of different income levels in the Odessa-Midland MSA AA is adequate. The bank's percentage of loans to low- and moderate-income borrowers is lower than the percentage of low- and moderate-income families in the AA. This performance is somewhat mitigated by performance context issues. Approximately 20.90 percent of families are low-income and 17.7 percent are moderate-income. Based on the updated median family income for the area of \$45,900, low-income families make less than \$22,950. In addition, roughly 13.2 percent of the families in this AA are below poverty level. Based on 2000 census data, the median housing cost is \$61,725. It is very difficult for families living below the poverty level to qualify for home purchase mortgages. In addition, the Odessa-Midland MSA has a high level of competition, and mortgage lending is not a primary product of the bank during this evaluation period. The bank's market share of loans to both

low- and moderate-income borrowers is also below their overall level of lending for home purchase loans in the AA.

Home Improvement Loans

WNB has a poor level of lending to low- and moderate-income borrowers. There were no home improvement loans made to low- or moderate-income borrowers by the bank. The bank's market share for low- and moderate-income families is below the overall market share. This level of performance is mitigated by performance context issues and previously detailed under home purchase loans. Only five home improvement loans were originated, which indicates that an analysis of the small volume of home improvement loans is not meaningful.

Home Mortgage Refinance Loans

WNB's level of lending to low- and moderate-income borrowers for home mortgage refinancing is poor. The percentage of home mortgage refinance loans is significantly below the percentage of low-income families in the AA. The lending to moderate-income borrowers is lower than the percentage of moderate-income families in the AA. The bank's market share of loans to low- or moderate-income borrowers is below their overall market share for this loan product in the AA.

Small Loans to Businesses

Refer to Table 11 in the 2003 section of Appendix C for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

The distribution of loans to small businesses is excellent. The percentage of loans to businesses with revenues of \$1 million or less exceeds the percentage of businesses with revenues of \$1 million or less in the AA. Also, WNB's market share of loans to businesses reporting \$1 million or less exceeds their overall market share of business loans. Additionally, a significant majority of loans are for amounts of \$100 thousand or less.

Small Loans to Farms

Refer to Table 12 in the 2003 section of Appendix C for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to farms.

WNB's loan distribution to small farms is good. The percentage of bank loans to farms with revenues of \$1 million or less is near to the percentage of farms with revenues of \$1 million or less. The bank's market share to farms with revenues of \$1 million or less exceeds its overall market share. Additionally, a substantial majority of loans were for amounts of \$100 thousand or less. Small farm loans comprise a very small portion of the bank's lending activities, representing 0.78 percent of the CRA reportable loans for this evaluation period. As a result, little weight is given to small farm lending.

Community Development Lending

Refer to Table 1 Lending Volume in the 2003 section of Appendix C for the facts and data used to evaluate the bank's level of community development lending. This table includes all CD loans, including multi-family loans that also qualify as CD loans. In addition, Table 5 includes geographic lending data on all multi-family loans, including those that also qualify as CD loans. Table 5 does not separately list CD loans, however.

CD lending performance had a positive impact on the Lending Test for this evaluation period. During the evaluation period, WNB made three CD loans totaling \$15.6 million in the Odessa and Midland MSA. WNB made two loans for \$14.5 million to specialty hospital located in the South Odessa Enterprise/Reinvestment Zone. One loan, amounting to \$4.9 million, was used to expand the hospital. Another loan for \$9.7 million was used to purchase the hospital equipment required to operate the hospital. In addition to revitalizing and stabilizing a moderate-income CT, approximately 250 full and part-time positions have been created. Of these positions, approximately 37 percent have wages less than \$15 an hour that result in moderate-income wages.

In addition, a \$1.1 million loan was made to another medical facility that is located in the South Odessa Enterprise/Reinvestment Zone. This medical facility created 18 new jobs while serving 50 patients a day in the Odessa and Midland MSA and other surrounding communities.

Product Innovation and Flexibility

WNB did not introduce any innovative or flexible lending practices that targeted low- or moderate-income individuals or geographies during the evaluation period.

Conclusions for Areas Receiving Limited-Scope Review

Based on a limited-scope review, the bank's performance under the Lending Test in the Howard County AA is not inconsistent with the bank's overall "High Satisfactory" rating. WNB's performance in Howard County for small business lending, primary loan type, was similar to the full-scope review. There was no CD lending for Howard County. The Howard County AA branch facility opened July 1, 2003. As a result of limited time in the AA, there has been a limited volume of lending.

LENDING TEST CONCLUSIONS FOR TIME PERIOD JANUARY 1, 2004 THROUGH DECEMBER 31, 2004.

Conclusions for Areas Receiving Full-Scope Reviews

WNB's overall lending performance in the Odessa MSA is adequate and good in the Midland MSA. WNB has a good record of lending in relation to the size and locations of the bank. WNB is primarily a small business lender, which is reflected by the volume of lending in each product type throughout the AAs. The overall level of lending for small business, residential real estate and small farm loans is comparable with the deposit base throughout the AAs. The Midland MSA represents 50.6 percent of reportable loans originated in the evaluation period, compared to 39.9 percent of the bank's deposits. The Odessa MSA represents 47.8 percent of reportable loans originated in the evaluation period, compared to 52.6 percent of the bank's deposits.

The conclusion about the bank's lending performance continues to be based primarily on the level of small business lending. The majority of loans are small loans to businesses representing 81.2 percent of the total number of reportable loans made during this evaluation period. Residential real estate loans represent 18.25 percent of loans originated and farm loans represent less than one percent of loans originated during this evaluation period. CD lending had a neutral impact on the conclusion during this period for the Midland MSA AA.

Lending Activity

Refer to Table 1 Lending Volume in the 2004 section of Appendix C for the facts and data used to evaluate the bank's lending activities.

WNB's overall level of lending in this period is good. Lending for small business loans, home mortgage loans, and small farm loans is similar to levels in prior periods. No market share information is available for 2004 other than for deposits, so no comparison could be performed.

Distribution of Loans by Income Level of the Geography

For the 2004 evaluation period, WNB's overall distribution of loans by income level of geographies is adequate.

Home Mortgage Loans

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

Home Purchase Loans

Midland MSA AA:

WNB's geographic distribution of home purchase loans is poor in the Midland MSA. No home purchase loans were made in low-income or moderate-income CTs. WNB has made community development loans for affordable housing in the Midland MSA addressing affordable housing needs. Refer to the community development lending section of the evaluation for further information.

Odessa MSA AA:

WNB's geographic distribution of home purchase loans is adequate in the Odessa MSA. There were no home purchase loans made in the low-income CT. The volume of loans required to meet the demographic level in low-income CT is low and does not provide a significant basis for comparison. In addition, there are limited opportunities for lending in the low-income CT, as only 2.25 percent of the owner occupied units are located in this geography. More consideration is given to performance in the moderate-income CTs, given the level of opportunities for lending. In moderate-income CTs, the percentage of loans is somewhat lower than the percentage of owner-occupied housing units. In the Odessa MSA, 15.94 percent, or 4,799 owner-occupied housing units are located in moderate-income geographies.

Home Improvement Loans

Midland MSA AA:

WNB's geographic distribution of home improvement loans is poor in the Midland MSA AA. There were no home improvement loans made in the low- or moderate-income CTs. There is a low percentage of owner-occupied units in the low-income CTs resulting in limited lending opportunities. In the Midland MSA, 4.50 percent, or 1,338 owner-occupied housing units are located in low-income geographies.

Odessa MSA AA:

WNB's geographic distribution of home improvement loans is good in the Odessa MSA AA. There were no home improvement loans in the low-income CTs, but only one CT is designated as low-income. The bank's lending in the moderate-income CTs exceeded the percentage of owner occupied units in the moderate-income areas. The low level of owner-occupied units in

the low-income CTs limits the number of loans that can be made for home improvement. Performance for this area primarily considers the level of lending in moderate-income CTs. Due to the small volume of home improvement loans this analysis is not meaningful.

Home Mortgage Refinance Loans

Midland MSA AA:

WNB's geographic distribution of home mortgage refinance loans is poor. No home mortgage refinance loans were made by the bank in low- or moderate-income CTs. As previously stated, there is a low percentage of owner-occupied units in low-income areas, resulting in less opportunity to refinance homes in those areas.

Odessa MSA AA:

WNB's geographic distribution of home mortgage refinance loans is poor in the Odessa MSA AA. WNB did not make any home mortgage refinance loans in low- or moderate- income CTs. As previously stated, there is a low percentage of owner-occupied units in low-income areas, resulting in fewer opportunities to refinance homes in those areas. This analysis is not meaningful due to the relatively small volume of home mortgage refinance loans.

Multi-Family Loans

The geographic distribution of multi-family loans is not relevant because of the small volume of loans generated during the evaluation period.

Small Loans to Businesses

Refer to Table 6 in the 2004 section of Appendix C for the facts and data used to evaluate the geographic distribution of the bank's origination and purchase of small loans to businesses.

Midland MSA AA:

WNB's geographic distribution of small business loans in the Midland MSA AA is excellent. The percentage of loans made in the low- and moderate-income CTs exceeds the percentage of small businesses in those CTs. As small business lending is the primary loan type, this performance received the most weight in the Lending Test for this evaluation period.

Odessa MSA AA:

Within the Odessa MSA, the bank's geographic distribution of small business loans reflects adequate performance. The percentage of loans made in the low-income CT is lower than the percentage of small businesses in that CT. Approximately 112 small businesses (1.4 percent) of the small businesses are located in the low-income CT. The low level of small businesses in the low-income area results in limited lending opportunities. In moderate-income CTs, bank performance is somewhat lower than the percentage of small businesses in those CTs. Because small business lending is the primary loan type, this performance received the most weight in the Lending Test for this evaluation period.

Small Loans to Farms

Refer to Table 7 in the 2004 section of Appendix C for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to farms.

Midland MSA AA:

WNB did not make any small farm loans in the Midland MSA during this period. As a result, no consideration is given to small farm lending. WNB's geographic distribution of small farm

loans in the Midland MSA is poor. The absence of lending in this AA is mitigated by the very low population of small farms in the AA's low-income geographies, which results in a very low number of lending opportunities.

Odessa MSA AA:

Small farm loans represent a very small portion of the bank's lending activities, at less than one percent of the CRA reportable loans for the Odessa MSA during this period. As a result, no consideration is given to small farm lending. WNB's geographic distribution of small farm loans in the Odessa MSA is poor. There is a very low population of small farms in the low-income geographies that results in very limited lending opportunities.

Lending Gap Analysis

Our evaluation includes a review of WNB's lending throughout the Midland MSA and the Odessa MSA including the low- and moderate-income tracts. Maps with the bank's lending in each tract were analyzed. No unexplained gaps in the bank's lending were identified.

Inside/Outside Ratio

This analysis was performed at the bank level and not at the assessment area level. The analysis of data includes bank originations and purchases only. A substantial majority of the small business, home mortgage, small farm and CD loans originated and/or purchased by WNB over the evaluation period were within its AAs. Approximately 86.5 percent of the number of loans and 84.1 percent of the dollar volume of CRA reportable loans and home mortgage loans were located within the AA. Approximately 87.6 percent of the small business and farm loans, 80.8 percent of home mortgage loans and 100 percent of the CD loans were within the AAs.

Distribution of Loans by Income Level of the Borrower

WNB's distribution of loans by income level of the borrower during the 2004 evaluation period is adequate.

Home Mortgage Loans

Refer to Tables 8, 9, and 10 in the 2004 Section of Appendix C for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

Home Purchase Loans

Midland MSA AA:

WNB's lending for home purchase loans to borrowers of different income levels in the Midland MSA is good. The bank did not make any home purchase loans to low-income borrowers. This performance is somewhat mitigated by performance context issues. Approximately 20.88 percent of families are low-income in the Midland MSA. Based on the updated median family income for the area of \$54,600, low-income families make less than \$27,300. In addition, roughly 12.0 percent of the families in the AA are below poverty level. Based on 2000 census data, the median housing cost is \$74,413. It is very difficult for low-income families to qualify for home purchase mortgages. However, the percentage of loans to moderate-income borrowers significantly exceeds the level of moderate-income borrowers. The percentage of loans in moderate-income areas is the primary consideration in evaluating this performance.

Odessa MSA AA:

WNB's distribution of home purchase loans by borrower income in the Odessa MSA is adequate. The percentage of loans that WNB made to low- and moderate-income borrowers is somewhat lower than the percentage of families in these income categories. This performance is mitigated for performance context issues. Approximately 21.22 percent of families are low-income and 17.50 percent are moderate-income. Based on the updated median family income of \$41,800 for the area, low-income families make less than \$20,900 per year. In addition, approximately 18 percent of the families in this AA are below poverty level. Based on 2000 census data, the median housing cost is \$49,407. At these income levels, it is very difficult for low-income families to qualify for home purchase mortgages.

Home Improvement LoansMidland MSA AA:

WNB's distribution of home improvement loans by borrower income levels is good in the Midland MSA. Although the percentage of home improvement loans to low-income families is significantly lower than the percentage of families, performance context issues previously discussed under the home mortgage loan area mitigate this level of performance. However, the percent of home purchase loans to moderate-income borrowers exceeds the percentage of moderate-income families in the AA.

Odessa MSA AA:

WNB's level of lending to low- or moderate-income borrowers in the Odessa MSA AA is poor. The opportunity for lending to low- or moderate-income families for home improvement purposes is low because performance context issues previously discussed under the home mortgage loan area.

Home Mortgage Refinance LoansMidland MSA AA:

The bank's level of lending to borrowers of different income levels in the Midland MSA is adequate. WNB's percentage of loans to low-income borrowers is lower than the percentage of low-income families in the AA. Also, the percentage of loans to moderate-income borrowers is somewhat lower than the percentage of moderate-income families in the AA. This performance is somewhat mitigated by performance context issues previously discussed under the home mortgage loan area.

Odessa MSA AA:

WNB's level of lending for home mortgage refinance is poor in the Odessa MSA AA with lending percentage significantly lower than the percentage of families with low- or moderate-income. WNB did not make any home mortgage refinance loans to low- or moderate-income borrowers in the AA. However, as previously noted, the opportunity to make these loans is limited by performance context issues.

Small Loans to Businesses

Refer to Table 11 in the 2004 section of Appendix C for the facts and data used to evaluate the geographic distribution of the bank's loans originated or purchased for small businesses.

Midland MSA AA:

The distribution of loans to small businesses is good in the Midland MSA as the level of loans substantially meets the percentage of businesses with revenues of \$1 million or less in the AA.

Odessa MSA AA:

WNB's distribution of loans to small businesses in the Odessa MSA is poor. The percentage of loans to businesses with revenues of \$1 million or less is lower than the percentage of businesses with revenues of \$1 million or less in the AA. Additionally, a majority of business loans were for amounts of \$100 thousand or less.

Small Loans to Farms

Refer to Table 12 in the 2004 section of Appendix C for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to farms.

Midland MSA AA:

WNB's loan distribution to small farms is poor. WNB made no loans for small farms in the Midland MSA AA. Small farm loans comprise a very small portion of the bank's lending activities, representing less than one percent of the CRA reportable loans for this evaluation period. As a result, no weight is given to small farm lending.

Odessa MSA AA:

WNB's loan distribution to small farms in the Odessa MSA is adequate. Although WNB's percentage of lending to farms with revenues of \$1 million or less exceeds the percentage of farms with revenues of \$1 million or less, this performance reflects one loan. As previously discussed, small farm loans comprise a very small portion of the bank lending activities and as a result is given no weight.

Community Development Lending

Refer to Table 1 Lending Volume in the 2004 section of Appendix C for the facts and data used to evaluate the bank's level of community development lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans. In addition, Table 5 includes geographic lending data on all multi-family loans, including those that also qualify as CD loans. Table 5 does not separately list CD loans, however.

CD lending performance had a neutral impact on the Lending Test for this evaluation period.

Midland MSA

During the evaluation period, WNB made two CD loans totaling \$100 thousand to a local Community Development Corporation (CDC) to facilitate the construction of new homes in the downtown Tax Incentive Reinvestment Zone (TIRZ) in the Midland MSA. The TIRZ zone includes approximately 449 acres and encompasses a mix of commercial, retail, industrial, governmental and residential uses. The TIRZ program promotes single-family starter homes on vacant blocks through community partnerships and funding sources including the Hispanic Chamber and Community Development Block Grant (CDBG) program.

Odessa MSA

No CD loans were made in this area during the evaluation period.

Product Innovation and Flexibility

WNB did not introduce any innovative or flexible lending practices that targeted low- or moderate-income individuals or geographies during the evaluation period.

Conclusions for Areas Receiving Limited-Scope Review

Based on a limited-scope review, the bank's performance under the Lending Test in the Howard County AA is not inconsistent with the bank's overall "High Satisfactory" rating. WNB's performance in Howard County for small business lending, primary loan type, was similar to the full-scope areas. There was no CD lending for Howard County.

INVESTMENT TEST

The bank's performance under the investment test is rated "Low Satisfactory" for the evaluation periods. Based on full-scope reviews, the bank's performance in the Odessa-Midland MSA (2001-2002 Evaluation Period) is adequate. In the Odessa-Midland MSA (2003 Evaluation Period), the bank's performance is adequate. The bank's performance in the Odessa MSA and Midland MSA (2004 Evaluation) is adequate.

INVESTMENT TEST CONCLUSIONS FOR TIME PERIOD MAY 8, 2001 THROUGH DECEMBER 31, 2002.

Conclusions for Area Receiving Full-Scope Reviews

Refer to Table 14 for the 2001 – 2002 Evaluation Period in Appendix C for the facts and data used to evaluate the bank's level of qualified investments. WNB's performance under the Investment Test is adequate.

Qualifying investments are investments, deposits, membership shares, or grants that have as their primary purpose community development, as defined in the CRA regulation. WNB has an adequate level of qualified investments given the limited investment opportunities in the Odessa/Midland MSA AA as reported by community contacts and bank management. The bank has provided nine qualified donations totaling \$16 thousand. Investments support community services that target low- to moderate-income families and individuals. Specific examples of donations to qualifying community development organizations are described below. None of the qualified investments are considered innovative or complex but demonstrate an adequate level of responsiveness to identified community development needs considering the limited investment opportunities in Odessa/Midland MSA AA.

West Texas Food Bank

This nonprofit organization's primary purpose is to provide food to low-income and unemployed populations in the West Texas area including the Odessa/Midland County MSA AA. The West Texas Food bank is a member of America's Second Harvest, the nation's largest hunger relief organization. The bank provided a \$3 thousand donation to this organization.

Permian Basin Rehabilitation Center

The bank donated \$4 thousand to this agency, which provides multi-disciplinary programs to serve the needs of people with disabilities. This center provides the latest technology, equipment, and staff targeted to assist low-to moderate-income adults and children in the Permian Basin area, which includes the Odessa/Midland MSA AA. A majority of patients served are low-to moderate-income individuals and families.

INVESTMENT TEST CONCLUSIONS FOR TIME PERIOD JANUARY 1, 2003 THROUGH DECEMBER 31, 2003.

Conclusions for Areas Receiving Full-Scope Reviews

Refer to Table 14 for the 2003 Evaluation Period in Appendix C for the facts and data used to evaluate the bank's level of qualified investments.

Based on a full-scope review, WNB's performance under the Investment Test for the Odessa-Midland MSA is adequate.

WNB has an adequate level of qualified investments given the limited investment opportunities in the Odessa/Midland MSA AA as reported by community contacts and bank management. The bank has provided seven qualified donations totaling \$15 thousand. Donations are to organizations that promote affordable housing, youth programs, that benefit low- and moderate-income children, programs that assist low- and moderate-income families and business and economic development. In addition to donations, an equity investment of \$1 million was made to form a Community Development Corporation by a bank affiliate. Specific examples of donations to qualifying community development organizations are described below. None of the qualified investments are considered innovative or complex but demonstrate an adequate level of responsiveness to identified community development needs considering the limited investment opportunities in Odessa/Midland MSA AA.

Permian Basin Community Development Corporation

The PBCDC is a wholly owned subsidiary of WNB created to meet the affordable housing needs of the Odessa/Midland County MSA and Howard County AA. This organization was formed to facilitate the availability of mortgage loans to low- to moderate-income individuals that would not otherwise qualify for conventional financing. The PBCDC accomplishes this goal by forming strategic partnerships with private and public entities that provide affordable housing to low- to moderate-income individuals and families.

Community and Senior Services

This nonprofit agency's main purpose is to offer an array of services designed help maintain the health and independence of low-to moderate-income elderly and disabled individuals in the Midland area. The bank donated \$5 thousand to this organization. Community and Senior Services participate in the Meals-on-Wheels program that provides meals to low- to moderate-income elderly.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Investment Test in the limited-scope AA weaker than the bank's overall "Low Satisfactory" rating under the Investment Test. WNB has not made any qualified investments in the Howard County (Big Spring) AA. As the branch facility was opened July 1, 2003, WNB had a relatively short timeframe in the area. Minimal weight was given to the investment results of the limited-scope AA given the bank's limited market share of deposits and loans.

INVESTMENT TEST CONCLUSIONS FOR TIME PERIOD JANUARY 1, 2004 THROUGH APRIL 20, 2005.

Conclusions for Areas Receiving Full-Scope Reviews

Refer to Table 14 for the 2004 Evaluation Period in Appendix C for the facts and data used to evaluate the bank's level of qualified investments. Based on the full-scope reviews, WNB's performance under the Investment Test for the Odessa MSA and Midland MSA AAs is adequate.

Odessa MSA

The bank has an adequate level of investments in the Odessa MSA in view of the limited investment opportunities as reported by bank management and community contacts. The bank has provided eight qualified donations totaling \$18 thousand. Investments support community services which target families and individuals that are low- to moderate-income. None of the qualified investments are considered innovative or complex but demonstrate an adequate level of responsiveness to identified community development needs considering the limited investment opportunities in the Odessa MSA.

Harmony Home

This organization is a children advocacy center that provides victim services and professional counseling for abused children. The majority of the clients served have low- to moderate-incomes. All services are provided at no charge. WNB donated \$1 thousand in support of this organization's mission.

Boys and Girls Club of Odessa

This agency provides local youth with access to a variety of social and physical programs in a safe and positive environment in the Odessa area. Programs include activities such as sports and recreation, arts, education and career, character and leadership building, and life skills and health. Although programs are accessible to all socio-economic segments, the majority of the children served are members of families that have low- to moderate-incomes. WNB donated \$2 thousand to this agency.

Midland County MSA

WNB has an adequate level of qualified investments. The bank has provided 17 qualified donations totaling \$38 thousand to 13 different organizations. Investments support community services, affordable housing, and economic development, which target families and individuals that have low- to moderate-incomes. None of the qualified investments are considered innovative or complex, but demonstrate an adequate level of responsiveness to identified community development needs considering the limited investment opportunities in the Midland area.

Midland Habitat for Humanity

This organization provides affordable housing to low- and moderate-income families in the Midland community. The owner-occupants purchase the house but pay no interest on the principal amount of the home cost. In addition the new homeowners must provide at least 500 hours of work on their home or other habitat homes. WNB donated \$5 thousand in support of the Midland Habitat for Humanity affordable housing project.

Midland Community Development Corporation

The Midland Community Development Corporation (MCDC) was formed by local financial institutions to promote economic and community development in economically depressed areas in the city of Midland. The MCDC provides affordable housing and financing to small businesses in Midland that would not otherwise qualify for conventional financing. WNB donated \$5 thousand in support of their affordable housing program.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on a limited-scope review, the bank's performance under the Investment Test in the Howard County AA is weaker than the bank's overall "Low Satisfactory" rating under the Investment Test. WNB has not made any qualified investments in the limited scope AA. Minimal weight was given to the investment results of the limited-scope AA given the bank's limited market share of deposits and loans.

SERVICE TEST

The bank's performance under the Service Test is rated "High Satisfactory" for the evaluation periods. Based on a full-scope review, the bank's performance in the Odessa-Midland MSA (2001-2002 Evaluation Period) is good. In the Odessa-Midland MSA (2003 Evaluation, the bank's performance is excellent. The bank's performance in the Odessa MSA and Midland MSA (2004 Evaluation Period) is good.

SERVICE TEST CONCLUSIONS FOR TIME PERIOD MAY 8, 2001 THROUGH DECEMBER 31, 2002.**Conclusions for Areas Receiving Full-Scope Reviews**

Based on the full-scope review, the bank's performance in the Odessa-Midland MSA is good.

Retail Banking Services

Refer to Table 15 for the time period of 2001 - 2002 in Appendix C for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

The bank's delivery systems are accessible to geographies and individuals of different income levels throughout the Odessa-Midland MSA. The bank operates five banking offices that are conveniently located in this AA. These branches are located in one low-, one moderate-, one middle- and two upper-income CTs. The geographic distribution of branches significantly exceeds the demographics for the low-income CTs and is near the demographics for the moderate-income CTs. Due to the close proximity to the boundaries of the low-income CTs, the branch locations are easily accessible to all areas. Each branch includes a full service lobby operation and motor bank service with extended hours beyond lobby hours. Services and hours of operation do not vary in a way that inconveniences individuals throughout the MSA. The distribution of nonproprietary ATMs with free access to WNB customers significantly exceeds branch locations in the MSA, including low- and moderate-income areas.

WNB did not open or close any branches during the assessment period in the Odessa-Midland MSA.

Community Development Services

The level of qualified community development services is adequate in the Odessa-Midland MSA. Bank officers have provided technical assistance to organizations, which provide community services for low- and moderate-income persons, or serve the financial needs of small businesses of the MSA. The following are examples of qualifying community development services:

City of Midland - The City of Midland applied for housing grants from the Federal Home Loan Bank. The grants were used for construction and rehabilitation assistance for qualified borrowers. Midland received grant funds totaling \$12 thousand for six homes. The grant funds target homeowners that are designated low-income. WNB bank officers were instrumental in application process by providing technical financial assistance to the City of Midland.

Permian Basin Business Development Corporation. This organization's primary purpose is to provide small/micro loans to for existing or start-up small businesses that cannot qualify for mainstream bank financing. The corporation focuses on small businesses owned by low- to moderate-income individuals whose businesses are located in low- and moderate-income areas.

SERVICE TEST CONCLUSIONS FOR TIME PERIOD JANUARY 1, 2003 THROUGH DECEMBER 31, 2003.

Conclusions for Areas Receiving Full-Scope Reviews

Based on the full-scope review, the bank's performance in the Odessa-Midland MSA is excellent.

Retail Banking Services

Refer to Table 15 for the time period of 2003 in Appendix C for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings. Based on the full-scope review, the bank's performance in the Midland – Odessa MSA is excellent.

WNB's delivery systems are readily accessible to geographies and individuals of different income levels in the Odessa-Midland MSA. The bank has five banking offices in the full-scope AA. The main office is in the Odessa downtown area. Performance in moderate-income geographies significantly exceeds the population in those geographies. WNB does not have any branches in low-income census tracts. This performance is somewhat mitigated as less than one percent (2,229) of the population reside in the low-income geography. Delivery systems are accessible by geographies and persons of different income levels, in particular those in low- and moderate-income geographies. Each branch includes a full service lobby operation and motor bank service with extended hours beyond lobby hours. Services and hours of operation do not vary in a way that inconveniences individuals throughout the MSA. The distribution of nonproprietary ATMs with free access to WNB customers significantly exceeds branch locations in the MSA, including low- and moderate-income areas.

WNB did not open or close any branches during the assessment period in the Odessa-Midland MSA.

Community Development Services

The level of qualified community development services in the Odessa-Midland MSA is adequate. Bank officers have provided technical assistance to organizations, which provide community services for low- and moderate-income persons, or serve the financial needs of small businesses of the MSA. The following are examples of qualifying community development services:

Odessa Development Corporation. This organization's primary purpose is to collect sales taxes for economic development incentives and was authorized by the Development Corporation Act of Texas. Incentives are based on the number of new jobs created, the annual payroll and amount of initial capital investment. The Odessa Development Corporation has been instrumental in attracting new businesses that employ low- and moderate-income individuals to the South Odessa Enterprise and Reinvestment Zone. A bank Director and banking officer have provided technical financial assistance to this organization.

Community & Senior Services of Midland. This non-profit organization's primary purpose is to provide an array of services to the elderly population in the Midland MSA. The numerous services target the elderly and disabled, with an emphasis placed on serving individuals who are low-income. A bank officer has provided financial services while participating as an officer and committee member, including the Budget and Fund Raising Committees.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on the limited scope review, the bank's performance in the Howard County AA is stronger than the bank's overall "High Satisfactory" performance under the Service Test in the Odessa-Midland MSA AA. The banking office is located in a moderate-income CT. Howard County does not have any low-income geographies. Minimal weight was given to the Service Test results of the limited scope AA given the bank's limited market share of deposits and loans in this area.

SERVICE TEST CONCLUSIONS FOR TIME PERIOD JANUARY 1, 2004 THROUGH APRIL 20, 2005.

Conclusions for Areas Receiving Full-Scope Reviews

Performance in the Odessa MSA and Midland MSA AAs is good.

Retail Banking Services

Refer to Table 15 for the time period of 2004 in Appendix C for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings. Based on full-scope reviews, the bank's performance in the Midland MSA is good and performance in the Odessa MSA is good.

Delivery systems are accessible by geographies and persons of different income levels, in particular those in low- and moderate-income geographies. Each branch includes a full service lobby operation and motor bank service with extended hours beyond lobby hours. Services and hours of operation do not vary in a way that inconveniences individuals throughout the MSAs. The distribution of nonproprietary ATMS with free access to WNB customers significantly exceeds branch locations in the MSAs, including low- and moderate-income areas.

Midland MSA

In the Midland MSA, WNB's service delivery systems are accessible to essentially all geographies and individuals of different income levels in its assessment area. The moderate-income geography branch percentage significantly exceeds the percentage of individuals residing in those geographies. There are no branches in low-income geographies. The branch in the moderate-income geography is readily accessible to those in low-income census tracts as they are contiguous to the moderate-income geography. WNB did not open or close any branches during the assessment period in the Midland MSA.

Odessa MSA

In the Odessa MSA, WNB's service delivery systems are accessible to essentially all geographies and individuals of different income levels in its assessment area. The percentage of branches in moderate-income geographies significantly exceeds the percentage of individuals residing in those geographies. There are no branches in the one low-income geography in the Odessa MSA. The absence of branches in the low-income geography is mitigated by the very low percentage of the population residing in the low-income geography. WNB did not open or close any branches during the assessment period in the Odessa MSA.

Community Development Services

Overall community development services are adequate. The following are examples of qualified community development activity in the bank's full-scope assessment areas:

Midland MSA

The level of qualified community development services is adequate. Bank officers have provided technical assistance to organizations, which provide community services for low- and moderate-income persons, or serve the financial needs of small businesses of the MSA. The following are examples of qualifying community development services:

Habitat for Humanity. This nonprofit organization's primary purpose is to exclusively provide affordable housing for low- and moderate-income families in the MSA. A bank officer provided financial services during the application process with the Federal Home Loan Bank to obtain grants for an Affordable Housing Program.

Midland Community Development Corporation. This nonprofit organization provides financing and education to small businesses and first time homebuyers in low-income geographies of Midland. A bank officer has provided technical financial expertise by participating on the mortgage loan review committee.

Odessa MSA

The level of qualified community development services is adequate. Bank officers have provided technical financial assistance to organizations, which provide community services or affordable housing for low- and moderate-income persons of the MSA. The following is an example of qualifying community development services:

Sears Methodist Retirement System, Inc. This organization's primary purpose is to provide assistance to the needs of an aging population by providing health care and residential living arrangements in a Christian environment. The Desert Haven Retirement Community is a part of the Sears Methodist Retirement System and offers 40 one-bedroom HUD-subsidized

apartments to qualified older low- and moderate-income adults. A bank officer provides financial services as an advisor to this organization.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on the limited scope review, the bank's performance in the Howard County AA is stronger than the bank's overall "High Satisfactory" performance under the Service Test in the Midland MSA and Odessa MSA AAs. The one banking location in the Howard County AA is located in a moderate-income CT. Howard County does not have any low-income geographies. Minimal weight was given to the Service Test results of the limited scope AA given the bank's limited market share of deposits and loans in this area.

Appendix A: Scope of Examination

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

Time Period Reviewed	Lending Test (excludes CD Loans): 01/01/01 to 12/31/04 (HMDA) Lending Test (excludes CD Loans): 01/01/02 to 12/31/04 (CRA) Investment and Service Tests and CD Loans: (05/08/01 to 04/20/05)	
Financial Institution	Products Reviewed	
Western National Bank Odessa, Texas	Home mortgage loans, small business loans, community development loans, investments and retail and community development services	
Affiliate(s)	Affiliate Relationship	Products Reviewed
Permian Basin Community Development Corporation	100% Bank Owned	Investments
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Odessa – Midland MSA Odessa MSA Midland MSA	Full-Scope Full-Scope Full-Scope	1990 & 2000 Census 2000 Census 2000 Census
Howard County	Limited Scope	2000 Census

Appendix B: Market Profiles for Full-Scope Areas

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Market Profiles for Areas Receiving Full-Scope Reviews

Odessa MSA AA.....	2
Midland MSA AA	4

Odessa MSA AA

Demographic Information for Full-Scope Area: Odessa MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	29	3.45	20.69	41.38	34.48	0.00
Population by Geography	121,123	1.84	19.77	42.31	36.08	0.00
Owner-Occupied Housing by Geography	30,098	2.25	15.94	43.46	38.35	0.00
Businesses by Geography	7,876	1.42	19.50	38.85	40.22	0.00
Farms by Geography	136	1.47	4.41	47.06	47.06	0.00
Family Distribution by Income Level	31,856	21.22	17.50	21.98	39.30	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	12,334	3.47	27.74	44.78	24.01	0.00
Median Family Income HUD Adjusted Median Family Income for 2004 Households Below the Poverty Level	= \$36,250 = \$41,800 = 18.38%	Median Housing Value Unemployment Rate		= \$49,407 = 3.44%		

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

The Odessa MSA consists of Ector County, which includes the city of Odessa. The AA does not arbitrarily exclude any low- and moderate-income areas. The 1990 US Census reflects 30 CTs in the AA with three or ten percent low-income, 11 or 37 percent moderate-income, 11 or 37 percent middle-income and 5 or 16 percent upper-income. The deposit data as of June 30, 2002 indicates that WNB is ranked third with a 16.74 percent deposit market share. The 2000 US Census reflected 29 CTs in the AA with one or three percent low-income, ten or 35 percent moderate-income, 12 or 41 percent middle-income and 6 or 21 percent upper-income. The deposit data as of June 30, 2003 indicates that WNB is ranked second with a 17.65 percent deposit market share. The 2000 US Census with the revised MSA boundaries by the Office of Management and Budget reflects 29 CTs in the AA with one or three percent low-income, six or 21 percent moderate-income, 12 or 41 percent middle-income and ten or 35 percent upper income. The deposit data as of June 30, 2004 indicates that WNB is ranked second with a 16.41 percent deposit market share.

WNB operates in West Texas, with six banking centers in Odessa, Midland and Big Spring. The main location and two branches are located in the Odessa MSA. Major competitors in Odessa include American State Bank and State National Bank of West Texas. In addition, WNB faces significant competition from branches of large multi-national banks including Bank One, Wells Fargo, and Bank of America.

The city of Odessa is the county seat of Ector County. Odessa serves as a center for the petroleum-producing region known as the Permian Basin. As such, the local economy revolves around oil and gas production and the many service companies that support the industry. Like Midland, local economic development efforts have been focused on bringing

more diversification to the area economy, including the addition of a large call center and plastics and aviation-related industries. Outside of the oil and gas service industry, Odessa's largest employers are the Ector County Independent School District, Medical Center Hospital, Wal-Mart and the city of Odessa.

The community contact conducted during the examination revealed that a primary need is economic development to promote business opportunities for small businesses. This individual indicated the need for more local bank participation in micro-lending programs. Despite this, the community contact stated that area banks are generally meeting the credit needs of the community.

Midland MSA AA

Demographic Information for Full-Scope Area: Midland MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	27	7.41	22.22	40.74	29.63	0.00
Population by Geography	116,009	5.79	19.81	43.64	30.76	0.00
Owner-Occupied Housing by Geography	29,724	4.50	18.42	44.68	32.40	0.00
Businesses by Geography	10,341	5.72	30.95	37.10	26.23	0.00
Farms by Geography	136	1.47	4.41	47.06	47.06	0.00
Family Distribution by Income Level	31,158	20.88	18.60	19.33	41.20	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	12,300	10.40	28.67	42.11	18.82	0.00
Median Family Income HUD Adjusted Median Family Income for 2004 Households Below the Poverty Level	= \$47,309 = \$54,600 = 12.12%	Median Housing Value Unemployment Rate		= \$74,413 = 2.56%		

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

The Midland MSA consists of Midland County, which includes the city of Midland. The AA does not arbitrarily exclude any low- and moderate-income areas. The 1990 US Census reflects 26 CTs in the AA with two or eight percent low-income, three or 12 percent moderate-income, seven or 27 percent middle-income and 14 or 54 percent upper-income. The deposit data as of June 30, 2002 indicates that WNB is ranked sixth with a 6.10 percent deposit market share. The 2000 US Census reflected 27 CTs in the AA with no low-income, seven or 26 percent moderate-income, eight or 30 percent middle-income and 12 or 44 percent upper-income. The deposit data as of June 30, 2003 indicates that WNB is ranked sixth with a 6.02 percent deposit market share. The 2000 US Census with the revised MSA boundaries by the Office of Management and Budget reflects 27 CTs in the AA with two or seven percent low-income, six or 22 percent moderate-income, 11 or 41 percent middle-income and eight or 30 percent upper income. The deposit data as of June 30, 2004 indicates that WNB is ranked sixth with a 6.94 percent deposit market share.

WNB operates in West Texas, with six banking centers in Odessa, Midland and Big Spring. Two of the six branches are located in the Midland MSA. Major competitors in Midland include American State Bank, Community National Bank and State National Bank of West Texas. In addition, WNB faces significant competition from branches of large multi-national banks including Wells Fargo and Bank of America.

The city of Midland is the county seat of Midland County. Midland serves as a center for the petroleum-producing region known as the Permian Basin. As such, the local economy revolves around oil and gas production and the many service companies that support the industry. In recent years, local economic development efforts have been focused on bringing

more diversification to the area economy, including the addition of a large call center and plastics and aviation-related industries. Outside of the oil and gas service industry, Midland's largest employers are the Midland Independent School District, Midland Memorial Hospital, and Midland College.

The community contact conducted during the examination revealed that a primary need is economic development to promote business opportunities for small businesses. The community contact stated that area banks are meeting the credit needs of the community.

Appendix C: Tables of Performance Data

Content of Standardized Tables

References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the lending test tables, the following are applicable: purchased loans are treated as originations/purchases and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/assessment area. Tables without data are not included in this PE.

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

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

also presents market share information based on the most recent aggregate market data available.

- Table 6. Geographic Distribution of Small Loans to Businesses** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small business data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 7. Geographic Distribution of Small Loans to Farms** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 8. Borrower Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MA/assessment area. The table also presents market share information based on the most recent aggregate market data available.
- Table 9. Borrower Distribution of Home Improvement Loans** - See Table 8.
- Table 10. Borrower Distribution of Refinance Loans** - See Table 8.
- Table 11. Borrower Distribution of Small Loans to Businesses** - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.
- Table 12. Borrower Distribution of Small Loans to Farms** - Compares the percentage distribution of the number of small loans (less than or equal to \$500,000) originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm.

Market share information is presented based on the most recent aggregate market data available.

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

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

A bank may receive positive consideration for qualified investments in statewide/regional entities or made outside of the bank's assessment area. See Interagency Q&As __.12(i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such investments. When such investments exist, insert a line item with the appropriate caption, such as "Statewide/Regional" or "Out of Assessment Area," in the MA/Assessment Area column and record the corresponding numbers and amounts in the "Qualified Investments" column.

Table 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.

Institution ID: 1000016658 Western National Bank

Table 1. Lending Volume

LENDING VOLUME		Geography: WEST TEXAS				Evaluation Period: January 1, 2001 TO December 31, 2002						
MA/Assessment Area:	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
Full Review:												
Odessa - Midland MSA	100.00	62	5,105	521	75,478	5	250	2	23,078	590	103,911	100.00

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

** The evaluation period for Community Development Loans is May 8, 2001 to December 31, 2002.

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

Institution ID: 1000016658 Western National Bank

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE															Geography: WEST TEXAS					Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002				
MA/Assessment Area:	Total Home Purchase 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:																								
Odessa - Midland MSA	29	100.00	6.52	0.00	21.14	10.34	37.05	51.72	35.29	37.93	0.46	0.00	0.80	0.68	0.23									

* Based on 2002 Peer Mortgage Data: SW Region.

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

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

Institution ID: 1000016658 Western National Bank

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT															Geography: WEST TEXAS					Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002										
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography																			
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp															
Full Review:																														
Odessa-Midland MSA	26	100.00	6.52	3.85	21.14	26.92	37.05	30.77	35.29	38.46	2.31	0.00	2.50	2.58	2.21															

* Based on 2002 Peer Mortgage Data: SW Region.

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

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

Institution ID: 1000016658 Western National Bank

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE															Geography: WEST TEXAS															Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002														
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*																																	
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp																											
Full Review:																																												
Odessa-Midland MSA	6	100.00	6.52	0.00	21.14	16.67	37.05	50.00	35.29	33.33	0.16	0.00	0.47	0.26	0.05																													

* Based on 2002 Peer Mortgage Data: SW Region.

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

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

Institution ID: 1000016658 Western National Bank

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY															Geography: WEST TEXAS					Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002				
MA/Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*													
	#	% of Total**	% of MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp									
Full Review:																								
Odessa-Midland MSA	1	100.00	1.96	0.00	10.26	100.00	32.33	0.00	55.45	0.00	0.00	0.00	0.00	0.00										

* Based on 2002 Peer Mortgage Data: SW Region.

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

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

Institution ID: 1000016658 Western National Bank

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES															Geography: WEST TEXAS		Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002											
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*																	
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	Overall	Low	Mod	Mid	Upp													
Full Review:																												
Odessa-Midland MSA	521	100.0	8.65	6.14	16.81	18.04	42.42	47.22	32.12	28.60	4.37	4.46	4.93	5.83	3.93													

* Based on 2002 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.

*** Source Data – Dunn and Bradstreet (2002).

Institution ID: 1000016658 Western National Bank

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS															Geography: WEST TEXAS		Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002		
MA/Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography								
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	Overall	Low	Mod	Mid	Upp				
Full Review:																			
Odessa-Midland MSA	5	100.00	3.76	0.00	13.48	80.00	51.41	20.00	31.35	0.00	3.45	0.00	0.00	6.67	0.00				

* Based on 2002 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 (2002).

Institution ID: 1000016658 Western National Bank

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: WEST TEXAS				Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002					Market Share*				
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****					
Full Review:															
Odessa-Midland MSA	29	100.00	22.18	13.33	17.03	6.67	20.49	6.67	40.30	73.33	0.51	1.66	0.65	0.71	0.22

* Based on 2002 Peer Mortgage Data: SW Region.

** As a percentage of loans with borrower income information available. No information was available for 48.3% of loans originated and purchased by Bank.

*** Percentage of Families is based on the 1990 Census information.

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

Institution ID: 1000016658 Western National Bank

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT		Geography: WEST TEXAS					Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002									
MA/Assessment Area:	Total Home Improvement 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:																
Odessa-Midland MSA	26	100.00	22.18	0.00	17.03	8.70	20.49	13.04	40.30	78.26	2.62	0.00	0.00	2.86	3.43	

^{*} Based on 2002 Peer Mortgage Data: SW Region.

^{**} As a percentage of loans with borrower income information available. No information was available for 11.5% of loans originated and purchased by Bank.

^{***} Percentage of Families is based on the 1990 Census information.

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

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Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE															Geography: WEST TEXAS					Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share [*]													
	#	% of Total ^{**}	% Families ^{***}	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}	Overall	Low	Mod	Mid	Upp									
Full Review:																								
Odessa-Midland MSA	6	100.00	22.18	0.00	17.03	40.00	20.49	20.00	40.30	40.00	0.16	0.00	0.00	0.00	0.23									

^{*} Based on 2002 Peer Mortgage Data: SW Region.

^{**} As a percentage of loans with borrower income information available. No information was available for 16.7% of loans originated and purchased by Bank.

^{***} Percentage of Families is based on the 1990 Census information.

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

Table11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES									
Geography: WEST TEXAS Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002									
MA/Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share*	
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev \$1 Million or Less
Full Review:									
Odessa-Midland MSA	521	100.00	73.33	63.53	67.18	15.16	17.66	4.37	9.20

* Based on 2002 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 - 2002).

**** Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 1.92% of small loans to businesses originated and purchased by the Bank.

Table12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS									
Geography: WEST TEXAS									
Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002									
MA/Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share ¹	
	#	% of Total ²	% of Farms ³	% BANK Loans ⁴	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev \$1 Million or Less
Full Review:									
Odessa-Midland MSA	5	100.00	94.98	100.00	100.00	0.00	0.00	3.45	0.00

¹ Based on 2002 Peer Small Business Data: US and PR.

² 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.

³ Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2002).

⁴ Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 0.00% of small loans to farms originated and purchased by Bank.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography: WEST TEXAS		Evaluation Period: MAY 8, 2001 TO DECEMBER 31, 2002					
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
Odessa-Midland MSA	0	0	9	16	9	16	100.00		

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

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

Institution ID: 1000016658 Western National Bank

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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS Geography: WEST TEXAS Evaluation Period: MAY 8, 2001 TO DECEMBER 31, 2002																	
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:																	
Odessa-Midland MSA	100.00	5	100.00	20.0	20.00	20.0	40.0	0	0	0	0	0	0	7.24	22.75	36.01	33.99

Institution ID: 1000016658 Western National Bank

Table 1. Lending Volume

LENDING VOLUME		Geography: WEST TEXAS				Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003						
MA/Assessment Area:	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
Full Review:												
Odessa-Midland MSA	98.77	135	11,230	499	80,103	5	637	3	15,611	642	107,581	100.00
Limited Review:												
Howard County	1.23	5	198	3	70	0	0	0	0	8	268	0.00

* Loan Data as of December 31, 2003. Rated area refers to either the state or multi-state MA rating area.

** The evaluation period for Community Development Loans is January 1, 2003 to December 31, 2003.

*** Deposit Data as of June 30, 2003. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

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Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE															Geography: WEST TEXAS					Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003				
MA/Assessment Area:	Total Home Purchase 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:																								
Odessa-Midland MSA	69	95.83	1.13	0.00	23.87	13.04	42.00	39.13	33.00	47.83	1.51	0.00	1.94	1.53	1.40									
Limited Review:																								
Howard County	3	4.17	0.00	0.00	14.80	33.33	54.60	66.67	30.60	0.00	1.09	0.00	6.25	1.54	0.00									

* Based on 2003 Peer Mortgage Data (Western)

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

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

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT															Geography: WEST TEXAS					Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography													
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp									
Full Review:																								
Odessa-Midland MSA	5	100.0	1.13	0.00	23.87	40.00	42.00	0.00	33.00	60.00	1.54	0.00	3.64	0.00	2.08									
Limited Review:																								
Howard County	0	0.00	0.00	0.00	14.80	0.00	54.60	0.00	30.60	0.00	0.00	0.00	0.00	0.00	0.00									

* Based on 2003 Peer Mortgage Data (Western)

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

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

Institution ID: 1000016658 Western National Bank

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE															Geography: WEST TEXAS															Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003														
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*																																	
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp																											
Full Review:																																												
Odessa-Midland MSA	61	96.83	1.13	0.00	23.87	13.11	42.00	24.59	33.00	62.30	1.03	0.00	1.81	0.71	1.13																													
Limited Review:																																												
Howard County	2	3.17	0.00	0.00	14.80	0.00	54.60	50.00	30.60	50.00	0.50	0.00	0.00	0.57	0.51																													

* Based on 2003 Peer Mortgage Data (Western)

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

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

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Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY															Geography: WEST TEXAS					Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003				
MA/Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*													
	#	% of Total**	% of MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp									
Full Review:																								
Odessa-Midland MSA	0	0.00	0.36	0.00	16.04	0.00	31.19	0.00	52.40	0.00	0.00	0.00	0.00	0.00	0.00									
Limited Review:																								
Howard County	0	0.00	0.00	0.00	4.73	0.00	81.87	0.00	13.40	0.00	0.00	0.00	0.00	0.00										

* Based on 2003 Peer Mortgage Data (Western)

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

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

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Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES															Geography: WEST TEXAS		Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003				
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*										
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	Overall	Low	Mod	Mid	Upp						
Full Review:																					
Odessa-Midland MSA	499	99.40	0.59	1.00	31.98	29.66	36.65	43.09	30.78	26.25	7.44	12.82	8.53	9.64	6.31						
Limited Review:																					
Howard County	3	0.60	0.00	0.00	28.03	66.67	52.47	33.33	19.50	0.00	0.51	0.00	1.21	0.45	0.00						

* Based on 2003 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.

*** Source Data - Dun and Bradstreet (2003).

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Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS															Geography: WEST TEXAS		Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003										
MA/Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*																
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	Overall	Low	Mod	Mid	Upp												
Full Review:																											
Odessa-Midland MSA	5	100.00	0.24	0.00	15.00	0.00	55.48	80.00	29.29	20.00	10.20	0.00	0.00	19.05	6.25												
Limited Review:																											
Howard County	0	0.00	0.00	0.00	3.82	0.00	77.86	0.00	18.32	0.00	0.00	0.00	0.00	0.00	0.00												

* Based on 2003 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 (2003).

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Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: WEST TEXAS					Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003									
MA/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:																
Odessa-Midland MSA	69	95.83	20.90	4.08	17.71	8.16	20.60	26.53	40.80	61.22	1.25	0.79	0.55	1.44	1.48	
Limited Review:																
Howard County	3	4.17	20.84	0.00	16.89	0.00	21.46	33.33	40.81	66.67	1.44	0.00	0.00	1.45	2.00	

^{*} Based on 2003 Peer Mortgage Data (Western)

^{**} As a percentage of loans with borrower income information available. No information was available for 27.8% of loans originated and purchased by Bank.

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

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

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Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT		Geography: WEST TEXAS					Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003					Market Share*				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****						
Full Review:																
Odessa-Midland MSA	5	100.00	20.90	0.00	17.71	0.00	20.60	0.00	40.80	100.00	1.56	0.00	0.00	0.00	2.99	
Limited Review:																
Howard County	0	0.00	20.84	0.00	16.89	0.00	21.46	0.00	40.81	0.00	0.00	0.00	0.00	0.00	0.00	

* Based on 2003 Peer Mortgage Data (Western)

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

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

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

Institution ID: 1000016658 Western National Bank

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE															
Geography: WEST TEXAS															
Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003															
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp
Full Review:															
Odessa-Midland MSA	61	96.83	20.90	1.67	17.71	5.00	20.60	13.33	40.80	80.00	1.27	0.71	0.60	0.79	1.56
Limited Review:															
Howard County	2	3.17	20.84	0.00	16.89	0.00	21.46	0.00	40.81	100.00	0.77	0.00	0.00	0.00	1.17

* Based on 2003 Peer Mortgage Data (Western)

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

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

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

Institution ID: 1000016658 Western National Bank

Table11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES									
Geography: WEST TEXAS Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003									
MA/Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share ¹	
	#	% of Total ²	% of Businesses ³	% BANK Loans ⁴	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev \$1 Million or Less
Full Review:									
Odessa-Midland MSA	499	99.40	64.18	64.33	65.53	14.43	20.04	7.44	12.69
Limited Review:									
Howard County	3	0.60	62.99	100.00	100.00	0.00	0.00	0.51	1.16

¹ Based on 2003 Peer Small Business Data: US and PR.

² 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.

³ Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2003).

⁴ 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 4.78% of small loans to businesses originated and purchased by the Bank.

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Table12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS		Geography: WEST TEXAS			Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003				
MA/Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share ¹	
	#	% of Total ²	% of Farms ³	% BANK Loans ⁴	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev \$1 Million or Less
Full Review:									
Odessa-Midland MSA	5	100.00	92.14	80.00	80.00	0.00	20.00	10.20	10.53
Limited Review:									
Howard County	0	0.00	96.95	0.00	0.00	0.00	0.00	0.00	0.00

¹ Based on 2003 Peer Small Business Data: US and PR

² 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.

³ Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2003).

⁴ Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 0.00% of small loans to farms originated and purchased by Bank.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography: WEST TEXAS				Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003			
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
Odessa-Midland MSA	0	0	8	1,015	8	1,015	100.00	0	0
Limited Review:									
Howard County	0	0	0	0	0	0	0.00	0	0

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

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

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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS Geography: WEST TEXAS Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003																	
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:																	
Odessa-Midland MSA	100.00	5	83.33	0.00	80.00	0.0	20.00	0	0	0	0	0	0	0.94	27.47	40.08	31.51
Limited Review:																	
Howard County	0.00	1	16.67	0.00	100.0	0.0	0.00	1	0	0	1	0	0	0.00	17.09	60.24	22.67

Institution ID: 1000016658 Western National Bank

Table 1. Lending Volume

LENDING VOLUME												
Geography: WEST TEXAS												
Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2004												
MA/Assessment Area:	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
Full Review:												
Midland MSA	50.63	52	5,521	229	59,787	0	0	2	100	283	65,408	39.85
Odessa MSA	47.76	48	2,757	218	32,738	1	150	0	0	267	35,645	52.59
Limited Review:												
Howard County	1.61	2	114	7	382	0	0	0	0	9	496	7.56

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

** The evaluation period for Community Development Loans is January 1, 2004 to December 31, 2004.

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

Institution ID: 1000016658 Western National Bank

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE															Geography: WEST TEXAS					Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2004				
MA/Assessment Area:	Total Home Purchase 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:																								
Midland MSA	28	43.08	4.50	0.00	18.42	0.00	44.68	57.14	32.40	42.86	0.00	0.00	0.00	0.00	0.00									
Odessa MSA	36	55.38	2.25	0.00	15.94	8.33	43.46	41.67	38.35	50.00	0.00	0.00	0.00	0.00	0.00									
Limited Review:																								
Howard County	1	1.54	0.00	0.00	14.80	0.00	54.60	0.00	30.60	100.00	0.00	0.00	0.00	0.00	0.00									

* Based on 2004 Peer Mortgage Data (Western)

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

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

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT															Geography: WEST TEXAS					Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2004										
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography																			
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp															
Full Review:																														
Midland MSA	2	33.33	4.50	0.00	18.42	0.00	44.68	50.00	32.40	50.00	0.00	0.00	0.00	0.00	0.00															
Odessa MSA	4	66.67	2.25	0.00	15.94	25.00	43.46	25.00	38.35	50.00	0.00	0.00	0.00	0.00	0.00															
Limited Review:																														
Howard County	0	0.00	0.00	0.00	14.80	0.00	54.60	0.00	30.60	0.00	0.00	0.00	0.00	0.00	0.00															

* Based on 2004 Peer Mortgage Data (Western)

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

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

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Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE															Geography: WEST TEXAS															Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2004														
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*																																	
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp																											
Full Review:																																												
Midland MSA	22	70.97	4.50	0.00	18.42	0.00	44.68	50.00	32.40	50.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00																											
Odessa MSA	8	25.81	2.25	0.00	15.94	0.00	43.46	25.00	38.35	75.00	0.00	0.00	0.00	0.00	0.00	0.00																												
Limited Review:																																												
Howard County	1	3.23	0.00	0.00	14.80	100.00	54.60	0.00	30.60	0.00	0.00	0.00	0.00	0.00	0.00	0.00																												

* Based on 2004 Peer Mortgage Data (Western)

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

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

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Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY															Geography: WEST TEXAS					Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2004				
MA/Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography ¹													
	#	% of Total ²	% of MF Units ³	% BANK Loans	% MF Units ³	% BANK Loans	% MF Units ³	% BANK Loans	% MF Units ³	% BANK Loans	Overall	Low	Mod	Mid	Upp									
Full Review:																								
Midland MSA	0	0.00	2.26	0.00	4.69	0.00	42.21	0.00	50.85	0.00	0.00	0.00	0.00	0.00	0.00									
Odessa MSA	0	0.00	0.72	0.00	15.47	0.00	29.62	0.00	54.19	0.00	0.00	0.00	0.00	0.00	0.00									
Limited Review:																								
Howard County	0	0.00	0.00	0.00	4.73	0.00	81.87	0.00	13.40	0.00	0.00	0.00	0.00	0.00	0.00									

¹ Based on 2004 Peer Mortgage Data (Western)

² Multifamily loans originated and purchased in the MA/AA as a percentage of all multifamily loans originated and purchased in the rated area.

³ Percentage of multifamily units is the number of multifamily housing units in a particular geography divided by number of multifamily housing units in the area based on 2000 Census information.

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Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES															Geography: WEST TEXAS		Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2004	
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*							
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	Overall	Low	Mod	Mid	Upp	
Full Review:																		
Midland MSA	229	50.44	5.72	6.11	30.95	41.92	37.10	22.71	26.23	29.26	0.00	0.00	0.00	0.00	0.00			
Odessa MSA	218	48.02	1.42	0.46	19.50	12.39	38.85	48.17	40.22	38.99	0.00	0.00	0.00	0.00	0.00			
Limited Review:																		
Howard County	7	1.54	0.00	0.00	38.51	42.86	42.04	28.57	19.46	28.57	0.00	0.00	0.00	0.00	0.00			

* Based on 2004 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.

*** Source Data - Dun and Bradstreet (2004).

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Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS															Geography: WEST TEXAS		Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2004		
MA/Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography ¹								
	#	% 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:																			
Midland MSA	0	0.00	1.41	0.00	15.55	0.00	57.60	0.00	25.44	0.00	0.00	0.00	0.00	0.00	0.00				
Odessa MSA	1	100.00	1.47	0.00	4.41	0.00	47.06	100.00	47.06	0.00	0.00	0.00	0.00	0.00	0.00				
Limited Review:																			
Howard County	0	0.00	0.00	0.00	9.70	0.00	68.66	0.00	21.64	0.00	0.00	0.00	0.00	0.00	0.00				

¹ Based on 2004 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 (2004).

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Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: WEST TEXAS					Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2004									
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share ¹					
	#	% of Total ^{**}	% Families ^{***}	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}	Overall	Low	Mod	Mid	Upp	
Full Review:																
Midland MSA	28	43.08	20.88	0.00	18.60	34.62	19.33	19.23	41.20	46.15	0.00	0.00	0.00	0.00	0.00	
Odessa MSA	36	55.38	21.22	11.11	17.50	11.11	21.98	19.44	39.30	58.33	0.00	0.00	0.00	0.00	0.00	
Limited Review:																
Howard County	1	1.54	20.67	0.00	16.82	0.00	21.37	0.00	41.15	0.00	0.00	0.00	0.00	0.00	0.00	

¹ Based on 2004 Peer Mortgage Data (Western)

^{**} As a percentage of loans with borrower income information available. No information was available for 4.6% of loans originated and purchased by Bank.

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

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

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Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT		Geography: WEST TEXAS					Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2004									
MA/Assessment Area:	Total Home Improvement 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:																
Midland MSA	2	33.33	20.88	0.00	18.60	50.00	19.33	0.00	41.20	50.00	0.00	0.00	0.00	0.00	0.00	
Odessa MSA	4	66.67	21.22	0.00	17.50	0.00	21.98	0.00	39.30	100.00	0.00	0.00	0.00	0.00	0.00	
Limited Review:																
Howard County	0	0.00	20.67	0.00	16.82	0.00	21.37	0.00	41.15	0.00	0.00	0.00	0.00	0.00	0.00	

* Based on 2004 Peer Mortgage Data (Western)

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

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

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

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Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE															Geography: WEST TEXAS					Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2004				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share [*]													
	#	% of Total ^{**}	% Families ^{***}	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}	Overall	Low	Mod	Mid	Upp									
Full Review:																								
Midland MSA	22	70.97	20.88	5.26	18.60	10.53	19.33	21.05	41.20	63.16	0.00	0.00	0.00	0.00	0.00									
Odessa MSA	8	25.81	21.22	0.00	17.50	0.00	21.98	25.00	39.30	75.00	0.00	0.00	0.00	0.00	0.00									
Limited Review:																								
Howard County	1	3.23	20.67	0.00	16.82	0.00	21.37	100.00	41.15	0.00	0.00	0.00	0.00	0.00	0.00									

^{*} Based on 2004 Peer Mortgage Data (Western)

^{**} As a percentage of loans with borrower income information available. No information was available for 9.7% of loans originated and purchased by Bank.

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

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

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Table11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES									
Geography: WEST TEXAS Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2004									
MA/Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share ¹	
	#	% of Total ²	% of Businesses ³	% BANK Loans ⁴	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev \$1 Million or Less
Full Review:									
Midland MSA	229	50.44	64.08	62.88	47.16	22.27	30.57	0.00	0.00
Odessa MSA	218	48.02	64.42	27.98	68.35	12.84	18.81	0.00	0.00
Limited Review:									
Howard County	7	1.54	63.98	85.71	100.00	0.00	0.00	0.00	0.00

¹ Based on 2004 Peer Small Business Data: US and PR.

² 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.

³ Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2004).

⁴ 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 27.97% of small loans to businesses originated and purchased by the Bank.

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Table12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS									
Geography: WEST TEXAS									
Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2004									
MA/Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share ¹	
	#	% of Total ²	% of Farms ³	% BANK Loans ⁴	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev \$1 Million or Less
Full Review:									
Midland MSA	0	0.00	89.75	0.00	0.00	0.00	0.00	0.00	0.00
Odessa MSA	1	100.00	88.24	100.00	0.00	100.00	0.00	0.00	0.00
Limited Review:									
Howard County	0	0.00	94.78	0.00	0.00	0.00	0.00	0.00	0.00

¹ Based on 2004 Peer Small Business Data: US and PR

² 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.

³ Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2004).

⁴ Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 0.00% of small loans to farms originated and purchased by Bank.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography: WEST TEXAS				Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2004			
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
Midland MSA	1	1,000	17	38	18	1,038	98.30	0	0
Odessa MSA	0	0	8	18	8	18	1.70	0	0
Limited Review:									
Howard County	0	0	0	0	0	0	0.00	0	0

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

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

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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS Geography: WEST TEXAS Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2004																	
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full Review:																	
Midland MSA	39.85	2	33.33	0.00	50.00	50.00	0.00	0	0	0	0	0	0	5.79	19.81	43.64	30.76
Odessa MSA	52.59	3	50.00	0.00	33.33	33.33	33.33	0	0	0	0	0	0	1.84	19.77	42.31	36.08
Limited Review:																	
Howard County	7.56	1	16.67	0.00	100.0	0.00	0.00	0	0	0	0	0	0	0.00	17.09	60.24	22.87