



LARGE BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

PUBLIC DISCLOSURE

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COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Texas Capital Bank, National Association
Charter Number: 23248

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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 **Texas Capital Bank, National Association**, with respect to the Lending, Investment, and Service Tests:

Performance Levels	Texas Capital Bank, N.A. Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X	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:

- Lending activity in the full-scope assessment areas (AAs) is satisfactory for small business loans. It is poor for home mortgage loans; however, home mortgage loans are not a primary product and are extended only on an accommodation basis for existing customers.
- A majority of the loans are extended within the bank’s AAs. Performance is especially strong for small business loans with 92 percent within defined AAs.
- The geographic distribution of home mortgage loans and small loans to businesses is good. Given the low level of home mortgage lending volumes, we placed most of the weight on the distribution of small loans to businesses followed by home purchase loans.
- The overall borrower distribution of lending is adequate. However, the penetration of small business loans to small businesses in both the Dallas and Houston full-scope MSAs is lower than the percentage of businesses within the AA that have annual revenues of \$1 million or less.
- Community development lending is substantial and had a positive affect on the Lending Test conclusions. Texas Capital Bank has provided numerous loans in support of community development projects, particularly with regard to affordable housing.
- Investments reflect a good responsiveness to the needs of the Dallas and Houston MSA AAs.
- The bank’s service delivery systems are reasonably accessible to geographies and individuals of different income levels in its assessment area.

Definitions and Common Abbreviations

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Metropolitan Division: As defined by Office of Management and Budget, a county or group of counties within a Metropolitan Statistical Area that contains a population of at least 2.5 million. A Metropolitan Division consists of one or more counties that represent an employment center or centers, plus adjacent counties associated with the main county or counties through commuting ties.

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

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

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

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

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

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

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

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

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

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

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

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

Description of Institution

Texas Capital Bank, N.A. (TCB) is an independent national banking association headquartered in Dallas, Texas. TCB was established in 1998 through the acquisition of Resource Bank, National Association. TCB is wholly owned by Texas Capital Bancshares, Inc. (TCBI), a one-bank publicly traded holding company. In May 2007, TCB established Texas Capital Community Development Corporation (TCCDC) as a subsidiary of TCB. In addition, Bank Direct Premium Finance, LLC, Texas Capital Bank Wealth Management Service, Inc., and TCB Banking Solutions, Inc. are subsidiaries of TCB. As of December 31, 2010, the consolidated financials for TCB reported total assets of \$6.4 billion.

TCB operates in the state of Texas, with ten banking centers located in Dallas, Houston, San Antonio, Austin, and Fort Worth. In addition, the bank has an offshore branch in the Cayman Islands. The purpose of this branch is to offer more competitive cash management and deposit products to TCB's core U.S. based customers. This is a category B branch allowing for time deposits only. Individual customer accounts for transaction purposes are prohibited.

An analysis of the deposit accounts by location of customer address was conducted as of December 31, 2010. Seventy-eight percent of the total number of deposit accounts and 82 percent of the total dollar of deposit accounts were within Texas. Forty three percent of the total number and 51 percent of the total dollar were in the Dallas-Plano-Irving MD and 20 percent of the total number and 18 percent of the total dollar were within the Houston-Baytown-Sugar Land MSA. Behind these two markets were the San Antonio MSA, Austin-Round Rock MSA, and Fort Worth-Arlington MD, each with less than 10 percent of the total dollars in deposits.

TCB's strategic business focus since it was established has been middle-market commercial business and high net-worth individual customers in each of the major metropolitan areas of Texas. Middle market businesses are those with annual revenues between \$1 million and \$250 million. High net worth individuals are generally defined as customers with a net worth in excess of \$1 million. The loan and deposit base in each of the existing markets has grown by hiring additional experienced Texas bankers and opening strategically based banking centers, to align with the bank's core business strategies.

In 2006, a full-time Community Development Specialist focusing on financial literacy was hired by the bank to provide assistance to non-profit organizations, businesses, and educational institutions focusing on financial education for low- to moderate-income individuals.

In 2007, TCB discontinued its Residential Mortgage Lending operation, which was a division within the bank. As a result, the bank primarily offers residential mortgages only as an accommodation to existing or new customers.

In 2007, TCB formed Texas Capital Community Development Corporation (TCCDC), a for-profit subsidiary of the bank. The intent of TCCDC is to focus community development activity for the bank and to create visibility for the bank as a leader in community development activities. The majority of the bank's Part 24 Investments for the evaluation period have been to fund TCCDC (\$51 million). The investment in TCCDC has been used to fund community

development loans originated by TCCDC. The intent is for TCCDC to become a funding source for the bank’s community development initiatives.

As of December 31, 2010, gross total loans represented 92 percent of the bank’s total assets. The following table reflects the portfolio composition and changes over the evaluation period:

Loan Portfolio Composition (in 000s)					
Loan Type	12/31/2007		12/31/2010		% Change During Period
	\$ Amount	% of Portfolio	\$ Amount	% of Portfolio	
Real Estate	\$1,522,307	43%	\$3,225,843	54%	112%
Commercial	\$1,725,232	47%	\$1,989,570	34%	15%
Individuals	\$21,909	<1%	\$17,450	<1%	-20%
Agricultural	\$0	0%	\$570	<1%	NC
Other	\$375,668	10%	\$686,282	12%	83%
Total Gross Loans	\$3,645,116	100%	\$5,919,715	100%	62%

There are no legal, financial, or other factors that may impede the bank’s ability to meet the credit needs in its assessment areas.

The bank’s CRA performance was last evaluated on July 9, 2007, at which time the bank received a rating of “Satisfactory”. A review of OCC records and the bank’s CRA Public File revealed no complaints related to the bank’s CRA performance.

Scope of the Evaluation

Evaluation Period/Products Evaluated

Conclusions regarding the Lending Test are based on small business and HMDA reportable loans from the 2007 through 2010 evaluation period. The community development lending performance analysis considered loans made since the previous CRA examination and includes loans made from July 9, 2007 through April 27, 2011. TCB originated a very low volume of multifamily loans and small loans to farms, thus a meaningful analysis of this lending could not be performed.

The Investment Test included a review of investments, grants, and donations made within the AAs that meet the definition of community development investments. The Service Test included a review of retail and community development services provided in the bank's AAs. The evaluation period for community development investments and services is July 9, 2007 through April 27, 2011.

Data Integrity

A Data Integrity review was conducted in January 2011 to determine the accuracy of TCB's HMDA, small business, and community development loans. We reviewed a sample of loans the bank reported for the years 2007 through 2011. We found the HMDA and small business loan data reported during the evaluation period to be reliable. We also reviewed the bank's community development investments and services to ensure they met the definition for community development.

Selection of Areas for Full-Scope Review

TCB has designated five AAs: the Austin MSA, the Dallas MSA, the Fort Worth/Arlington MSA, the Houston MSA, and the San Antonio MSA. The Dallas and Houston MSA AAs were selected for the full-scope reviews because these areas maintain a substantial share of the bank's business with 78 percent of the deposits and 62 percent of the reportable loans in the 2007 through 2010 evaluation period. A limited scope review was conducted for the remaining three MSA AAs. AAs consist of whole census tracts, include all bank locations and do not arbitrarily exclude any low- and moderate-income geographies. Refer to the tables in Appendix C for more information.

Ratings

The bank's overall rating is based primarily on the Dallas and Houston MSA AAs that received full-scope reviews. More weight was given to the performance in the Dallas MSA AA, given the bank's higher level of lending volume and deposit market share in that AA. Small business lending was given more weight in the overall conclusions than home mortgage products since the bank's primary focus is commercial lending. In 2007, TCB discontinued its Residential Mortgage Lending operation and subsequently originated residential mortgages only as an accommodation to existing customers. The equity investment made by the bank in TCCDC

was counted under the Investment Test and therefore CD loans originated by TCCDC were not included under the Lending Test to avoid double counting.

Other

A number of community contacts were made during the evaluation period by the OCC to better understand the public's perception of TCB's and other bank's performance in the noted AAs. This includes a community contact that we conducted during the examination in the Dallas MSA AA. A total of 12 community contacts were reviewed. The group of contacts included small business development, affordable housing and neighborhood associations. Community contacts most commonly cited the continuing need for small business and affordable housing loans.

Fair Lending or Other Illegal Credit Practices Review

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

Conclusions with Respect to Performance Tests

During the evaluation period, there were 344 home purchase loans originated in the full-scope AAs, but only 8 home improvement and 43 home refinance loans. Limited analysis of the distribution of home improvement and home refinance loans was performed due to the lack of originations to provide a meaningful analysis. An analysis was not performed of multi-family loans since only 3 of these types of loans were originated during the evaluation period. As a result, more weight was given to small business lending performance as the bank's primary loan product and less weight was given to home mortgage lending.

Lending Test

Conclusions for Areas Receiving Full-Scope Reviews: TCB's performance under the Lending Test is rated "High Satisfactory". Based on full-scope reviews, the bank's performance in the Dallas MSA AA is good and performance in the Houston MSA is adequate.

Lending Activity

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

Dallas MSA

In the Dallas MSA, 83 percent of the loans originated were small loans to businesses, 16 percent were home mortgage loans, and 1 percent was small loans to farms. Among the reportable home mortgage loans in the AA, the distribution was 85 percent home purchase loans, 3 percent home improvement loans, 12 percent home refinance loans and less than 1 percent was multifamily loans.

TCB ranks 7th in deposit market share at 1.93 percent of deposited dollars in the Dallas MSA AA. Based upon 2009 CRA market share data, TCB ranks 25th in overall market share for small loans to businesses at 0.31 percent by number of loans and 3.38 percent by dollar amount. These lending levels demonstrate satisfactory performance as the bank's market rank performance exceeds its deposit market share in TCB's primary lending category. On the other hand, TCB's performance in home mortgage lending is poor; however, the bank's lending in this category is only incidental to its small business lending primary product. TCB ranks 182nd in overall market share for reportable home mortgage loans accounting for only 0.04 percent of the number and 0.02 percent of the dollars of reportable home mortgage loans in the Dallas MSA.

Houston MSA

In the Houston MSA, 80 percent of the loans originated were small loans to businesses, 19 percent were home mortgage loans, and 1 percent was small loans to farms. Among the reportable home mortgage loans in the AA, the distribution was 90 percent home purchase loans, 1 percent home improvement loans, 14 percent home refinance loans and less than 1 percent was multifamily loans.

TCB ranks 18th in deposit market share at 0.62 percent of deposited dollars in the Houston MSA AA. Based upon 2009 CRA market share data, TCB ranks 33rd in overall market share for small loans to businesses at 0.12 percent by number of loans and 1.32 percent by dollar amount. These lending levels demonstrate satisfactory performance as the bank's market rank performance exceeds its deposit market share in TCB's primary lending category. On the other hand, TCB's performance in home mortgage lending is poor; however, the bank's lending in this category is only incidental to its small business lending primary product. TCB ranks 180th in overall market share for reportable home mortgage loans accounting for only 0.04 percent of the number and 0.08 percent of the dollars of reportable home mortgage loans in the Houston MSA.

Distribution of Loans by Income Level of the Geography

The geographic distribution of TCB's home mortgage loans and small business by income level of geographies is good. The number of multifamily loans and small loans to farms is not significant enough to perform a meaningful analysis. Given lending volumes, we placed most of the weight on the distribution of small loans to businesses followed by home purchase loans.

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. Since the bank discontinued mortgage lending, a lack of origination volume precludes meaningful analysis for home improvement and refinance loans. The home purchase loan data is not expected to reflect wide-spread coverage across geographies and borrower income levels. Consequently, TCB's home mortgage lending in low-and moderate-income geographies was given less weight in this analysis.

Home Purchase Loans

Dallas MSA

The bank's geographic distribution of home purchase loans in the Dallas MSA is good. The bank's percentage of home purchase loans in low-income census tracts (CTs) is adequate though somewhat lower than the percentage of owner occupied housing units in low-income CTs. Opportunities to lend in these lower-income geographies are limited with only 2.57 percent owner occupied housing in these tracts. The bank's percentage of home purchase loans in moderate-income CTs is excellent, and significantly exceeds the percentage of owner occupied housing units in moderate-income CTs. The bank's market share in low- and moderate-income tracts exceeds the overall market share in the Dallas MSA.

Houston MSA

The bank's geographic distribution of home purchase loans in the Houston MSA is excellent. The bank's percentage of home purchase loans in low-income CTs is excellent and significantly exceeds the percentage of owner occupied housing units in low-income CTs. The bank's percentage of home purchase loans in moderate-income CTs is also excellent and significantly exceeds the percentage of owner occupied housing units in moderate-income CTs. The bank's market share in low- and moderate-income tracts exceeds the overall market share in the Houston MSA.

Multifamily Loans

An evaluation of the geographic distribution of multifamily loans in the AAs is not meaningful as very few loans of this type were originated in the AAs during either evaluation period.

Small Loans to Businesses

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

Dallas MSA

TCB's geographic distribution of small business loans in the Dallas MSA AA is good. The percentage of small business loans in low-income geographies is reasonably close to the percentage of businesses in low-income geographies. This percentage is considered good given the low level of businesses in these low-income CTs. The geographic distribution in moderate-income CTs is good as the percentage of small business loans in moderate-income geographies exceeds the percentage of business in moderate-income geographies.

The bank's market share for small loans to businesses in low- and moderate-income CTs is good. In the low-income CTs it is close to the bank's overall market share and in moderate-income CTs it equals the bank's overall market share.

Houston MSA

TCB's geographic distribution of small business loans in the Houston MSA AA is poor. The percentage of small business loans in low-income geographies is lower than the percentage of business in low-income geographies. This negative variance is influenced by limited opportunities as only 4.22 percent of small businesses in the MSA are located in low-income geographies. The percentage of small business loans in moderate-income geographies is also lower than the percentage of business in moderate-income geographies.

The bank's market share for small loans to business in the low-income CTs is very poor. However, its market share of loans in moderate-income CTs is adequate, though slightly lower than the bank's overall market share.

Small Loans to Farms

Refer to Table 7 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's origination of small loans to farms. Limited geographic distribution analysis was performed on this data as the volume of small farm loans is low and does not provide a significant basis for comparison.

Lending Gap Analysis

Our review included an evaluation of TCB's geographic distribution of small loans to businesses and home mortgage lending. The analysis was conducted using maps and reports showing the bank's lending in each CT within the Dallas and Houston MSA AAs. No unexplained conspicuous gaps in lending were identified.

Inside/Outside Ratio

A majority of the home mortgage loans, loans to small businesses, loans to small farms, and community development loans originated or purchased by TCB over the evaluation period were within its AA's. Approximately 73 percent of the bank's home mortgage loans, 92 percent of the small business, 86 percent small farm loans, and 100 percent of CD loans were within the bank's AA's. This performance was positively factored into the overall analysis of the geographic distribution of lending.

Distribution of Loans by Income Level of the Borrower

The borrower distribution of TCB's home mortgage loans and small loans to businesses reflects adequate dispersion among borrowers of different incomes.

Home Mortgage Loans

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

Due to the lack of lending volume, home improvement and home refinance loan data does not provide a meaningful basis for comparison. Consequently, the home mortgage loans data is not expected to reflect wide-spread coverage across geographies and borrower income levels. TCB's home mortgage lending in low-and moderate-income geographies was given less weight in this analysis.

Home Purchase Loans

Dallas MSA

The bank's distribution of home purchase loans by borrower income levels in the Dallas MSA AA is poor. The percentage of home purchase loans to low-income borrowers is adequate but lower than the percentage of low-income families in the AA. The percentage of home purchase loans to moderate-income borrowers is poor and is much lower than the percentage of moderate-income families in the AA. The bank's market share in the Dallas MSA of home purchase loans to low-income families exceeds the banks overall market share of home purchase loans in the Dallas MSA. However, the bank's market share of home purchase loans to moderate-income families is close to zero.

Houston MSA

The bank's distribution of home purchase loans by borrower income levels in the Houston MSA AA is poor. The percentage of home purchase loans to low-income borrowers is very poor and significantly lower than the percentage of low-income families in the AA. In addition, the percentage of home purchase loans to moderate-income borrowers is poor and much lower than the percentage of moderate-income families in the AA. The bank's market share in the Houston MSA of home purchase loans to low- and moderate-income borrowers is close to zero.

Small Loans to Businesses

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

Dallas MSA

The bank's loan distribution to small businesses in the Dallas MSA AA is adequate. The percentage of the bank's loans to businesses with revenues of \$1 million or less is lower than the percentage of businesses with revenues of \$1 million dollars or less. However, the bank's market share to businesses with revenues of \$1 million or less exceeds its overall market share in the Dallas MSA.

Houston MSA

The bank's loan distribution to small businesses in the Houston MSA is adequate. The percentage of the bank's loans to businesses with revenues of \$1 million or less is lower than the percentage of businesses with revenues of \$1 million dollars or less. However, the bank's market share to businesses with revenues of \$1 million or less exceeds its overall market share in the Houston MSA.

Small Loans to Farms

Refer to Table 12 in the Appendix C for the facts and data used to evaluate the borrower distribution of the bank's origination of small loans to businesses. Limited borrower distribution analysis was performed on this data as the bank's volume of small farm loans is low and does not provide a significant basis for comparison.

Community Development Lending

Refer to Table 1 Lending Volume in Appendix C for the facts and data used to evaluate the bank's level of community development lending. 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.

Community development lending is substantial and has a positive impact on the Lending Test in the full-scope Dallas and Houston MSA AAs, as well as, the three limited scope AAs. Additionally, the bank originated a substantial amount of CD loans in the broader Texas statewide area. The bank's CD loans primarily help to provide affordable housing, economic development and community services. Although the opportunities for CD lending in the Dallas and Houston MSAs are high, the dollar amount of CD loans originated by TCB in these regions and broader Texas statewide is still considered significant.

Dallas MSA AA

TCB originated five CD loans totaling \$12.6 million in this AA during the period of evaluation. These loans were primarily to finance multifamily affordable housing and contributed to the revitalization and stabilization of the Dallas MSA AA. Of the total, \$11.75 million financed renovations to a 261 unit multifamily project targeting low- and moderate-income individuals and families.

Houston MSA AA

TCB originated ten CD loans totaling \$43.2 million in this AA during the period of evaluation. Of this total, three loans aggregating \$24.9 million were primarily for affordable housing, six loans totaling \$18.3 million were for economic development and revitalization of the Houston AA, and one \$50,000 loan was for community services.

TCB provided almost \$25 million of financing in the Houston MSA AA for Brandywood Housing Ltd, which is operated by a non-profit organization specializing in low-income housing projects. In addition, TCB funded multiple economic development and revitalization projects during the review period, including \$9 million of participation in an advancing term loan to construct a multi-purpose stadium east of downtown Houston. The project is located in the Inner City Houston Partnership and TIRZ and New Market Tax Credit funds are part of the equity. The bank also funded multiple loans in the Houston AA totaling \$3.4 million to construct a 7000 square foot single tenant retail center in a moderate-income Houston CT.

Product Innovation and Flexibility

TCB's lending products are not particularly innovative or flexible; however, by funding the Lone Star CRA Fund LP's revolving line of credit, the bank has found an innovative method to leverage the impact of this CD financing. By partnering with other banks in this way, more funds are made available to develop larger and more effective projects that promote economic development in the state of Texas.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Lending Test in the Austin MSA, Fort Worth MSA, and the San Antonio SA is consistent with the bank's overall "High Satisfactory" performance under the Lending Test.

INVESTMENT TEST

The bank's performance under the Investment Test is "High Satisfactory," based primarily upon the full scope reviews conducted for the Dallas and Houston MSA's.

Conclusions for Areas Receiving Full-Scope Reviews

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

Qualified investments are investments, deposits, membership shares, or grants that have as their primary purpose "Community Development" as defined in the CRA regulation.

TCB's qualified investments are centered in the Texas Capital Community Development Corporation (TCCDC). This entity is a subsidiary of the bank, established in 2007 as a strategy for identifying and funding qualified CD loans and investments. A total of \$50.8 million dollars has been invested in TCCDC since its inception. TCCDC has made \$68.0 million of qualified CD loans during the review period.

TCB's other qualified investments were primarily securities purchased in debt and equity mutual funds targeted to support CD activities, such as single and multi-family affordable housing, small business lending and job creation.

TCB also made considerable donations during the review period to organizations providing CD services to low- and moderate-income households.

Dallas MSA

In the Dallas MSA, TCB's investment in the TCCDC and its other qualified CD investments during the review period totaled \$15.6 million. Prior period qualified investments consisted of purchasing \$5.5 million in CD debt and equity securities, which remain outstanding. In the prior performance period there was no TCCDC investment.

Qualified investments also include donations made to organizations within the full-scope AAs that promote community development as defined by the regulation. TCB contributed \$1.05 million in donations to qualified programs in the Dallas MSA during the evaluation period.

Houston MSA

In the Houston MSA, TCB's investment in the TCCDC and its other qualified CD investments during the review period totaled \$15.3 million. Prior period qualified investments consisted of purchasing \$291 thousand in CD debt and equity securities, which remain outstanding. In the prior performance period there was no TCCDC investment.

Qualified investments also include donations made to organizations within the full scope assessment areas that promote community development as defined by the regulation. TCB contributed \$159 thousand in donations to qualified programs in the Houston MSA during the evaluation period.

Overall, TCB's qualified investments are not considered innovative or complex; however, the bank has made an effort to find these types of investments. In its Houston MSA, the bank made an innovative investment through the TCCDC in April 2010. The investment was in the NCI Community Development Credit Union located in Houston, Texas. The initial investment was \$50 thousand for the Credit Union to use toward secondary capital. The EQ2 investment is structured such that the Credit Union is scheduled to begin principal reductions of \$10 thousand per year in their sixth year of operation. However, TCCDC will be forgiving \$10 thousand a year so that the funds will not have to be repaid by the Credit Union. In addition to this investment, the bank's Compliance Officer served in an advisory capacity to the Credit Union for the first two years of its operation. This investment was innovative as there are no national examples of this type of arrangement to "forgive" an EQ2 investment used for secondary capital in a credit union.

While not particularly innovative, TCB's other qualified investments are responsive to community development needs in the Dallas and Houston full-scope MSA AAs. A high level of community development investment opportunities exist in these AAs.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited scope reviews, the bank's performance under the Investment Test in the Austin MSA, Ft. Worth MSA, and San Antonio MSA is not inconsistent with the bank's overall "High Satisfactory" performance under the Investment Test. Minimal weight was given to the investment results in the limited scope AAs given the bank's limited market share of these deposits and loans.

Total qualified investments in all AAs at the examination date was \$64 million, including CD debt and equity investments, other qualified investments, investments in the TCCDC, and \$1.4 million in CD donations made during the review period.

SERVICE TEST

The bank's performance under the Service Test is rated "Low Satisfactory," based on the full scope reviews in the Dallas and Houston MSA's.

Conclusions for Areas Receiving Full-Scope Reviews

TCB's delivery systems are reasonably accessible to essentially all portions of the Dallas MSA. The bank's delivery systems are accessible to limited portions of the Houston MSA. The delivery systems were considered within the context of TCB's core business strategy and targeted customers.

Retail Banking Services

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

Dallas MSA

TCB has five branches and five ATMs within the Dallas MSA AA. The main office, located in downtown Dallas on McKinney Avenue, is in an upper-income CT. This tract is bordered by low- and moderate-income CTs to the south, east, and west. The other branch located in the city of Dallas is on the North Central Expressway (US Highway 75) and is located in a middle-income CT. The three remaining branches are in cities north of Dallas: Addison (middle-income CT), Richardson (middle-income CT), and Plano (upper-income CT). The city of Dallas and surrounding communities has the DART mass transportation system, which includes buses and light-rail trains that allow accessibility to the branches in the Dallas MSA. Competition for banking services is high in the Dallas MSA. As of June 30, 2010, there were 148 financial institutions located in the MSA.

TCB's alternative delivery systems increase accessibility to banking products and services. The bank offers on-line banking for deposit products and SBA loan applications. TCB offers telephone banking, which is available 24/7. Customers can transfer funds between accounts via the phone or the internet. All banking offices in the Dallas MSA have ATMs, which improves overall accessibility of bank products and services. There are no non-proprietary ATMs or LPOs.

TCB opened two branches and closed one branch in the Dallas MSA during the evaluation period. The branch closing was the former location of the main office. This branch closed on February 6, 2009 and reopened at its current location on February 9, 2009.

Business hours for all branches in the Dallas MSA are consistent with providing extended Friday afternoon hours. There are no significant differences in hours of operations or services offered between bank locations.

Houston MSA

TCB has one bank office in the Houston MSA, located in an upper-income CT. The banking office is west of the Interstate 610 loop. Some low- and moderate-income CTs are located south and west of the bank, which allows residents in these tracts access to the bank. This branch is the only banking office for TCB in the Houston MSA; thus, TCB cannot reasonably service the entire MSA. Banking competition in the Houston MSA is high. Based on June 30, 2010 deposit market share data, there were 120 financial institutions in the Houston MSA.

TCB's alternative delivery systems increase accessibility to banking products and services. The bank offers on-line banking for deposit products and SBA loan applications. TCB offers telephone banking, which is available 24/7. Customers can transfer funds between accounts via the phone or the internet. The branch in the Houston MSA has an ATM that is available 24/7.

Business hours are consistent with those in the Dallas MSA and offer extended Friday afternoon hours. There are no significant differences in hours of operations or services offered by this location compared to the other branch offices.

Community Development Services

The level of CD services that TCB provides to the Dallas MSA is good. CD services in the Houston MSA are adequate. The bank's primary activity is to support financial literacy. Bank officers and bank employees are involved with several non-profit organizations that provide CD services to low- and moderate-income areas and individuals. Also, TCB formed a CDC to assist in the redevelopment of low- and moderate-income areas in the Dallas and Houston MSAs.

Dallas MSA

The following is an overview of the CD services in the Dallas MSA provided by the bank:

- Bank officers teach financial literacy programs to LMI individuals through various non-profit organizations. During the evaluation period, 4,063 students received benefit of the financial literacy training. In addition, the bank's specialist has assisted in training non-profit personnel and teachers to instruct financial literacy training.
- Bank officers serve on boards of organizations that provide affordable housing to LMI individuals;
- Bank officers assist various non-profit organizations with the preparation of financial reporting documents, as most do not have expertise in this area; and
- Bank officers are working with state agencies in an effort to train teachers on teaching financial literacy to high school students, a program that has been mandated by the governor of Texas.

The TCCDC was formed to make loans and equity investments in projects that create affordable housing or promote economic development and job creation for low- and moderate-income individuals. The CDC will endeavor to work with established non-profit organizations, community development corporations, and local government entities in the communities that TCB serves. Several bank officers serve as board members and members on TCCDC committees.

TCB and the TCCDC has partnered with West Dallas to form the West Dallas Initiative. The West Dallas area is comprised entirely of low- and moderate-income CTs. The area has often been neglected as other parts of Dallas have thrived. The partnership is with community groups, civic, and political leaders, and both for-profit and not-for-profit organizations in the West Dallas area, all working to improve and enhance the opportunities for all individuals and families while helping to redevelop and improve low- and moderate-income areas. Following are some of the activities that TCB and the TCCDC are involved with:

- TCB and TCCDC adopted the George W. Carver Elementary School in West Dallas. The school is located in a low-income CT and 99 percent of the students at Carver are eligible for the free/reduced lunch program. Bank employees have provided financial awareness training to students
- The TCCDC is involved in several projects, designed to provide economic development opportunities in West Dallas. Some of these activities include:
 - Bank officers are involved in the planning stages of an urban structure plan to be used as a guide for the redevelopment of West Dallas. This plan was approved by the Dallas City Council.
 - A bank officer of TCB and TCCDC serves on a committee that is assisting with small business seminars that will be conducted each quarter in West Dallas.

Houston MSA

TCB employees volunteer their time to assist non-profit organizations that provide CD services and affordable housing to low- and moderate-income families. During the evaluation period, TCB employees participated in the following:

- Taught a financial literacy class to a non-profit organization that assists low- and moderate-income people in finding affordable housing, quality education, and access to better public services.
- TCB employees serve as an advisor/consultant to a credit union created by a non-profit organization that provides services to low- and moderate-income families.
- A TCB employee serves as a board member and assists with fundraising, marketing, and financial planning for a non-profit organization that serves at-risk youths. The organization provides homes, schools, and drug treatment/intervention opportunities.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Service Test in the Austin MSA, Fort Worth MSA, and San Antonio MSA is consistent with the bank's overall performance under the Service Test in the Dallas MSA and Houston MSA.

Appendix A: Scope of Examination

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

Time Period Reviewed	Lending Test (excludes CD Loans): (01/01/07 to 12/31/10) Investment and Service Tests and CD Loans: (07/10/07 to 04/27/11)	
Financial Institution	Products Reviewed	
Texas Capital Bank, National Association (TCB) Dallas, Texas	Home mortgage loans, small loans to businesses, community development loans, investments and retail and community development services	
Affiliate(s)	Affiliate Relationship	Products Reviewed
<i>[Instructions: Provide only if affiliate products are reviewed.]</i> Texas Capital Community Development Corporation (TCCDC), a holding company affiliates	Holding Company Affiliate.	Community development loans and investments
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Dallas MSA Houston MSA Austin MSA Fort Worth/Arlington MSA San Antonio MSA	Full Scope Full Scope Limited Scope Limited Scope Limited Scope	

Appendix B: Market Profiles for Full-Scope Areas

Dallas MSA AA

Demographic Information for Full-Scope Area: Dallas MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	689	9.14	29.61	31.79	28.88	0.58
Population by Geography	3,451,226	7.60	27.39	34.04	30.98	0.00
Owner-Occupied Housing by Geography	733,873	2.57	20.21	36.31	40.91	0.00
Businesses by Geography	332,676	3.78	21.08	33.55	40.58	1.02
Farms by Geography	6,807	1.91	17.10	45.13	35.52	0.34
Family Distribution by Income Level	866,920	21.32	18.00	20.39	40.30	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	340,820	13.13	39.16	33.89	13.82	0.00
Median Family Income	= \$56,313					
HUD Adjusted Median Family Income for 2010	= \$68,900					
Households Below the Poverty Level	= 9.63%					
			Median Housing Value	= \$120,250		
			Unemployment Rate	= 3.38%		

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 2000 U.S. Census and 2009 HUD updated MFI.

The Dallas MSA AA is comprised of eight counties: Collin, Dallas, Delta, Denton, Ellis, Hunt, Kaufman and Rockwall. The 2000 US Census reflects 689 census tracts in the AA with 63 or 9.14 percent low-income, 204 or 29.61 percent moderate-income, 219 or 31.79 percent middle-income, 199 or 28.88 percent upper-income, and four or 0.58 percent classified as not applicable. The FDIC Deposit Market Share Report indicates that as of June 30, 2010 TCB had 1.93 percent deposit market share in the Dallas MSA. According to 2000 U.S. Census data, total population of the assessment area is 3,451,226. The 2010 updated median family income for the MSA is \$68,900.

The Dallas MSA AA comprises TCB's headquarters and four of the bank's ten branch locations. The AA accounts for approximately 51 percent of the bank's deposits and 40 percent of the bank's HMDA and CRA reported loans during the evaluation period. A full-scope review was conducted for the Dallas MSA AA.

TCB operates in the state of Texas, with ten banking centers in Austin, Dallas, Fort Worth, Houston, and San Antonio. Five of the nine branches were opened prior to 2000. In February 2009, the headquarters located at 2100 McKinney Ave moved to an adjacent building located at 2000 McKinney Ave in downtown Dallas, TX. In March of 2011, a branch was opened in Richardson, TX, located at 2350 Lakeside in a middle-income tract. TCB has 10 full service

ATM's located at each of their branch locations. The bank has an Internet-based operation, Bank Direct, and an offshore branch in the Grand Cayman Island.

TCB's primary strategy is to build an independent bank that focuses primarily on commercial and relationship lending. Competition is very strong in the AA especially for mortgage and commercial lending. TCB competes with other bank holding companies, state and national commercial banks, savings and loan associations, consumer finance companies, credit unions, securities brokerages, insurance companies, mortgage banking companies, money market mutual funds, asset-based non-bank lenders and other financial institutions. The primary competitors of TCB in the Dallas MSA AA are Wells Fargo Bank, JP Morgan/Chase, Bank of America, and Compass Bank. The majority of these banks are large multi-regional national banks.

A well-diversified business environment supports the economy of the Dallas MSA AA with emphasis in manufacturing, high technology, and education. According to the Greater Dallas Chamber of Commerce, the Dallas-Fort Worth Metroplex holds about 43 percent of the state's high-tech workers. Further, 13 privately held companies with at least \$1 billion in annual revenues are headquartered in the area. Among the 19 Fortune 500 companies headquartered in the area are Advance PCS, Dean Foods, ExxonMobile, Kimberly-Clark, Neiman Marcus, Southwest Airlines and Texas Instruments. Real estate and tourism are other major industry sectors in Dallas. While the Dallas economy is well diversified, it not completely insulated from a weakened national economy. The national economy, combined with the local crash in the telecommunications and computer industries, has negatively impacted housing, commercial real estate and unemployment. The March 2011 unemployment rate was 8.1%, which was slightly under the 8.8% national average. TCB serves a diverse market with a wide range of demographics and varying degrees of competition.

The community contact conducted during this examination revealed that the primary needs are small business and affordable housing. The community contact stated that area banks are generally meeting the credit needs of the community.

Houston MSA AA

Demographic Information for Full-Scope Area: Houston MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	895	7.93	31.40	30.61	28.94	1.12
Population by Geography	4,715,407	6.43	30.28	31.45	31.74	0.11
Owner-Occupied Housing by Geography	1,008,983	2.87	23.19	32.97	40.97	0.00
Businesses by Geography	432,096	4.22	23.05	28.75	43.39	0.59
Farms by Geography	8,338	2.69	19.20	39.64	38.29	0.18
Family Distribution by Income Level	1,191,102	22.61	17.36	18.97	41.08	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	476,081	11.33	43.52	30.68	14.47	0.00
Median Family Income HUD Adjusted Median Family Income for 2010 Households Below the Poverty Level	= \$51,431 = \$65,100 =12.27%				Median Housing Value = \$98,599 Unemployment Rate = 4.05%	

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 2000 U.S. Census and 2009 HUD updated MFI.

The Houston MSA AA is comprised of ten counties: Austin, Brazoria, Chambers, Fort Bend, Galveston, Harris, Liberty, Montgomery, San Jacinto and Waller. The 2000 US Census reflects 895 census tracts in the AA with 71 or 7.93 percent low-income, 281 or 31.40 percent moderate-income, 274 or 30.61 percent middle-income, 259 or 28.94 percent upper-income, and ten or 1.12 percent classified as not applicable. The FDIC Deposit Market Share Report indicates that as of June 30, 2010 TCB had 0.62 percent deposit market share in the Houston MSA. According to 2000 U.S. Census data, total population of the assessment area is 4,715,407. The 2010 updated median family income for the MSA is \$65,100.

The Houston MSA AA has one branch located in an upper-income census tract. The AA accounts for approximately 6 percent of the bank's deposits and 23 percent of the bank's HMDA and CRA reported loans during the evaluation period.

Competition is also very strong in this AA for mortgage and commercial lending. TCB competes with other bank holding companies, state and national commercial banks, savings and loan associations, asset-based non-bank lenders and other financial institutions. The primary competitors of TCB in the Houston MSA AA are Wells Fargo Bank, JP Morgan/Chase, Bank of America, Regions Bank, Frost Bank, and Compass Bank. The majority of these banks are large multi-regional national banks.

Energy is the major industry in Houston. Houston is also a world leader in the chemical industry, with nearly 40 percent of the nation's capacity for producing the basic chemicals that are used by downstream chemical operations. Major companies in Houston include Shell Oil, ExxonMobile, JPMorgan Chase, and Continental Airlines.

Houston has also suffered from the effects of the ongoing global slow down and the volatile energy sector. In addition, the housing market has slowed. Unemployment climbed to 8.8 percent at March 31, 2011, which was slightly under the 8.8% national average.

Appendix C: Tables of Performance Data

Content of Standardized Tables

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

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

- Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MA/assessment area. Community development loans to statewide or regional entities or made outside the bank’s assessment area may receive positive CRA consideration. See Interagency Q&As ___12 (i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans. .
- 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. Refer to the CRA section of the Compliance Policy intranet page for guidance on table placement.

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

Table 1. Lending Volume

LENDING VOLUME												
Geography: TEXAS												
Evaluation Period: JANUARY 1, 2007 TO DECEMBER 31, 2011												
Assessment Area (2010):	% 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:												
Dallas MSA	39.48	233	44,996	1,217	364,550	8	1,113	5	12,617	1,463	423,276	61.15
Houston MSA	22.69	163	43,847	670	196,331	5	499	10	43,227	850	283,904	18.46
Greater Statewide Area	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2	22,000	4	22,000	N/A
Limited Review:												
Austin MSA	10.15	71	12,928	304	87,215	0	0	0	0	375	100,143	10.86
FT Worth MSA	12.48	102	13,488	354	119,173	5	490	3	4,500	464	137,651	3.10
San Antonio MSA	15.19	41	7,714	501	111,931	19	3,742	1	14,850	562	138,237	6.42

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

** The evaluation period for Community Development Loans is from July 9, 2007 to April 27, 2010.

*** Deposit Data as of December 31, 2010.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE															
Geography: TEXAS															
Evaluation Period: JANUARY 1, 2007 TO DECEMBER 31, 2011															
Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography ¹				
	#	% of Total ²	% Owner Occ Units ³	% BANK Loans ⁴	% Owner Occ Units ³	% BANK Loans	% Owner Occ Units ³	% BANK Loans	% Owner Occ Units ³	% BANK Loans	Over all	Low	Mod	Mid	Upp
Full Review:															
Dallas MSA	198	37.50	2.57	1.52	20.21	28.28	36.31	38.89	40.91	31.31	0.04	0.11	0.23	0.03	0.01
Houston MSA	146	27.65	2.87	4.11	23.19	32.19	32.97	28.08	40.97	35.62	0.04	0.28	0.25	0.03	0.00
Limited Review:															
Austin MSA	69	13.07	2.79	1.45	18.90	27.54	42.63	44.93	35.68	26.09	0.03	0.00	0.04	0.05	0.01
FT Worth MSA	85	16.10	3.14	2.35	18.57	20.00	43.89	45.88	34.39	31.76	0.02	0.00	0.02	0.04	0.00
San Antonio MSA	30	5.68	1.49	0.00	28.43	23.33	37.16	23.33	32.91	53.33	0.00	0.00	0.00	0.00	0.00

¹ Based on 2009 Peer Mortgage Data (USPR)

² 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.

³ Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

⁴ Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT															Geography: TEXAS					Evaluation Period: JANUARY 1, 2007 TO DECEMBER 31, 2011				
Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*													
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp									
Full Review:																								
Dallas MSA	6	35.29	2.57	0.00	20.21	33.33	36.31	33.33	40.91	33.33	0.03	0.00	0.00	0.09	0.00									
Houston MSA	2	11.76	2.87	0.00	23.19	0.00	32.97	50.00	40.97	50.00	0.00	0.00	0.00	0.00	0.00									
Limited Review:																								
Austin MSA	0	0.00	2.79	0.00	18.90	0.00	42.63	0.00	35.68	0.00	0.00	0.00	0.00	0.00	0.00									
FT Worth MSA	2	11.76	3.14	0.00	18.57	0.00	43.89	50.00	34.39	50.00	0.00	0.00	0.00	0.00	0.00									
San Antonio MSA	7	41.18	1.49	0.00	28.43	28.57	37.16	14.29	32.91	57.14	0.07	0.00	0.40	0.00	0.00									

* Based on 2009 Peer Mortgage Data (USPR)

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

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

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

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE												Geography: TEXAS				Evaluation Period: JANUARY 1, 2007 TO DECEMBER 31, 2011				
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*									
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp					
Full Review:																				
Dallas MSA	27	43.55	2.57	0.00	20.21	29.63	36.31	22.22	40.91	48.15	0.01	0.00	0.08	0.01	0.00					
Houston MSA	14	22.58	2.87	0.00	23.19	28.57	32.97	14.29	40.97	57.14	0.00	0.00	0.00	0.00	0.00					
Limited Review:																				
Austin MSA	2	3.23	2.79	0.00	18.90	50.00	42.63	0.00	35.68	50.00	0.00	0.00	0.00	0.00	0.00					
FT Worth MSA	15	24.19	3.14	0.00	18.57	6.67	43.89	66.67	34.39	26.67	0.01	0.00	0.05	0.01	0.00					
San Antonio MSA	4	6.45	1.49	0.00	28.43	0.00	37.16	50.00	32.91	50.00	0.00	0.00	0.00	0.00	0.00					

* Based on 2009 Peer Mortgage Data (USPR)

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

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

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

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY															Geography: TEXAS					Evaluation Period: JANUARY 1, 2007 TO DECEMBER 31, 2011				
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	% MF Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp							
Full Review:																								
Dallas MSA	2	66.67	14.32	100.00	30.42	0.00	33.46	0.00	21.80	0.00	0.91	5.88	0.00	0.00	0.00									
Houston MSA	1	33.33	9.84	0.00	35.87	100.00	30.30	0.00	23.99	0.00	0.73	0.00	1.72	0.00	0.00									
Limited Review:																								
Austin MSA	0	0.00	18.86	0.00	30.99	0.00	35.24	0.00	14.91	0.00	0.00	0.00	0.00	0.00	0.00									
FT Worth MSA	0	0.00	7.03	0.00	28.60	0.00	45.61	0.00	18.76	0.00	0.00	0.00	0.00	0.00	0.00									
San Antonio MSA	0	0.00	1.81	0.00	35.34	0.00	40.82	0.00	22.03	0.00	0.00	0.00	0.00	0.00	0.00									

* Based on 2009 Peer Mortgage Data (USPR)

** Multi-family loans originated and purchased in the MA/AA as a percentage of all multi-family loans originated and purchased in the rated area.

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

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

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES															
Geography: TEXAS															
Evaluation Period: JANUARY 1, 2007 TO DECEMBER 31, 2011															
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 Businessess***	% BANK Loans	% of Businessess***	% BANK Loans	% of Businessess***	% BANK Loans	% of Businessess***	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
Dallas MSA	1,183	39.57	3.78	3.30	21.08	23.58	33.55	22.91	40.58	50.21	0.31	0.28	0.31	0.23	0.37
Houston MSA	670	22.41	4.22	2.69	23.05	14.93	28.75	17.31	43.39	65.07	0.12	0.00	0.09	0.07	0.19
Limited Review:															
Austin MSA	303	10.13	4.03	4.95	17.50	18.48	39.70	28.71	38.68	47.85	0.16	0.21	0.20	0.13	0.19
FT Worth MSA	354	11.84	2.76	2.26	21.44	42.37	41.06	20.90	34.73	34.46	0.17	0.15	0.30	0.12	0.14
San Antonio MSA	480	16.05	1.48	5.21	24.13	23.96	35.84	21.04	38.37	49.79	0.25	0.79	0.20	0.19	0.30

* Based on 2009 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 (2010).

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS															Geography: TEXAS					Evaluation Period: JANUARY 1, 2007 TO DECEMBER 31, 2011				
Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*													
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	Overall	Low	Mod	Mid	Upp									
Full Review:																								
Dallas MSA	7	19.44	1.91	0.00	17.10	0.00	45.13	28.57	35.52	71.43	1.12	0.00	0.00	0.47	2.65									
Houston MSA	5	13.89	2.69	0.00	19.20	40.00	39.64	20.00	38.29	40.00	0.53	0.00	1.12	0.00	0.87									
Limited Review:																								
Austin MSA	0	0.00	2.02	0.00	18.13	0.00	48.06	0.00	31.79	0.00	0.00	0.00	0.00	0.00	0.00									
FT Worth MSA	5	13.89	1.29	0.00	13.76	80.00	54.59	0.00	30.35	20.00	1.26	0.00	6.06	0.00	1.82									
San Antonio MSA	19	52.78	0.65	0.00	15.70	36.84	46.68	15.79	36.86	47.37	1.10	0.00	3.23	0.43	2.44									

* Based on 2009 Peer Small Business Data -- US and PR

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

*** Source Data - Dun and Bradstreet (2010).

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE															Geography: TEXAS					Evaluation Period: JANUARY 1, 2007 TO DECEMBER 31, 2011				
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 ¹	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}	Overall	Low	Mod	Mid	Upp									
Full Review:																								
Dallas MSA	198	37.50	21.32	12.37	18.00	2.06	20.39	21.65	40.30	63.92	0.01	0.03	0.00	0.00	0.01									
Houston MSA	146	27.65	22.61	1.30	17.36	3.90	18.97	25.97	41.06	68.83	0.01	0.00	0.00	0.00	0.01									
Limited Review:																								
Austin MSA	69	13.07	19.76	0.00	18.30	6.52	22.76	13.04	39.17	80.43	0.03	0.00	0.00	0.00	0.08									
FT Worth MSA	85	16.10	19.56	2.08	18.78	4.17	21.95	12.50	39.71	81.25	0.00	0.00	0.00	0.00	0.01									
San Antonio MSA	30	5.68	21.16	6.67	17.99	0.00	20.54	0.00	40.31	93.33	0.00	0.00	0.00	0.00	0.00									

^{*} Based on 2009 Peer Mortgage Data (USPR)

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

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

^{****} As a percentage of loans with borrower income information available. No information was available for 46.4% of loans originated and purchased by bank.

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

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT															Geography: TEXAS					Evaluation Period: JANUARY 1, 2007 TO DECEMBER 31, 2011				
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 ²	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp									
Full Review:																								
Dallas MSA	6	35.29	21.32	50.00	18.00	0.00	20.39	0.00	40.30	50.00	0.03	0.51	0.00	0.00	0.00									
Houston MSA	2	11.76	22.61	0.00	17.36	50.00	18.97	0.00	41.06	50.00	0.00	0.00	0.00	0.00	0.00									
Limited Review:																								
Austin MSA	0	0.00	19.76	0.00	18.30	0.00	22.76	0.00	39.17	0.00	0.00	0.00	0.00	0.00	0.00									
FT Worth MSA	2	11.76	19.56	0.00	18.78	0.00	21.95	0.00	39.71	100.00	0.00	0.00	0.00	0.00	0.00									
San Antonio MSA	7	41.18	21.16	0.00	17.99	50.00	20.54	0.00	40.31	50.00	0.03	0.00	0.00	0.00	0.06									

* Based on 2009 Peer Mortgage Data (USPR)

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

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

**** As a percentage of loans with borrower income information available. No information was available for 58.8% of loans originated and purchased by bank.

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

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE															Geography: TEXAS					Evaluation Period: JANUARY 1, 2007 TO DECEMBER 31, 2011				
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 ³	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}	Overall	Low	Mod	Mid	Upp									
Full Review:																								
Dallas MSA	27	43.55	21.32	0.00	18.00	7.69	20.39	30.77	40.30	61.54	0.00	0.00	0.01	0.00	0.00									
Houston MSA	14	22.58	22.61	0.00	17.36	16.67	18.97	0.00	41.06	83.33	0.00	0.00	0.00	0.00	0.00									
Limited Review:																								
Austin MSA	2	3.23	19.76	0.00	18.30	50.00	22.76	0.00	39.17	50.00	0.00	0.00	0.00	0.00	0.00									
FT Worth MSA	15	24.19	19.56	0.00	18.78	40.00	21.95	0.00	39.71	60.00	0.01	0.00	0.06	0.00	0.00									
San Antonio MSA	4	6.45	21.16	0.00	17.99	0.00	20.54	0.00	40.31	100.00	0.00	0.00	0.00	0.00	0.00									

^{*} Based on 2009 Peer Mortgage Data (USPR)

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

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

^{****} As a percentage of loans with borrower income information available. No information was available for 41.9% of loans originated and purchased by bank.

³ Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: TEXAS			Evaluation Period: JANUARY 1, 2007 TO DECEMBER 31, 2011				
Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share*	
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
Full Review:									
Dallas MSA	1,217	39.95	78.17	31.39	36.73	22.84	40.43	0.31	0.45
Houston MSA	670	22.00	79.12	46.87	35.82	25.07	39.10	0.12	0.27
Limited Review:									
Austin MSA	304	9.98	79.05	35.20	36.84	26.97	36.18	0.16	0.23
FT Worth MSA	354	11.62	80.44	42.66	26.84	24.86	48.31	0.17	0.25
San Antonio MSA	501	16.45	78.84	43.71	45.51	27.15	27.35	0.25	0.49

* Based on 2009 Peer Small Business Data -- US and PR

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

*** Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2010).

**** Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 17.63% of small loans to businesses originated and purchased by the bank.

Table 12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS		Geography: TEXAS			Evaluation Period: JANUARY 1, 2007 TO DECEMBER 31, 2011				
Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share*	
	#	% of Total**	% of Farms***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev\$ 1 Million or Less
Full Review:									
Dallas MSA	8	21.62	95.71	25.00	62.50	25.00	12.50	1.12	0.00
Houston MSA	5	13.51	96.39	60.00	80.00	0.00	20.00	0.53	0.37
Limited Review:									
Austin MSA	0	0.00	96.67	0.00	0.00	0.00	0.00	0.00	0.00
FT Worth MSA	5	13.51	97.13	80.00	80.00	0.00	20.00	1.26	1.25
San Antonio MSA	19	51.35	97.07	63.16	31.58	36.84	31.58	1.10	0.70

* Based on 2009 Peer Small Business Data -- US and PR

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

*** Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2010).

**** Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 8.11% of small loans to farms originated and purchased by the bank.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS									
Geography: TEXAS									
Evaluation Period: JANUARY 1, 2007 TO DECEMBER 31, 2011									
Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
Dallas MSA	3	5,447	28	16,659	31	22,106	34.54	0	0
Houston MSA	2	291	15	15,453	17	15,744	24.60	0	0
Statewide	2	275	4	4,809	6	5,084	7.94	1	295
Limited Review:									
Austin MSA	1	1,069	5	15,015	6	16,084	25.13	0	0
FT Worth MSA	3	879	8	535	11-	1,414	2.21	0	0
San Antonio MSA	3	1,003	7	2,568	10	3,571	5.58	0	0

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

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

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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS				Geography: TEXAS				Evaluation Period: JANUARY 1, 2007 TO DECEMBER 31, 2011									
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:																	
Dallas MSA	61.15	5	55.56	0.00	0.00	60.00	40.00	2	1	0	0	1	0	7.60	27.39	34.04	30.98
Houston MSA	18.46	1	11.11	0.00	0.00	0.00	100.00	0	0	0	0	0	0	6.43	30.28	31.45	31.74
Limited Review:																	
Austin MSA	10.86	1	11.11	0.00	0.00	0.00	100.00	0	0	0	0	0	0	8.31	25.66	39.38	26.46
FT Worth MSA	3.10	1	11.11	0.00	100.00	0.00	0.00	0	0	0	0	0	0	5.10	24.80	41.72	28.37
San Antonio MSA	6.42	1	11.11	0.00	0.00	0.00	100.00	0	0	0	0	0	0	2.45	35.31	35.83	26.41

Distribution of Branch and ATM Delivery System

Distribution of Branch and ATM Delivery System		Geography: TEXAS						Evaluation Period: JANUARY 1, 2007 TO DECEMBER 31, 2011									
MA/Assessment Area:	Deposits	Branches						ATMs				Population					
	% of Total Bank Deposits	# of Bank Branches	% of Total Bank Branches	Location of Branches by Income of Geographies (%)				#of Bank ATMs	% of Total Bank ATMs	Location of ATMs by Income of Geographies				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full Review:																	
Dallas MSA	61.15	5	50.00	0	0	60	40	5	50.00	0	0	3	2	7.60	27.39	34.04	30.98
Houston MSA	18.46	1	10.00	0	0	0	100	1	10.00	0	0	0	1	6.43	30.28	31.45	31.74
Limited Review:																	
Austin MSA	10.86	1	10.00	0	0	0	100	1	10.00	0	0	0	1	8.31	25.66	39.38	26.46
FT Worth MSA	3.10	1	10.00	0	100	0	0	1	10.00	0	1	0	0	5.10	24.80	41.72	28.37
San Antonio MSA	6.42	2	20.00	0	0	0	50	2	20.00	0	0	0	1	2.45	35.31	35.83	26.41