



PUBLIC DISCLOSURE

March 31, 2014

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Inter National Bank
Charter Number: 18480

1801 S Col Rowe Boulevard
McAllen, TX 78503

Office of the Comptroller of the Currency

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San Antonio, Texas 78216

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 Inter National Bank (INB) with respect to the Lending, Investment, and Service Tests:

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

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

The major factors that support this rating include:

- Lending activity reflects good responsiveness to credit needs in the bank's assessment areas (AAs), given the bank's business strategy and performance context.
- The bank's distribution of loans inside of their AAs is excellent. A substantial majority of the HMDA, small business, and small farm loans originated by INB during the evaluation period were made within its AAs. Our analysis for the **2012–2013** time period reflected 94 percent of the total number of loans originated within the bank's AAs. Our analysis for the **2010–2011** time period reflected 95 percent of the total number of loans originated within the bank's AAs.
- INB's overall distribution of loans by income level of the geographies and among borrowers of different income levels is good.
- Community development lending had a positive impact on the Lending Test performance.
- The level of community development investments is adequate.
- The accessibility of INB's offices to geographies and individuals of different income levels and the responsiveness of INB's services to the needs of its AAs are adequate.
- The bank has provided an adequate level of community development 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 Metropolitan Area (MA)/AA.

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 applicants, 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 refinancing's, 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/AA.

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 (MSA): 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

INB is a \$1.9 billion intrastate bank headquartered in McAllen, Texas. INB operates 18 full-service branches in the Texas counties of Hidalgo, El Paso, Cameron, and Webb. The major cities in these counties are McAllen, Edinburg, and Mission in Hidalgo County, El Paso in El Paso County, Brownsville and Harlingen in Cameron County, and Laredo in Webb County. INB also operates 35 automated teller machines (ATMs) in designated AAs, with an additional two ATMs that are not in designated AAs. One is in Fort Hancock, Texas and the other one is in Chaparral, New Mexico. Both of these ATMs are near the El Paso County AA.

The bank is a wholly owned subsidiary of INB Financial Corporation, a one-bank holding company that is wholly owned by Banorte USA Corporation. Banco Mercantil del Norte owns 100 percent of Banorte USA Corporation and Grupo Financiero Banorte (GFNorte) from Monterrey, Mexico owns 93 percent of Banco Mercantil del Norte. As of December 31, 2013, GFNorte has total assets of MXN \$1,007 billion, or USD \$77 billion.

As of December 31, 2013, INB had \$1.9 billion in assets and Tier 1 capital of \$212 million, which represents 12.89 percent of average assets. Net loans of \$769 million represent 41 percent of total assets. Real estate loans make up the largest category of loans at 84 percent of gross loans (GL). The real estate loans include non-farm/non-residential real estate 43 percent of GL, one-to-four family residential loans 19 percent of GL, and construction and development loans 17 percent of GL. Commercial loans comprise 13 percent of GL, while consumer loans represent 2 percent of GL. INB's strategy focuses on commercial customers, local businesses, and retail consumers. INB's commercial lending includes commercial real estate loans, commercial and industrial loans, and small business loans. Retail lending primarily consists of various residential mortgage loan products. INB offers a full range of deposit products to business and consumer customers including online and mobile banking.

There are no legal, financial, or other factors that impede the bank's ability to help meet the credit needs in its AAs. The OCC assigned INB a rating of "Satisfactory" at the previous CRA evaluation dated March 29, 2010.

Scope of the Evaluation

Evaluation Period/Products Evaluated

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

The evaluation period for the Lending Test, except for CD loans, covered January 1, 2010 through December 31, 2013. For CD loans, the Investment Test, and the Service Test, the evaluation period covered activity after March 29, 2010, the date of the last CRA evaluation, through March 31, 2013. We based our conclusions related to CD loans and qualified investments on the number and dollar amounts made during the evaluation period. We also considered the level of innovation, complexity, responsiveness to community credit needs, and the degree to which private investors do not provide these instruments.

Data Integrity

In August 2013 and March 2014, OCC personnel verified the accuracy of data made available to the public in accordance with HMDA and CRA loan data reporting requirements. Public data includes home mortgage lending and loans to small businesses and farms. During the CRA evaluation, OCC personnel reviewed non-public data for CD loans, investments, and services that INB management submitted to ensure that they met the regulatory definition for CD. Based on verification of work performed, publicly reported lending data was considered accurate. All CD data, which met regulatory definition requirements, was used in this evaluation.

Selection of Areas for Full-Scope Review

During this evaluation, we performed a full-scope review for one of the bank's four AAs. We selected the Hidalgo County AA for a full-scope review because it represents a substantial majority of the bank's business in terms of lending activity, deposit activity, and branch locations. Including the bank's main office, 13 of the 18 branches are located in this AA. For the 2012-2013 period, the bank derived 76 percent of loans by number, 71 percent of loans by dollar, and 75 percent of deposits from the Hidalgo County AA. For the 2010-2011 period, the bank derived 87 percent of loans by number, 82 percent of loans by dollar, and 81 percent of deposits from the Hidalgo County AA.

Please refer to Appendix A for more information.

Ratings

INB's overall rating is based primarily on the Hidalgo County AA, which received a full-scope review, as the largest percentage of the bank's business is located in this AA. Overall performance in small business lending and home purchase lending received the most weight in determining the overall Lending Test rating since the volumes of these loan products, in terms of the number of loans and loan dollars were the highest compared to other products. Home refinance loans, home improvement loans, and small farm loans represent less than five percent of total originations made in the AAs. Analyses of these products were not meaningful because of the lower volumes of these types of lending; therefore, received significantly less weight in determining the overall Lending Test rating.

Other

Community credit needs in the AAs were determined by reviewing recent housing and demographic information. In addition, we obtained information through a community contact conducted by the OCC in connection with this CRA examination. The community contact indicated a high demand for affordable housing in the full scope AA area and a good level of CD opportunities (for affordable housing) for financial institutions.

Fair Lending or Other Illegal Credit Practices Review

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

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

Conclusions with Respect to Performance Tests

LENDING TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Lending Test is rated "**High Satisfactory**".

- ▶ Overall lending performance in the Hidalgo County AA is good.

These conclusions are based on the bank's performance context and the full-scope review of the specific AA previously noted. Small business loans and home purchase loans received the most weight in evaluating CRA performance given the higher volume of these types loans compared to other products. Factors impacting the rating include: a substantial majority of loans originated were in the AAs; good distribution of small loans to businesses by geography and size of business; and adequate distribution of home purchase loans by geography and income level. Other factors that had a positive or neutral impact on the rating include the level of community development loans, the level of qualified investments, and the level of qualified services.

Lending Activity

Refer to Table 1 Lending Volume Appendix C for the facts and data used to evaluate the bank's lending activity. There are separate tables in appendix C for the 2000 and the 2010 Census Data. The **2010–2011** bank performance is compared to the **2000 Census Data**, while **2012-2013** bank performance is compared to the **2010 Census Data**.

Hidalgo County AA

We selected small business loans and home mortgage products as the primary loans products for assessing CRA performance in the Hidalgo County AA. For 2010-2011, these loans represented 71 percent and 28 percent of reportable loans, respectively. Home purchase loans made up 88 percent of total home mortgage loans. For 2012-2013, these loans represented 78 percent and 21 percent of reportable loans, respectively. Home purchase loans made up 68 percent of total home mortgage loans. CD lending was adequate and had a positive effect on the Lending Test conclusions.

Overall lending volume in the AA is good. Market share data and rankings for deposits are from the FDIC's Summary of Deposits, Market Share Report as of June 30, 2011 and June 30, 2013. Market share and rankings for loan information are from 2011 and 2012 Peer Mortgage data and 2011 and 2012 Peer Small Business data.

As of June 30, 2013, the bank had 12.35 percent of the deposit market share in the AA and ranks third in this market. Overall, the bank has an above average market share of small business loans in the Hidalgo County AA. INB ranks 13th in number of small business loan originations in this AA with a 2.90 percent market share, and ranks 1st in total dollar amount with a 14.3 percent market share. The bank is ranked 17th for home purchase loans and had a

market share of 1.07 percent. INB's average loan size for home purchase loans is \$138 thousand compared to the average of \$134 thousand for all lenders.

This AA includes a large number of financial institutions, resulting in an aggressive level of lending competition for small business loans, residential real estate loans, and consumer loans.

Distribution of Loans by Income Level of the Geography

Home Mortgage Loans

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

INB's overall distribution of home mortgage loans by income level of geography is adequate in the Hidalgo County AA.

The geographic distribution of home purchase loans is adequate.

For the 2012-2013 period, the distribution of loans in moderate-income geographies is lower than the percentage of owner-occupied housing units; however, the bank's market share in moderate-income geographies is near the overall market share and considered good. The number of owner occupied units in low-income geographies was less than 1 percent for this time period. For the 2010-2011 period, the distribution of loans in moderate-income geographies is lower than the percentage of owner-occupied housing units; however, the bank's market share in moderate-income geographies is somewhat lower than the overall market share and considered adequate. There were no low-income geographies in this time period.

The geographic distribution analysis of home mortgage refinance loans and home improvement loans is not meaningful. Mortgage refinance loans and home improvement loans represented less than 4 percent of all loan originations in all AAs. The tables titled Geographic Distribution of Home Mortgage Refinance Loans and Geographic Distribution of Home Improvement Loans are provided for informational purposes only.

The overall geographic distribution of multifamily loans is adequate. For the 2012-2013 time period, the distribution of loans in moderate-income geographies is lower than the percentage of multifamily units in those geographies; however, the market share in moderate-income geographies exceeds the overall market share and considered excellent. The percentage of multifamily units in low-income categories was less than 1 percent. For the 2010-2011 time period the distribution of loans in moderate-income geographies is significantly lower than the percentage of multifamily units in those geographies and considered very poor. There were no multifamily units in low-income geographies in this time 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.

INB's overall distribution of small loans to businesses is good.

For the 2012-2013 time period, the percentage of small loans to businesses in moderate-income geographies is somewhat lower than the percentage of businesses in that geography; however, the market share percentage is near the market share percentage in that geography and considered good. The percentage of businesses in low-income geographies was less than 1 percent in this time period. For the 2010–2011 time period, the percentage of small loans to businesses and the market share percentage of small loans to businesses in moderate-income geographies exceed the percentage and market share of small loans to businesses in that geography and considered excellent. There were no low-income geographies in this time period.

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/purchase of small loans to farms.

A geographic distribution analysis of small loans to farms is not meaningful. Small loans to farm represented less than 1 percent of loan originations in the four AAs during the evaluation period. The table is provided for informational purposes only.

Lending Gap Analysis

Reports detailing INB's lending activity over the evaluation period for home mortgages and small loans to businesses were reviewed to identify gaps in the geographic distribution of those loans. No unexplained conspicuous gaps were identified.

Inside/Outside Ratio

The bank's distribution of loans inside/outside of their AAs is excellent. A substantial majority of the HMDA, small business, and small farm loans originated by INB during the evaluation period were made within its AAs. Our analysis reflected that for the **2012–2013** time period, **94** percent of the total number of loans and **84** percent of the total dollar volume of loans originated within the bank's AAs. Our analysis reflected that for the **2010–2011** time period, **95** percent of the total number of loans and **94** percent of the total dollar volume of loans originated within the bank's AAs. This analysis was performed at the bank level. The information includes loans that the bank originated or purchased and does not include loans by affiliates being considered under other performance criteria. The excellent distribution of loans originating within INB's AAs factored positively in the overall lending performance analysis.

Distribution of Loans by Income Level of the Borrower

INB's distribution of loans to borrowers of different income levels and businesses of different sizes is adequate. The distribution of small loans to businesses is good, while the distribution of home mortgage loans is adequate.

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.

INB's distribution of home mortgage loans by income level of borrowers is adequate in the Hidalgo County AA. We factored into our analysis of home mortgage loans the difficulty that low- and moderate-income individuals have in purchasing homes in the AAs.

For the 2012–2013 time period, the percentage of loans to low-income borrowers is significantly lower than the percentage of low-income families in the AA and considered very poor. The percentage of loans to moderate-income borrowers is lower than the percentage of moderate-income families in the AA, but the bank's market share for moderate-income borrowers is near to its overall market share and considered good.

For the 2010–2011 time period, the percentage of loans to low-income borrowers is significantly lower than the percentage of low-income families in the AA and considered very poor. The percentage of loans to moderate-income borrowers is lower than the percentage of moderate-income borrowers in the AA and considered poor.

The distribution of home purchase loans by borrower income level is adequate despite the high level of households (32%) below the poverty level. When compared to the 2010 HUD Adjusted Median Family Income of \$34,000 and a median home price of \$77,000 (2010 Census), the unsubsidized purchase of an average single-family residence might be beyond the financial means of some low- and moderate income borrowers. This differential between the Adjusted Median Family Income is even greater when compared to the 2013 median housing price of \$113,700 and average sale price of \$134,000 per the Real Estate Center at Texas A&M University.

The borrower income distribution analysis of home mortgage refinance loans and home improvement loans is not meaningful. Mortgage refinance loans and home improvement loans represented less than 4 percent of all loan originations in all AAs. The tables titled Borrower Distribution of Home Mortgage Refinance Loans and Borrower Distribution of Home Improvement Loans are provided for informational purposes only.

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/purchase of small loans to businesses.

INB's overall distribution of small loans to businesses with annual revenue of \$1 million or less is good.

For the 2012-2103 time period, the bank's distribution of small loans to businesses with annual revenues of \$1 million or less is excellent. The percentage of small loans to businesses is somewhat lower than the percentage of businesses with annual revenues of \$1 million or less in the AA, but the bank's market share of loans to businesses with annual revenues of \$1 million or less exceeds its overall market share. The volume of loans by original amount regardless of business size is good at: \$100 thousand or less – 49 percent; >\$100 thousand to \$250 thousand - 27 percent; and >\$250 thousand to \$1 million - 24 percent.

For the 2010-2011 time period, the bank's distribution of small loans to businesses with annual revenues of \$1 million or less is good. The percentage of small loans to businesses is lower than the percentage of businesses with annual revenues of \$1 million or less in the AA, but the bank's market share of loans to businesses with annual revenues of \$1 million or less is near to its overall market share. The volume of loans by original amount regardless of business size is good at: \$100 thousand or less - 61 percent; >\$100 thousand to \$250 thousand - 22 percent; and >\$250 thousand to \$1 million - 17 percent.

Small Loans to Farms

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

A distribution analysis of small loans to farms by revenue is not meaningful. Small loans to farm represented less than 1 percent of loan originations in the four AAs during the evaluation period. The table is provided for informational purposes only.

Community Development Lending

Refer to Table 1 Lending Volume in Appendix C for the facts and data used to evaluate the bank's level of CD 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 multifamily loans, including those that also qualify as CD loans. Table 5 does not separately list CD loans; however, INB makes an adequate level of CD loans in its AAs. INB originated two CD loans totaling \$4.2 million during the evaluation period. These loans originated in the Hidalgo County AA. The two CD loans were for the construction of commercial developments and support permanent job creation, retention and/or improvement in moderate-income geographies. This had a positive impact on the overall Lending Test conclusions.

Product Innovation and Flexibility

The bank currently does not have any innovative or flexible lending products; however, this did not have a negative effect on the bank's lending test performance.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Lending Test in the El Paso County, Cameron County, and Webb County AAs is not inconsistent with the bank's overall "High Satisfactory" performance under the Lending Test. Refer to Table 15 in Appendix C for the facts and data that support these conclusions.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Investment Test is rated "Low Satisfactory". Based on full-scope reviews, the bank's performance in the Hidalgo County AA is adequate. Qualifying investments demonstrate responsiveness to meeting identified credit and community development needs in the AAs of the bank.

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

A total of \$14.4 million in current period investments, donations, or grants were made during the evaluation period. The number and dollar volume of INB's qualified investments is adequate in view of existing opportunities to make qualifying investments in its AAs. INB purchased four Government National Mortgage Association (GNMA) mortgage-backed bond pools in the current period. All four have as underlying collateral, loans to purchase or refinance single-family homes. All qualify as CD investments because the loans are either to low- or moderate-income individuals or in low- or moderate-income areas. Of the total investment of \$14.4 million, \$3.3 million or 23 percent of loan dollars are in the bank's designated AAs. The remaining \$11.1 million in loans were made in other Texas counties and are listed collectively in Table 14 on the line labeled, Broader Statewide Area.

Prior period investments, totaling \$7.8 million (book value), in GNMA mortgage-backed bond pools were maintained through September 2011, when they were sold. These prior period investments had as underlying collateral, loans to purchase or refinance single-family homes. All qualified as CD investments because the loans are either to low- or moderate-income individuals or in low- or moderate-income areas. Opportunities for qualifying investments in the bank's AA is limited and challenging, especially in view of the downturn in mortgage lending over the past several years.

Conclusions for Area Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Investment Test in the Cameron County AA, El Paso County AA, and Webb County AA is not inconsistent with the bank's overall "Low Satisfactory" performance under the Investment Test.

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Service Test is rated "Low Satisfactory". Based on full-scope reviews, the bank's performance in the Hidalgo County AA is adequate.

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.

The service delivery systems in the Hidalgo County AA are reasonably accessible to geographies and individuals of different income levels. INB has a total of 18 banking offices with 13 of these offices (including the main office) located in the Hidalgo County AA. The bank has one branch in a moderate-income geography, which is 8 percent of the total branches in the Hidalgo County AA. Consideration was given as several branches located in middle-income geographies are adjacent and readily accessible to residents of neighboring moderate-income census tracts. This improves overall accessibility by the residents of those moderate-income tracts. There is only one low-income geography in the Hidalgo County AA.

Bank hours are consistent for all locations in the AA. Bank hours are convenient in the Hidalgo County AA based on hours of operation on Saturdays for lobbies and motor bank facilities. INB lobbies and motor banks are open for business on Saturdays. INB Express Banking Centers are open from 11:00 a.m. until 4:00 p.m. on Sundays, when most competing institutions are not open.

Alternative Delivery Systems

The distribution of ATMs provides reasonable access to bank products and services. The bank's ATM network includes 37 INB-owned ATMs, of which 24 are located in Hidalgo County. One ATM is located in a moderate-income census tract, which represents 4 percent of the ATMs in the Hidalgo County AA. The ATM network includes no charge ATM access in all 50 states and Mexico. Customers have access to over 61,00 no charge ATMs via any INB, GFNorte, or Allpoint ATMs. Alternative delivery systems also include 24-Hour phone banking, Internet banking, and bank by mail. All of these services are available in English and Spanish. Through the bank's website, customers can access information regarding their checking, savings, and loan balances, transfer funds, view and print their statements, view their imaged checks, pay bills, and communicate with the bank via e-mail. Customers can also sign up for electronic statement delivery service, which includes an email alert system for the availability of statements and allows customers to save their statements to their own personal computers. No data was available to determine the effect of these services on low- and moderate-income individuals or areas, or small businesses; therefore, these were not key considerations in determining the level of benefit to low- or moderate-income individuals or areas, or small businesses.

Opening and Closing of Branches

There have been no changes in the branching structure since the last examination with the exception of the Lee Trevino Banking Center in El Paso relocating from 2828 Lee Trevino to 1790 Lee Trevino. No branches were closed.

Other Retail Banking Services

The bank offers a variety of loan and deposit products at its many locations. Examples of the products and services that could benefit low- or moderate-income individuals due to their low-cost nature are described below.

Express Checking - This account requires a low initial deposit of \$50 to open and are assessed a \$5 monthly service fee. Unlimited check writing, checks are imaged, and no per item fees apply.

GreenScene Checking - This account must use electronic transactions and receive electronic statements. Customers don't spend any money on purchasing boxes of checks with this account. No monthly charge to customers as long as account requirements are met.

Community Development Services

INB's performance in the Hidalgo County AA is adequate. The bank has provided an adequate level of qualifying CD services. Overall CD services reflect INB's responsiveness and continued commitment to its assessment areas, especially in the area of affordable housing. Several bank officers provide financial technical assistance through leadership roles of Board members, directors, or committee chairpersons to organizations whose primary purpose is community development. Examples of these organizations, include, but are not limited to:

City of McAllen Community Development Block Grant Program (CDBG) - The CDBG program reviews grant applications for low-income housing, city construction projects, and social service agencies. The CDBG also ensures that allocated federal funds are used to serve low- and moderate-income individuals and families.

Affordable Homes of South Texas, Inc. - For over 37 years, Affordable Homes of South Texas, Inc., a 501 C (3) community based non-profit organization, has placed thousands of underserved families in affordable homes, enhancing the quality of life of eligible families in the Rio Grande Valley.

McAllen Economic Development Corporation - A non-profit corporation dedicated to promoting and improving the economic development of the MSA.

The El Paso County Revolving Loan Fund (RLF) - A federally funded loan pool created by the US Department of Housing and Urban Development (HUD). The primary goals of the RLF are to create and retain jobs and to expand and diversify the economic base of El Paso County. At least 60 percent of new jobs created must be filled by employees who, upon hiring, have a family income below El Paso County's moderate-income limits provided by HUD.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Service Test in the Cameron County AA is not inconsistent with the bank's overall "Low Satisfactory" performance under the Service Test. In the El Paso County AA, the bank's performance is stronger than the bank's overall performance because of a good branch distribution. In the Webb County AA, the bank's performance is weaker than the bank's overall performance because of a less than adequate branch distribution. Refer to Table 15 in Appendix C for the facts and data that support these conclusions.

Appendix A: Scope of Examination

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

Time Period Reviewed	Lending Test (excludes CD Loans): (01/01/10 to 12/31/13) Investment and Service Tests and CD Loans: (03/30/10 to 03/31/13)	
Financial Institution	Products Reviewed	
Inter National Bank McAllen, Texas	HMDA, CRA, Community Development Loans, Community Development Investments, and Community Development Services	
Affiliate(s)	Affiliate Relationship	Products Reviewed
We did not review any affiliate activities.	N/A	N/A
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Hidalgo County AA El Paso County AA Cameron County AA Webb County AA	Full Scope Limited Scope Limited Scope Limited Scope	McAllen-Edinburg-Mission MSA #32580 El Paso MSA # 21340 Brownsville-Harlingen MSA #15180 Laredo MSA # 29700

Appendix B: Market Profiles for Full-Scope Areas

Hidalgo County AA – MSA 32580 McAllen-Edinburg-Mission

MSA 32580-McAllen-Edinburg-Mission MSA

Demographic Information for Full Scope Area: MSA 32580-McAllen-Edinburg-Mission MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	113	0.88	30.97	42.48	23.89	1.77
Population by Geography	774,769	0.68	32.44	41.25	25.24	0.38
Owner-Occupied Housing by Geography	145,896	0.59	28.50	42.22	28.69	0.00
Business by Geography	47,711	0.19	23.33	36.21	40.20	0.07
Farms by Geography	864	0.12	27.66	32.87	39.35	0.00
Family Distribution by Income Level	170,503	25.27	15.52	16.77	42.44	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	69,554	1.19	41.13	43.14	14.54	0.00
Median Family Income HUD Adjusted Median Family Income for 2011 Households Below Poverty Level		34,106 33,700 32%	Median Housing Value Unemployment Rate (2010 US Census)		76,926 3.80%	

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

Source: 2010 US Census and 2011 HUD updated MFI

Demographic Information for Full Scope Area: MSA 32580-McAllen-Edinburg-Mission MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	80	0.00	28.75	47.50	23.75	0.00
Population by Geography	569,463	0.00	29.73	48.29	21.98	0.00
Owner-Occupied Housing by Geography	114,570	0.00	27.56	48.45	23.99	0.00
Business by Geography	45,444	0.00	19.99	42.50	37.51	0.00
Farms by Geography	768	0.00	15.50	51.30	33.20	0.00
Family Distribution by Income Level	133,186	23.49	16.86	17.67	41.98	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	53,733	0.00	37.97	48.96	13.07	0.00
Median Family Income HUD Adjusted Median Family Income for 2009 Households Below Poverty Level		25,988 32,000 32%	Median Housing Value Unemployment Rate (2000 US Census)		49,916 4.33%	

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

Source: 2000 US Census and 2009 HUD updated MFI

The Hidalgo County AA is also known as the McAllen-Edinburg-Mission MSA. The defined AA meets the requirements of the CRA and does not arbitrarily exclude any low- or moderate-income tracts. There is only one low-income census tract in this MSA. Major cities are McAllen, Edinburg, Mission, Pharr, and Weslaco. These cities are located essentially adjacent to each other along State Highway 83. There are several other smaller cities located mainly along State Highway 83. The median housing price was \$113,700 in 2013 with an average sale price of \$134,000 according to the Real Estate Center at Texas A&M University.

INB's main competitors in the AA include: other large community banks including Lone Star National Bank and PlainsCapital Bank; branches of multinational and regional banking companies such as BBVA-Compass, Wells Fargo, International Bank of Commerce, Frost Bank, and JP Morgan Chase Bank; and several smaller community banks. At June 30, 2013, Hidalgo County AA deposits account for 75 percent of total deposits.

Of the total HMDA, CRA, and CD loans reported during the evaluation period January 1, 2010 to December 31, 2011, 87 percent of the number and 82 percent of the dollars were made in this AA. In addition, for the evaluation period January 1, 2012 to December 31, 2013, 76 percent of the number and 71 percent of the dollars were made in this AA. The bank operates 13 full service branches and 24 ATMs in the Hidalgo County AA. INB offers a full-range of banking products and services in this AA with particular emphasis on commercial real estate loans, commercial loans, small business loans, and residential mortgage loans.

The McAllen metropolitan area is one of the fastest growing areas in Texas and the nation. That growth made McAllen the second largest residential center along the border after El Paso. McAllen is the retail center of South Texas and Northern Mexico, drawing from a consumer base of over 8.2 million people. The retail sector has become the driving force in McAllen's economy, growing 138 percent over the last 10 years, to over \$ 3.6 billion and employing 27 percent of the workforce. The Milken Institute rating of the best performing MSAs in 2013 ranks the McAllen-Edinburg-Mission MSA 59th as the best among the 200 largest MSAs. The job growth rate over the past year (2013) has been 4.4%. Home building has been flat to declining for three straight years now; however, the November and December 2013 permit totals were up by 15 percent and 19 percent, respectively, compared to the same months in 2012.

Economic conditions reflect positive trends with strong population growth and low cost of living. However, high poverty rates, rising business costs, and extremely low per capita income continues to impact economic growth. Leading industries include medical services/hospitals, local school districts and colleges, and HEB Grocery Stores.

According to the U.S. Department of Labor, Bureau of Labor Statistics, the MSA reported an annual unemployment rate of 10.8 percent as of December 31, 2013, a slight decrease from the 12.1 percent for 2011. The state annual unemployment rate was 6 percent for 2013, also a slight decrease compared to the 7.4 percent rate for 2011, which is a reflection of economic conditions nationwide. For February 2014, the MSA's unemployment rate declined slightly to 10.3 percent, as did the state unemployment rate, which declined to 5.7 percent.

Market data on HMDA lending indicates there is a lower than average demand for purchase money mortgage loans in the bank's trade area. The high level of families below the poverty level coupled with the high unemployment rate, median home sales price, and average sales price of a home, means many cannot qualify for home mortgage loans without financial assistance.

Hidalgo County has a good level of CD opportunities. One community contact was made in the McAllen-Edinburg-Pharr MSA, with an organization that administers federally funded housing programs for low- and moderate-income households. The contact indicated that affordable housing was a major need in Hidalgo County. The contact related that banks could play a larger role in helping to meet the need for affordable housing. Because of only limited-scope reviews of El Paso County AA, Cameron County AA, and the Webb County AA, no contacts were performed for those areas.

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/AA; (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 (3) Partially geocoded loans are included in the Total Loans and % Bank Loans Column in Core Tables 8 through 12. Tables without data are not included in this Performance Evaluation.

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/AA. CD loans to statewide or regional entities or made outside the bank’s AA may receive positive CRA consideration. See Interagency Q&As - 12 (i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans. Refer to the CRA section of the Compliance Policy intranet page for guidance on table placement.

Table 2. Geographic Distribution of Home Purchase Loans - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.

Table 3. Geographic Distribution of Home Improvement Loans - See Table 2.

Table 4. Geographic Distribution of Home Mortgage Refinance Loans - See Table 2.

Table 5. Geographic Distribution of Multifamily Loans - Compares the percentage distribution of the number of multifamily loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of multifamily housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.

Table 6. Geographic Distribution of Small Loans to Businesses - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small business data are not

available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's AA.

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 AA.

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/AA. 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 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 AA. 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.

Institution ID: INTER NATIONAL BANK (10000018480) (Included)

Table 1. Lending Volume

LENDING VOLUME		Geography: TEXAS				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013						
Assessment Area (2011):	% 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:												
MSA 32580-McAllen-Edinburg-Mission MSA	76.00	121	22,678	462	89,878	4	400	2	4,250	589	117,206	74.87%
Limited Review:												
MSA 15180-Brownsville-Harlingen	7.74	20	10,053	40	6,156	0	0	0	0	60	16,209	1.23%
MSA 21340-El Paso	11.23	11	4,543	74	10,868	2	160	0	0	87	15,571	21.88%
MSA 29700-Laredo	5.03	11	8,762	28	6,656	0	0	0	0	39	15,418	1.73%

* Loan Data as of December 31, 2013. Rated area refers to either state or multi-state MA rating area.

** The evaluation period for Community Development Loans is from January 01, 2010 to December 31, 2013.

*** Deposit Data as of June 30, 2013. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Institution ID: INTER NATIONAL BANK (10000018480) (Included)

Table 1. Lending Volume

LENDING VOLUME												
Geography: TEXAS												
Evaluation Period: JANUARY 1, 2010 TO DECEMBER 31, 2011												
Assessment Area (2011):	% 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:												
MSA 32580-McAllen-Edinburg-Mission	87.00	239	31,518	616	92,609	8	516	0	0	863	124,643	80.97
Limited Review:												
MSA 15180-Brownsville-Harlingen	5.34	20	4,770	33	8,557	0	0	0	0	53	13,327	1.39
MSA 21340-El Paso	7.26	13	2,071	59	10,821	0	0	0	0	72	12,892	15.48
MSA 29700-Laredo	0.40	1	179	3	965	0	0	0	0	4	1,144	2.16

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

** The evaluation period for Community Development Loans is from January 01, 2010 to December 31, 2013.

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

Institution ID: INTER NATIONAL BANK (10000018480) (Included)

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE		Geography: TEXAS				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013						Market Share (%) by Geography*				
Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Over all	Low	Mod	Mid	Upp	
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans						
Full Review:																
MSA 32580-McAllen-Edinburg-Mission MSA	82	82.00	0.59	0.00	28.50	12.20	42.22	32.93	28.69	54.88	1.01	0.00	0.96	1.04	1.00	
Limited Review:																
MSA 15180-Brownsville-Harlingen	12	12.00	0.98	0.00	23.63	0.00	47.56	33.33	27.84	66.67	0.23	0.00	0.00	0.18	0.35	
MSA 21340-El Paso	2	2.00	1.70	0.00	28.43	0.00	31.58	0.00	38.29	100.00	0.02	0.00	0.00	0.00	0.05	
MSA 29700-Laredo	4	4.00	1.84	0.00	26.58	0.00	36.11	0.00	35.47	100.00	0.00	0.00	0.00	0.00	0.00	

* Based on 2012 Peer Mortgage Data (USPR)

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

*** Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

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

Institution ID: INTER NATIONAL BANK (10000018480) (Included)

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE		Geography: TEXAS				Evaluation Period: JANUARY 1, 2010 TO DECEMBER 31, 2011						Market Share (%) by Geography ¹				
Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Over all	Low	Mod	Mid	Upp	
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans						
Full Review:																
MSA 32580-McAllen-Edinburg-Mission	211	87.55	0.00	0.00	27.56	10.43	48.45	45.02	23.99	44.55	2.22	0.00	1.60	2.21	2.38	
Limited Review:																
MSA 15180-Brownsville-Harlingen	18	7.47	0.87	11.11	21.06	0.00	43.90	22.22	34.18	66.67	0.34	1.16	0.00	0.22	0.42	
MSA 21340-El Paso	11	4.56	0.92	0.00	26.70	9.09	34.90	45.45	37.48	45.45	0.10	0.00	0.00	0.15	0.06	
MSA 29700-Laredo	1	0.41	0.12	0.00	34.45	0.00	33.06	0.00	32.37	100.00	0.05	0.00	0.00	0.00	0.07	

¹ Based on 2011 Peer Mortgage Data (USPR)

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

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

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

Institution ID: INTER NATIONAL BANK (10000018480) (Included)

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT		Geography: TEXAS				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013					Market Share (%) by Geography*				
Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans					
Full Review:															
MSA 32580-McAllen-Edinburg-Mission MSA	1	50.00	0.59	0.00	28.50	0.00	42.22	100.00	28.69	0.00	0.27	0.00	0.00	0.77	0.00
Limited Review:															
MSA 15180-Brownsville-Harlingen	0	0.00	0.98	0.00	23.63	0.00	47.56	0.00	27.84	0.00	0.00	0.00	0.00	0.00	0.00
MSA 21340-El Paso	1	50.00	1.70	0.00	28.43	0.00	31.58	100.00	38.29	0.00	0.00	0.00	0.00	0.00	0.00
MSA 29700-Laredo	0	0.00	1.84	0.00	26.58	0.00	36.11	0.00	35.47	0.00	0.00	0.00	0.00	0.00	0.00

* Based on 2012 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 2010 Census information.

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

Institution ID: INTER NATIONAL BANK (10000018480) (Included)

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT		Geography: TEXAS				Evaluation Period: JANUARY 1, 2010 TO DECEMBER 31, 2011						Market Share (%) by Geography*				
Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans						
Full Review:																
MSA 32580-McAllen-Edinburg-Mission	13	100.00	0.00	0.00	27.56	0.00	48.45	46.15	23.99	53.85	1.98	0.00	0.00	1.26	4.55	
Limited Review:																
MSA 15180-Brownsville-Harlingen	0	0.00	0.87	0.00	21.06	0.00	43.90	0.00	34.18	0.00	0.37	0.00	0.00	0.00	0.88	
MSA 21340-El Paso	0	0.00	0.92	0.00	26.70	0.00	34.90	0.00	37.48	0.00	0.00	0.00	0.00	0.00	0.00	
MSA 29700-Laredo	0	0.00	0.12	0.00	34.45	0.00	33.06	0.00	32.37	0.00	0.00	0.00	0.00	0.00	0.00	

* Based on 2011 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)

Institution ID: INTER NATIONAL BANK (10000018480) (Included)

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE			Geography: TEXAS				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013					Market Share (%) by Geography*				
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans						
Full Review:																
MSA 32580-McAllen-Edinburg-Mission MSA	25	71.43	0.59	0.00	28.50	4.00	42.22	56.00	28.69	40.00	0.12	0.00	0.00	0.32	0.05	
Limited Review:																
MSA 15180-Brownsville-Harlingen	6	17.14	0.98	0.00	23.63	0.00	47.56	16.67	27.84	83.33	0.04	0.00	0.00	0.00	0.09	
MSA 21340-El Paso	4	11.43	1.70	0.00	28.43	25.00	31.58	0.00	38.29	75.00	0.00	0.00	0.00	0.00	0.00	
MSA 29700-Laredo	0	0.00	1.84	0.00	26.58	0.00	36.11	0.00	35.47	0.00	0.00	0.00	0.00	0.00	0.00	

* Based on 2012 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 2010 Census information.

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

Institution ID: INTER NATIONAL BANK (10000018480) (Included)

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE			Geography: TEXAS				Evaluation Period: JANUARY 1, 2010 TO DECEMBER 31, 2011					Market Share (%) by Geography*				
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans						
Full Review:																
MSA 32580-McAllen-Edinburg-Mission	10	71.43	0.00	0.00	27.56	30.00	48.45	40.00	23.99	30.00	0.07	0.00	0.00	0.09	0.07	
Limited Review:																
MSA 15180-Brownsville-Harlingen	2	14.29	0.87	0.00	21.06	0.00	43.90	50.00	34.18	50.00	0.00	0.00	0.00	0.00	0.00	
MSA 21340-El Paso	2	14.29	0.92	0.00	26.70	0.00	34.90	50.00	37.48	50.00	0.02	0.00	0.00	0.00	0.03	
MSA 29700-Laredo	0	0.00	0.12	0.00	34.45	0.00	33.06	0.00	32.37	0.00	0.00	0.00	0.00	0.00	0.00	

* Based on 2011 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)

Institution ID: INTER NATIONAL BANK (10000018480) (Included)

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY		Geography: TEXAS				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013						Market Share (%) by Geography*				
Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% of MF Units***	% BANK Loans****	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans						
Full Review:																
MSA 32580-McAllen-Edinburg-Mission MSA	13	50.00	0.90	0.00	19.04	7.69	36.51	38.46	43.55	53.85	8.33	0.00	12.50	0.00	16.67	
Limited Review:																
MSA 15180-Brownsville-Harlingen	2	7.69	2.73	0.00	20.10	0.00	35.34	100.00	41.83	0.00	0.00	0.00	0.00	0.00	0.00	
MSA 21340-El Paso	4	15.38	11.85	25.00	34.01	75.00	28.74	0.00	25.40	0.00	4.44	0.00	9.52	0.00	0.00	
MSA 29700-Laredo	7	26.92	1.50	14.29	23.41	28.57	40.99	14.29	34.10	42.86	19.05	0.00	16.67	0.00	42.86	

* Based on 2012 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 2010 Census information.

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

Institution ID: INTER NATIONAL BANK (10000018480) (Included)

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY		Geography: TEXAS				Evaluation Period: JANUARY 1, 2010 TO DECEMBER 31, 2011						Market Share (%) by Geography*				
Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% of MF Units***	% BANK Loans****	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans						
Full Review:																
MSA 32580-McAllen-Edinburg-Mission	5	100.00	0.00	0.00	11.56	0.00	31.77	40.00	56.67	60.00	6.90	0.00	0.00	8.33	7.69	
Limited Review:																
MSA 15180-Brownsville-Harlingen	0	0.00	2.93	0.00	15.31	0.00	19.84	0.00	61.92	0.00	0.00	0.00	0.00	0.00	0.00	
MSA 21340-El Paso	0	0.00	11.43	0.00	31.34	0.00	26.23	0.00	31.00	0.00	0.00	0.00	0.00	0.00	0.00	
MSA 29700-Laredo	0	0.00	2.50	0.00	18.94	0.00	41.52	0.00	37.04	0.00	0.00	0.00	0.00	0.00	0.00	

* Based on 2011 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.

Institution ID: INTER NATIONAL BANK (10000018480) (Included)

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES		Geography: TEXAS					Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013					Market Share (%) by Geography*				
Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans						
Full Review:																
MSA 32580-McAllen-Edinburg-Mission MSA	462	76.49	0.19	0.00	23.33	16.45	36.21	39.83	40.20	43.72	2.90	0.00	2.65	3.41	3.19	
Limited Review:																
MSA 15180-Brownsville-Harlingen	40	6.62	4.06	0.00	28.36	15.00	36.83	40.00	30.48	45.00	0.44	0.00	0.19	0.44	0.77	
MSA 21340-El Paso	74	12.25	7.11	10.81	28.60	45.95	27.31	5.41	36.30	37.84	0.48	0.75	0.68	0.16	0.52	
MSA 29700-Laredo	28	4.64	0.93	0.00	22.97	21.43	30.84	7.14	45.10	71.43	0.44	0.00	0.26	0.28	0.64	

* Based on 2012 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 (2013).

Institution ID: INTER NATIONAL BANK (10000018480) (Included)

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES		Geography: TEXAS					Evaluation Period: JANUARY 1, 2010 TO DECEMBER 31, 2011					Market Share (%) by Geography*				
Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% of Business ^{s***}	% BANK Loans	% of Business ^{s***}	% BANK Loans	% of Business ^{s***}	% BANK Loans	% of Business ^{s***}	% BANK Loans						
Full Review:																
MSA 32580-McAllen-Edinburg-Mission	616	86.64	0.00	0.00	19.10	21.10	40.58	37.34	40.32	41.56	3.68	0.00	4.98	3.92	3.40	
Limited Review:																
MSA 15180-Brownsville-Harlingen	33	4.64	2.78	0.00	21.94	18.18	34.70	27.27	40.58	54.55	0.48	0.00	0.48	0.42	0.59	
MSA 21340-El Paso	59	8.30	6.19	8.47	26.37	23.73	28.59	20.34	38.85	47.46	0.30	0.60	0.27	0.24	0.30	
MSA 29700-Laredo	3	0.42	4.33	0.00	18.94	0.00	21.74	0.00	54.99	100.00	0.09	0.00	0.00	0.00	0.10	

* Based on 2011 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 (2011).

Institution ID: INTER NATIONAL BANK (10000018480) (Included)

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS		Geography: TEXAS					Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013					Market Share (%) by Geography*				
Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans						
Full Review:																
MSA 32580-McAllen-Edinburg-Mission MSA	4	66.67	0.12	0.00	27.66	0.00	32.87	0.00	39.35	100.00	5.50	0.00	6.67	5.41	5.13	
Limited Review:																
MSA 15180-Brownsville-Harlingen	0	0.00	0.53	0.00	14.89	0.00	49.65	0.00	34.75	0.00	1.33	0.00	0.00	2.22	0.00	
MSA 21340-El Paso	2	33.33	3.76	0.00	32.08	100.00	26.19	0.00	37.97	0.00	3.85	0.00	0.00	0.00	11.11	
MSA 29700-Laredo	0	0.00	0.41	0.00	14.52	0.00	29.88	0.00	55.19	0.00	0.00	0.00	0.00	0.00	0.00	

* Based on 2012 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 (2013).

Institution ID: INTER NATIONAL BANK (10000018480) (Included)

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS		Geography: TEXAS					Evaluation Period: JANUARY 1, 2010 TO DECEMBER 31, 2011					Market Share (%) by Geography*				
Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans						
Full Review:																
MSA 32580-McAllen-Edinburg-Mission	8	100.00	0.00	0.00	16.41	25.00	46.52	62.50	37.07	12.50	10.39	0.00	10.53	15.38	8.70	
Limited Review:																
MSA 15180-Brownsville-Harlingen	0	0.00	1.09	0.00	8.21	0.00	54.20	0.00	36.50	0.00	0.00	0.00	0.00	0.00	0.00	
MSA 21340-El Paso	0	0.00	3.22	0.00	32.85	0.00	25.12	0.00	38.81	0.00	0.00	0.00	0.00	0.00	0.00	
MSA 29700-Laredo	0	0.00	2.02	0.00	14.57	0.00	24.70	0.00	58.70	0.00	0.00	0.00	0.00	0.00	0.00	

* Based on 2011 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 (2011).

Institution ID: INTER NATIONAL BANK (10000018480) (Included)

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: TEXAS				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013						Market Share ¹				
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 ₁	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****						
Full Review:																
MSA 32580-McAllen-Edinburg-Mission MSA	82	82.00	25.27	0.00	15.52	5.97	16.77	16.42	42.44	77.61	0.96	0.00	0.79	0.76	1.03	
Limited Review:																
MSA 15180-Brownsville-Harlingen	12	12.00	24.34	0.00	15.96	14.29	17.55	0.00	42.14	85.71	0.14	0.00	0.42	0.00	0.13	
MSA 21340-El Paso	2	2.00	23.57	0.00	17.04	0.00	17.75	0.00	41.64	100.00	0.02	0.00	0.00	0.00	0.04	
MSA 29700-Laredo	4	4.00	23.60	0.00	16.13	0.00	17.96	0.00	42.31	100.00	0.00	0.00	0.00	0.00	0.00	

* Based on 2012 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 2010 Census information.

**** As a percentage of loans with borrower income information available. No information was available for 21.0% 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)

Institution ID: INTER NATIONAL BANK (10000018480) (Included)

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: TEXAS					Evaluation Period: JANUARY 1, 2010 TO DECEMBER 31, 2011					Market Share*				
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 ²	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****						
Full Review:																
MSA 32580-McAllen-Edinburg-Mission	211	87.55	23.48	1.60	16.86	4.81	17.67	14.44	41.98	79.14	2.25	0.00	0.38	1.94	2.52	
Limited Review:																
MSA 15180-Brownsville-Harlingen	18	7.47	23.75	0.00	16.04	0.00	17.82	0.00	42.40	100.00	0.30	0.00	0.00	0.00	0.42	
MSA 21340-El Paso	11	4.56	22.11	0.00	17.46	10.00	18.92	0.00	41.51	90.00	0.06	0.00	0.00	0.00	0.10	
MSA 29700-Laredo	1	0.41	22.96	0.00	16.89	0.00	18.19	0.00	41.96	0.00	0.00	0.00	0.00	0.00	0.00	

* Based on 2011 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 12.9% 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)

Institution ID: INTER NATIONAL BANK (10000018480) (Included)

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT		Geography: TEXAS					Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013					Market Share*				
Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Families**	% BANK Loans****	% Families ³	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****						
Full Review:																
MSA 32580-McAllen-Edinburg-Mission MSA	1	50.00	25.27	0.00	15.52	0.00	16.77	0.00	42.44	100.00	0.31	0.00	0.00	0.00	0.43	
Limited Review:																
MSA 15180-Brownsville-Harlingen	0	0.00	24.34	0.00	15.96	0.00	17.55	0.00	42.14	0.00	0.00	0.00	0.00	0.00	0.00	
MSA 21340-EI Paso	1	50.00	23.57	0.00	17.04	0.00	17.75	0.00	41.64	100.00	0.00	0.00	0.00	0.00	0.00	
MSA 29700-Laredo	0	0.00	23.60	0.00	16.13	0.00	17.96	0.00	42.31	0.00	0.00	0.00	0.00	0.00	0.00	

* Based on 2012 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 2010 Census information.

**** As a percentage of loans with borrower income information available. No information was available for 0.0% 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)

Institution ID: INTER NATIONAL BANK (10000018480) (Included)

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT		Geography: TEXAS					Evaluation Period: JANUARY 1, 2010 TO DECEMBER 31, 2011					Market Share*				
Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Families**	% BANK Loans****	% Families ⁴	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****						
Full Review:																
MSA 32580-McAllen-Edinburg-Mission	13	100.00	23.48	0.00	16.86	0.00	17.67	0.00	41.98	100.00	0.64	0.00	0.00	0.00	0.97	
Limited Review:																
MSA 15180-Brownsville-Harlingen	0	0.00	23.75	0.00	16.04	0.00	17.82	0.00	42.40	0.00	0.00	0.00	0.00	0.00	0.00	
MSA 21340-EI Paso	0	0.00	22.11	0.00	17.46	0.00	18.92	0.00	41.51	0.00	0.00	0.00	0.00	0.00	0.00	
MSA 29700-Laredo	0	0.00	22.96	0.00	16.89	0.00	18.19	0.00	41.96	0.00	0.00	0.00	0.00	0.00	0.00	

* Based on 2011 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 69.2% of loans originated and purchased by bank.

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

Institution ID: INTER NATIONAL BANK (10000018480) (Included)

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE		Geography: TEXAS					Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013					Market Share [†]				
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Families***	% BANK Loans****	% Families ⁵	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****						
Full Review:																
MSA 32580-McAllen-Edinburg-Mission MSA	25	71.43	25.27	5.56	15.52	0.00	16.77	16.67	42.44	77.78	0.07	0.00	0.00	0.36	0.04	
Limited Review:																
MSA 15180-Brownsville-Harlingen	6	17.14	24.34	0.00	15.96	0.00	17.55	25.00	42.14	75.00	0.00	0.00	0.00	0.00	0.00	
MSA 21340-El Paso	4	11.43	23.57	0.00	17.04	0.00	17.75	0.00	41.64	100.00	0.00	0.00	0.00	0.00	0.00	
MSA 29700-Laredo	0	0.00	23.60	0.00	16.13	0.00	17.96	0.00	42.31	0.00	0.00	0.00	0.00	0.00	0.00	

[†] Based on 2012 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 2010 Census information.

**** As a percentage of loans with borrower income information available. No information was available for 28.6% of loans originated and purchased by bank.

⁵ Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Institution ID: INTER NATIONAL BANK (10000018480) (Included)

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE		Geography: TEXAS					Evaluation Period: JANUARY 1, 2010 TO DECEMBER 31, 2011					Market Share*				
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Families***	% BANK Loans****	% Families ⁶	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****						
Full Review:																
MSA 32580-McAllen-Edinburg-Mission	10	71.43	23.48	0.00	16.86	0.00	17.67	20.00	41.98	80.00	0.08	0.00	0.00	0.45	0.05	
Limited Review:																
MSA 15180-Brownsville-Harlingen	2	14.29	23.75	0.00	16.04	0.00	17.82	0.00	42.40	100.00	0.00	0.00	0.00	0.00	0.00	
MSA 21340-EI Paso	2	14.29	22.11	0.00	17.46	0.00	18.92	0.00	41.51	100.00	0.02	0.00	0.00	0.00	0.03	
MSA 29700-Laredo	0	0.00	22.96	0.00	16.89	0.00	18.19	0.00	41.96	0.00	0.00	0.00	0.00	0.00	0.00	

* Based on 2011 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 0.0% of loans originated and purchased by bank.

⁶ Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Institution ID: INTER NATIONAL BANK (10000018480) (Included)

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: TEXAS			Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013				
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:									
MSA 32580-McAllen-Edinburg-Mission MSA	462	76.49	70.32	38.10	49.35	27.27	23.38	2.90	3.21
Limited Review:									
MSA 15180-Brownsville-Harlingen	40	6.62	69.50	65.00	40.00	40.00	20.00	0.44	0.81
MSA 21340-El Paso	74	12.25	68.81	35.14	54.05	29.73	16.22	0.48	0.55
MSA 29700-Laredo	28	4.64	69.65	57.14	50.00	14.29	35.71	0.44	0.82

* Based on 2012 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 - 2013).

**** 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 45.70% of small loans to businesses originated and purchased by the bank.

Institution ID: INTER NATIONAL BANK (10000018480) (Included)

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: TEXAS			Evaluation Period: JANUARY 1, 2010 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:									
MSA 32580-McAllen-Edinburg-Mission	616	86.64	68.17	31.98	61.20	21.43	17.37	3.68	2.97
Limited Review:									
MSA 15180-Brownsville-Harlingen	33	4.64	67.57	45.45	27.27	36.36	36.36	0.48	0.45
MSA 21340-El Paso	59	8.30	63.44	23.73	61.02	18.64	20.34	0.30	0.24
MSA 29700-Laredo	3	0.42	66.09	33.33	66.67	0.00	33.33	0.09	0.00

* Based on 2011 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 - 2011).

**** 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 55.41% of small loans to businesses originated and purchased by the bank.

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Table 12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS		Geography: TEXAS			Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013				
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:									
MSA 32580-McAllen-Edinburg-Mission MSA	4	66.67	94.68	0.00	100.00	0.00	0.00	5.50	7.50
Limited Review:									
MSA 15180-Brownsville-Harlingen	0	0.00	96.63	0.00	0.00	0.00	0.00	1.33	3.03
MSA 21340-El Paso	2	33.33	95.91	100.00	100.00	0.00	0.00	3.85	10.00
MSA 29700-Laredo	0	0.00	96.68	0.00	0.00	0.00	0.00	0.00	0.00

* Based on 2012 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 - 2013).

**** 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 66.67% of small loans to farms originated and purchased by the bank.

Institution ID: INTER NATIONAL BANK (10000018480) (Included)

Table 12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS		Geography: TEXAS			Evaluation Period: JANUARY 1, 2010 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:									
MSA 32580-McAllen-Edinburg-Mission	8	100.00	93.51	75.00	87.50	12.50	0.00	10.39	7.69
Limited Review:									
MSA 15180-Brownsville-Harlingen	0	0.00	97.08	0.00	0.00	0.00	0.00	0.00	0.00
MSA 21340-El Paso	0	0.00	95.97	0.00	0.00	0.00	0.00	0.00	0.00
MSA 29700-Laredo	0	0.00	95.55	0.00	0.00	0.00	0.00	0.00	0.00

* Based on 2011 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 - 2011).

**** 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 25.00% of small loans to farms originated and purchased by the bank.

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Table 14. Qualified Investments

QUALIFIED INVESTMENTS									
			Geography: TEXAS		Evaluation Period: JANUARY 1, 2010 TO DECEMBER 31, 2013				
Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
MSA 32580-McAllen-Edinburg-Mission MSA	0	0	5	607	5	607	4.2	0	0
Limited Review:									
MSA 15180-Brownsville-Harlingen	0	0	4	313	4	313	2.17	0	0
MSA 21340-EI Paso	0	0	16	1,754	16	1,754	12.15	0	0
MSA 29700-Laredo	0	0	6	674	6	674	4.67	0	0
Broader Statewide Area			86	11,091	86	11,091	76.81		

* '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.

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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, 2010 TO DECEMBER 31, 2013									
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:																	
MSA 32580-McAllen-Edinburg-Mission MSA	74.87	13	72.22	0.00	7.69	46.15	46.15	0	0	0	0	0	0	0.68	32.44	41.25	25.24
Limited Review:																	
MSA 15180-Brownsville-Harlingen	1.23	1	5.56	0.00	0.00	0.00	100.00	0	0	0	0	0	0	1.86	28.20	47.90	22.03
MSA 21340-El Paso	21.88	3	16.66	0.00	33.33	0.00	66.67	0	0	0	0	0	0	3.86	32.18	32.26	31.70
MSA 29700-Laredo	1.73	1	5.56	0.00	0.00	0.00	100.00	0	0	0	0	0	0	2.36	30.71	38.44	28.49