



LARGE BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

Public Disclosure

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Community Reinvestment Act **Performance Evaluation**

MetroBank, National Association
Charter Number: 21017

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

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Overall CRA Rating

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

The following table indicates the performance level of **Metrobank, National Association** (“Metro”) with respect to the Lending, Investment, and Service Tests:

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

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

The major factors that support this rating include:

- Metro made a substantial majority of its Home Mortgage Disclosure Act (HMDA) loans, consumer loans and small loans to businesses inside the Assessment Areas (AAs).
- Metro's overall geographic distribution is excellent. The bank’s borrower distribution is good.
- The bank originated a significant number and dollar amount of community development loans during the review period, which have a positive impact on the Lending Test rating.
- The use of innovative and flexible loan products enhances the bank’s performance under the lending test.
- The bank has an excellent level of qualified community development investments given its resources and capacity.
- Service delivery systems are readily accessible to all geographies and individuals of different income levels in the AA.
- Community development services support the bank’s other community development efforts and address identified needs in the community. These services had a positive impact on the Service Test rating.

Definitions and Common Abbreviations

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Description of Institution

MetroBank, N.A. (Metro), with its main office in Houston, Texas, is wholly owned by MC Bancshares of Delaware, Inc., a one-bank holding company formed in 1998. Metro is an intrastate bank with 14 branches operating within the State of Texas. Advantage Finance, an accounts receivable factoring subsidiary, was closed during this evaluation period. The bank does not have any other operating subsidiaries that influence the bank's capacity to lend or invest in the community. Metro has not been involved in any merger or acquisition activity.

As of December 31, 2001, Metro reported total assets of \$744 million, and a Tier 1 Capital ratio of 8.36%. The loan to deposit ratio was 74.75%. The percentage of total assets represented by net loans was 65.11%. No legal, financial or other factors impede the bank's ability to help meet the credit needs in its assessment areas (AAs). The loan portfolio is comprised of 79% real estate loans, 19% commercial loans, and 2% consumer loans. Loans secured by commercial real estate represent the largest lending product. The real estate loan portfolio consists of 80% commercial loans, 15% construction-development loans, 2% multi-family and 2% 1-4 family residential loans.

Metro is a strong participant in the SBA Lending Program. Metro holds SBA preferred lender status and is consistently one of the top three lenders in the Houston AA. In fiscal year 2001, Metro was ranked 1st by volume and 2nd by number of loans in the Houston market. During the review period, the bank originated 291 loans totaling \$87.7 million under the program. This substantial volume of lending confirms Metro's commitment to provide small businesses with access to credit.

Metro has two stated AAs. The Houston AA consists of 631 census tracts (CTs) representing all of Fort Bend and Harris counties. The Dallas AA consists of Collin and Dallas counties and includes 463 CTs. The full-scope AA, which is Houston, is described in detail in the market profile section of this evaluation. As of June 30, 2001, approximately 87% of Metro's rated area deposits were in the Houston AA and 13% were in the Dallas AA. Of all reportable loans originated during the evaluation period, 82% were in the Houston AA.

Metro's deposit market share rank in the Houston AA is 13th (less than 1% of the market share) of 85 competitors. Local banking competition is aggressive and includes affiliates of large national banking companies, regional banks, numerous small community banks, credit unions, and non-bank financial service providers. The top five competitors in this market include: Bank of America, N.A., Bank One, N.A., Chase Manhattan Bank, Washington Mutual Bank, F.A., and Wells Fargo Bank Texas, N.A. Metro lists its major competitors as follows: Citizens National Bank of Texas, Riverway Bank, Sterling Bank, and Texas First National Bank.

We noted during the review of eight community contacts conducted in the AAs that many opportunities exist to participate in community development lending, investment and service activities. The primary needs identified by the community contacts are affordable housing, small business loans and technical assistance (financial education).

The bank's business strategy is to continue to serve small- and medium-sized owner-operated businesses and retail customers, with a focus on Asian and Hispanic communities. The primary lines of business are commercial/industrial, commercial mortgage, construction, residential mortgage brokerage, and government-guaranteed small business lending. Loans

to retail customers include residential mortgages, residential construction loans, auto loans, and personal lines of credit.

Metro's CRA performance was last evaluated on January 19, 1999, at which time the bank was rated "Satisfactory." A review of Office of the Comptroller of the Currency (OCC) records, as well as the bank's CRA Public File, did not reveal any complaints relating to the bank's CRA performance.

Scope of the Evaluation

Evaluation Period/Products Evaluated

This Performance Evaluation assesses the bank's performance under the Lending, Investment, and Service Tests. In evaluating the bank's lending performance, we reviewed Metro's residential mortgage loans, small business loans and consumer loans. The evaluation period under the Lending Test was January 1, 1999 through December 31, 2001.

For community development (CD) loans and the Investment and Service Tests, the evaluation period is January 19, 1999 through May 20, 2002. The Investment Test conclusions are based on an evaluation of investments, grants, and donations made in the bank's AAs that meet the definition of community development. The Service Test was evaluated based on branch distribution, hours of operation, branch openings and closings, alternative delivery systems, retail and commercial deposit and loan products and services, and community development services.

Data Integrity

Prior to this CRA examination, OCC personnel verified the accuracy of data made available to the public in accordance with the Home Mortgage Disclosure Act (HMDA) and the CRA regulation. Public data includes home mortgage lending and small loans to businesses and farms. In addition, non-public data that was submitted by Metro's management for consumer loans was verified for accuracy, and for CD loans, services and investments were reviewed to ensure they qualified as community development. Based on verification work performed, publicly reported lending data is considered accurate. All the data reported for the above categories were used in this evaluation.

Selection of Areas for Full-Scope Review

Metro has two AAs. The Houston AA was selected for full-scope review because this area is where the bank maintains a substantial share of its business; 87% of deposits and approximately 82% of reportable loans in the evaluation period. Additionally, the Houston AA is where the highest concentration of branches are located and Metro has a long history of serving this market. A limited-scope review was conducted in the Dallas AA. Please refer to the table in Appendix A for more information.

Ratings

The bank's overall rating is based primarily on those areas that received full-scope reviews. Small business lending was given the greatest weight under the lending test since it is the bank's primary business line, followed by home mortgage and consumer loans. We gave significantly less weight to small farm loans since this is not a primary business focus. More consideration was given to the bank's lending performance in the Houston AA. This is due to the higher volume of lending, especially small loans to businesses, which is one of the primary product lines at Metro.

Although consumer loans do not represent a substantial majority of the bank's lending activity they were evaluated at the bank's request. Table 13 details the Geographic and Borrower Distribution of Consumer Loans in the Public Evaluation.

The geographic distribution of multi-family loans and the geographic and borrower distribution of small loans to farms are not relevant due to the small volume of loans originated or purchased during the evaluation period. Therefore, an analysis of the geographic distribution of multi-family loans and the geographic and borrower distribution of small loans to farms has been eliminated from the Public Evaluation.

Other

We reviewed summaries of eight recent community contact interviews conducted in the Dallas and Houston AAs. Organizations contacted included several governmental agencies and entities involved in economic development as well as several non-profit organizations that provide services to the community. The contacts indicated a high level of community development opportunities and that the banks in the areas have been responsive in meeting community credit needs. The primary needs identified by the community contacts are affordable housing, small business loans and technical assistance (financial education).

Fair Lending Review

An analysis of the most recent 1999, 2000, and 2001 public comments and consumer complaint information, and Home Mortgage Disclosure Act (HMDA) log, small business and small farm lending data was performed according to the OCC's risk based fair lending approach. Based on its analysis of the information, the OCC decided that a comprehensive fair lending examination would not need to be conducted in connection with the CRA evaluation this year. The latest comprehensive fair lending examination was performed in January, 1999.

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 "Outstanding". Based primarily on the bank's performance in the Houston AA which received a full-scope review, the bank's performance is excellent.

Lending Activity

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

Metro's lending activity demonstrates good responsiveness to the credit needs of its AA considering its size, resources, and primary business focus.

In the Houston AA, approximately 31% of the number and 69% of the dollar amount of Metro's reported loans were small loans to businesses. Less than 6% of the number and 7% of the dollar amount were home mortgage-related loans. Approximately 60% of the number and 20% of the dollar amount were consumer loans. Among the home mortgage loans originated in the Houston AA, approximately 52% were for home purchase and 36% were for home improvement. Home mortgage refinance loans in the Houston AA were approximately 12%.

Metro has no significant deposit or loan market share of financial institutions in the AA, with less than 1% market share in each product category. However, the bank's loan market share is consistent with its deposit market share in a market of numerous lenders. Metro's loan-to-deposit ratio is similar to or higher than its competitors.

Distribution of Loans by Income Level of the Geography

The geographic distribution of Metro's home mortgage loans, consumer loans and small business loans is excellent.

Home Mortgage Loans

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

The overall geographic distribution of home mortgage loans is excellent. Generally, the bank's performance in low- and in moderate-income geographies is near to or above the percentage of owner-occupied units. The bank's market share in both low- and in moderate-income geographies is higher than its overall market share for all mortgage loan types.

Metro's home purchase geographic distribution is good. The percent of home purchase loan originations in low- and in moderate-income geographies is less than the percent of owner-occupied housing units in those geographies, but its market share in both geography categories exceeds its overall market share. The bank's ability to lend in low-income areas is affected by a low percent of owner-occupied units in those CTs.

Metro's refinance geographic distribution is good. Metro's percent of refinance loans in low-income geographies exceeds the percent of owner-occupied housing units in those geographies. Metro's percent of refinance loans in moderate-income geographies is substantially meets the percent of owner-occupied housing units in those geographies. Again, the bank's market share in low- and in moderate-income geographies exceeds its overall market share.

Metro's home-improvement geographic distribution is excellent. The percent of home-improvement loans in low- and in moderate-income geographies was substantially higher than the percent of owner-occupied housing units in those geographies, and the bank's market share in these geographies significantly exceeds its overall market share.

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.

The bank is primarily a small business lender, and the geographic distribution of small loans to businesses is excellent. Metro's percent of small loans to businesses in low- and in moderate-income geographies is substantially higher than the percent of businesses located in low-income geographies. The bank's market share for small loans to businesses in low- and in moderate-income geographies is significantly higher than its overall market share for this loan type.

Consumer Loans

Refer to Table 13 in appendix C for the facts and data used to evaluate the geographic distribution of the bank's consumer loan originations and purchases.

The geographic distribution of the bank's consumer loans is excellent. Metro's percent of consumer loans in low-income geographies exceeds the percentage of households in those geographies, which is also true in moderate-income geographies.

Lending Gap Analysis

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

Inside/Outside Ratio

This analysis was performed at the bank level and the AA level. A substantial majority of Metro's home mortgage loans and small loans to businesses were originated/purchased within its AAs. By product, the bank originated the following percentages of loans inside its AAs:

Loan Type	% Inside
Home Purchase	95
Refinance	78
Home Improvement	94
Consumer	88
Small Loans to Businesses	69
Overall	78

In the Houston AA, more than 90% of mortgage-related loans, and 70% of small loans to businesses, were made inside this AA. More than 95% of consumer loans were originated inside the Houston AA. This performance was positively factored in the overall analysis of the geographic distribution of lending.

Distribution of Loans by Income Level of the Borrower

The geographic distribution of Metro's home mortgage loans, consumer loans and small business loans is good.

Home Mortgage Loans

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

The overall distribution of home mortgage loans is good. The percent of the bank's home mortgage loans to low-income borrowers varies among products. The bank meets the needs of the community through home improvement lending. Its performance in home lending is positively affected by the bank’s financing of affordable multi-family housing projects (see Community Development Lending).

Metro's home purchase borrower distribution is good. The percent of home purchase loan originations to low-income borrowers is substantially less than the percent of low-income families in the AA, as is the bank’s market share to low-income borrowers. However, if the significant percentage (13%) of families living below the poverty level who do not qualify for home loans, is deducted from the low-income population, the bank’s percentage equals the demographic.

Metro's percent of home purchase loans to moderate-income borrowers exceeds the percent of moderate-income families in the AA, and the bank’s market share to moderate-income borrowers exceeds its overall market share.

The bank’s home-improvement borrower distribution is excellent. The percentage of bank loans to low-income borrowers is twice the population, and the bank’s market share to low-income borrowers is more than four times its overall market share. This excellent level of performance is accentuated by the limited home lending opportunities to low-income individuals discussed above. Metro's percent of home-improvement loans to moderate-income

borrowers is higher than the percent of moderate-income families in the AA, and its market share is near to its overall market share.

Metro's level of refinance loans is good. Metro's percent of refinance loan originations to low-income borrowers is less than the percent of low-income families in the AA. However, the same limited opportunities for lending to low-income persons considering the poverty level applies. Metro's percent of refinance loan originations to moderate-income borrowers is less than the percent of moderate-income families in the AA. However, the bank's market share to low-income borrowers exceeds its overall market share, and to moderate-income borrowers it is slightly above its overall market share.

There was no borrower income information available on multi-family loans originated.

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.

The borrower distribution of small loans to businesses is good. Metro's percent of loans to small businesses with revenues of \$1 million or less does not substantially meet the demographic data. The standard "substantially meets" is different from and higher than the standard that is used to judge the geographic distribution of small loans to businesses. However, the bank's market share of small loans to businesses significantly exceeds its overall market share. The Houston AA experiences intense loan competition. Also, 60% of the bank's small loans to businesses are originated in amounts of \$100 thousand or less.

Consumer Loans

Refer to Table 13 in appendix C for the facts and data used to evaluate the borrower distribution of the bank's consumer loan originations and purchases.

The borrower distribution of the bank's consumer loans is excellent. Metro's percent of consumer loans in low-income geographies significantly exceeds the percentage of households in those geographies, which is also true in moderate-income geographies.

Community Development Lending

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

CD lending has a positive impact on Lending Test conclusions. Metro's level of CD lending is excellent and enhances its overall excellent level of home mortgage lending in the Houston AA. During the evaluation period, Metro made a total of 103 CD loans totaling \$12.9 million representing 20.4% of Tier 1 capital as of December 31, 2001. Bank management and community contacts identified affordable housing, small business loans and technical assistance as pressing needs in the Houston AA. Metro demonstrated an excellent level of

responsiveness to the need for affordable housing with a large number of CD loans extended to builders who specialize in development and rehabilitation of affordable single family residences and multi-family dwellings in economically depressed low- and moderate-income geographies. For example, Metro originated 92 loans to builders to construct affordable single-family residences. The average loan to these builders is approximately \$73,400. One builder received 83 of these loans with an average loan size of \$73,900. Other significant CD loans include eight loans for the purchase and rehabilitation of affordable multi-family housing totaling \$3.7 million.

In an effort to increase community services targeted to small businesses and the low- and moderate-income population, Metro funded a \$1.6 million loan to a non-profit, Houston-based community development corporation to complete the build-out of a U. S. Post Office facility in a moderate income CT. Upon completion, low- and moderate-income residents in tract 0318.01 will have access to government services including mail receipt and shipment and financial products such as postal service money order purchases.

Product Innovation and Flexibility

The use of innovative and flexible loan products enhances the bank's performance under the lending test. Specifically, the bank offers commercial loan programs that support small businesses and provide non-traditional access to credit, including programs benefiting low- and moderate-income individuals and geographies.

Export-Import Bank of the United States (EXIM)

The EXIM guarantee program is available to support loans to create new jobs and output capacity for businesses involved in international trade. During the evaluation period, Metro originated 3 loans totaling \$1.3 million under the program.

Overseas Chinese Credit Guarantee Fund (OCCGF)

The OCCGF guarantee loan program provides a source of capital for small business owners of Chinese ancestry operating businesses in the United States. Metro uses the OCCGF program to make business start-up, expansion, and revolving credit loans of up to \$1 million when customers cannot qualify for traditional loans. The average loan size under the program is \$100,000, which is smaller than most SBA loans. During the evaluation period, Metro originated 7 loans totaling \$2.9 million.

Business and Industry (B&I) Program - USDA

In 1999, Metro participated in the Department of Agriculture's B&I Program which provides guarantees for loans that promote economic growth for towns in rural areas. Metro originated one loan in the amount of \$2 million to construct a hotel in Round Rock, TX.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's overall performance under the lending test in the Dallas AA is not inconsistent with the bank's "Outstanding" performance under the lending test. The bank has significantly less reportable loan volume in the Dallas AA, and loan percentages in the AA vary a great deal. However, the bank's consumer loan pattern, and its pattern of small loans to businesses, is not inconsistent with the bank's performance in the Houston AA. Refer to Tables 1 through 13 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 "Outstanding." Based on a full-scope review, Metro's performance in the Houston AA, given its financial capacity including its high level of CD loans, is excellent. There is strong competition in the Houston AA for qualified investments.

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

Qualifying investments are investments, deposits, membership shares or grants that have as their primary purpose community development, as defined in the CRA regulation. Although Metro's qualifying investments are not complex, the community investment fund described below is innovative and, all are beneficial to and meet identified needs in the Houston AA. The three qualified investments made during the evaluation period are detailed below. There were no grants, donations, or in-kind contributions that qualified for community development purposes. The bank had no investments from prior periods.

CRA Qualified Investment Fund

Metro invested \$2.1 million in an innovative CRA mutual fund with investments in the bank's AA. A portion of Metro's investment (\$1,250,000) was allocated to a Federal Housing Administration insured loan to finance an affordable multi-family housing project in Houston; 100% of the units receive Section 8 housing subsidies. CRA Fund Advisors also allocated \$800,000 of Metro's original investment toward the purchase of a taxable municipal security issued by the Harris County, Texas Housing Finance Corporation. This issue finances a 272-unit multi-family housing project in Houston that provides affordable housing for low-income persons. This fund is new to the area.

Bank of America Targeted Mortgage Pool

During the evaluation period, Metro purchased \$1.1 million in a mortgage-backed security from Bank of America, LLC. This is a custom-designed mortgage pool backed by mortgages to low- and moderate-income borrowers in the AA; 27.8% of the loans in the pool are in the Houston AA.

Access Capital Strategies Community Investment Fund, Inc. (ACSCIF)

ACSCIF is a non-diversified closed-end management investment company operating as a business development company. The fund primarily invests in private placement debt

securities specifically designed to support underlying community development activities targeted to low- and moderate-income individuals such as affordable housing, education, small business lending and job creation in communities designated by fund investors. Metro purchased a \$1 million interest in the fund that includes an investment in a mortgage pool backed by mortgages to low- and moderate-income borrowers in the Houston AA.

Conclusions for Area Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the investment test in the Dallas AA is weaker than the bank's overall "Outstanding" performance under the investment test. The bank has made no qualified investments in the Dallas AA. The bank's limited presence in Dallas has not provided management sufficient opportunities to identify or participate in qualified investments in the Dallas AA to date. Refer to Table 14 in appendix C for the facts and data that support these conclusions.

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Service Test is rated "Outstanding." Based on a full-scope review, the bank's performance in the Houston AA is good.

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 dispersion of branches throughout the AA and accessibility to products and services is excellent. The bank's delivery systems are readily accessible to essentially all geographies and individuals of different income levels in the Houston AA, and particularly to those in low- and moderate-income CTs. Metro operates 11 full-service offices (1 main office and 10 branches) in the Houston AA. The percentage of the bank's offices located in low- and moderate-income CTs exceeds the portion of the population located in these geographies. Approximately 18% of the bank's offices are located in low-income CTs, compared to 8% of the population that reside in these geographies. Offices located in moderate-income CTs represent 27% of the number of offices, in relation to 27% of the population. All offices are located on primary roadways, and are also easily accessible by Houston's expansive freeway systems.

Metro's record of opening and closing branches is good and has improved the accessibility of delivery systems, particularly in moderate-income geographies and to low- and moderate-income individuals. Three new branches were added in the Houston AA since the previous review. One new branch is located in a moderate-income CT. The addition of this branch increased banking services and product availability to a moderate-income geography and individuals. Metro has only closed one branch located in a moderate-income CT. However, it was on the 11th floor of an office building in the Galleria area of Houston and served the bank's private banking group. Closing this branch did not adversely affect any low- or moderate-income areas or the provision of service to any part of the bank's AA.

Eleven automated teller machines (ATMs) supplement the bank's Houston AA delivery system. The dispersion of the ATMs represents an excellent distribution across the AA, particularly in the low- and moderate-income CTs. Two ATMs, 18% of the total, are situated in low-income geographies where 8% of the population resides. Another 3 ATMs, 27% of the total, are located in moderate-income geographies where 27% of the population resides. All ATMs are available 24-hours a day, seven days a week. Automated services, including telephone menus and ATMs are available in five languages, Chinese, English, Korean, Spanish, and Vietnamese.

The bank focuses on the Asian and Hispanic markets within its AAs, as bank management believes strategically that these are market niches that have historically been underserved or ignored altogether. Products, services, and hours of operation are tailored to the needs of each community. Furthermore, the bank offers a staff that in the aggregate, speaks more than 40 dialects.

Metro's hours, services, and products offered do not vary in a way that inconveniences any portions of the assessment area, particularly low- and moderate-income CTs and individuals. Banking hours are consistent throughout the AA. The "standard" is 9AM to 6PM Monday through Friday, and 9AM to 1PM on Saturday. Some branches in west Houston are open 10AM to 6PM Monday through Friday, and 10AM to 4PM on Saturday. The Dulles branch in Sugarland, Texas, and the Boone branch on the west-end of Bellaire Boulevard, are also open on Sunday from 1PM to 5PM. Although these branches with extended Saturday and Sunday hours are located in an upper- and a middle-income CT, respectively, the Dulles branch is in a large grocery store that serves a significant number of low- and moderate-income individuals from the area. Extended walk-up and/or drive-in hours are available at all branches.

A variety of deposit and loan products, and business services, are available at all Metro branch locations. Several deposit products are responsive to the needs of low- or moderate-income individuals and small businesses. These products are not only targeted to low- and moderate-income individuals, but provide basic low cost banking products throughout the AA thereby increasing financial service access to low- and moderate-income (LMI) individuals.

EZ Checking

A checking account targeted to those who have limited check-writing needs. There is no opening deposit requirement or service fees assessed on this account. Account holders receive 10 free checks per cycle, unlimited ATM usage at all Metro ATM locations, and free 24-hour access to the bank's Telebank service.

Senior Citizens Checking

A checking account reserved for individuals who are 55 years of age or older. Similar to the EZ Checking account, there is no opening deposit requirement or monthly service fees assessed on this account. The account features unlimited check writing privileges and free ATM usage at all Metro ATM locations, discounts on checks, free check imaging with the monthly statement and free access to the bank's Telebank service.

Small Business Checking

An account for small to medium-size businesses with limited transactions. The account requires a \$100 opening deposit. Account holders are not assessed the monthly service fee if

a daily ledger balance of \$2,500 is maintained. Free check imaging with the monthly statement is available as well as free access to the bank's Telebank service.

Community Development Services

Metro provides a good level of community development services in the Houston AA and they had a positive impact on the Service Test rating assigned to the bank. The bank participates, and in several cases underwrites expenses for, events such as the Houston Minority Business Council Exposition, Advocate Legal Center financial workshop for senior citizens, home buyer seminars targeting low- to moderate-income families, and SBA business development forums. The bank also provides a host of other services targeted towards the AA at large or to programs designed to benefit specific ethnic groups or nationalities. Officers of the bank, including the bank's Chief Executive Officer, participate in numerous meetings with government agencies and economic development groups to identify community needs and CD opportunities.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on a limited-scope review, the bank's performance under the Service Test in the Dallas AA is not inconsistent with the bank's overall "Outstanding" performance under the Service Test. Approximately 33% of the bank's branches are located in a moderate-income CT where 26% of the population reside. The bank opened one branch in a middle-income geography during the evaluation period. No branches have been closed. 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 non-metropolitan areas that received comprehensive examination review (designated by the term “full-scope”) and those that received a less comprehensive review (designated by the term “limited-scope”).

Time Period Reviewed	Lending Test CD Loans; Investment and Service Tests	January 1, 1999 to December 31, 2001 January 19, 1999 to May 20, 2002
Financial Institution	Products Reviewed	
MetroBank, National Association	Home mortgage loans, small loans to businesses and consumer loans.	
Affiliate(s)	Affiliate Relationship	Products Reviewed
MC Bancshares of Delaware, Inc.	Holding Company	None
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Houston (Harris and Fort Bend Counties)	Full Scope	None
Dallas (Dallas and Collin Counties)	Limited Scope	None

Appendix B: Market Profiles for Full-Scope Areas

Houston Metropolitan Area

Demographic Information for Full-Scope Area: Houston Metropolitan Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	631	11.73	29.00	30.11	26.94	2.22
Population by Geography	3,043,620	8.49	27.01	32.95	31.55	0.00
Owner-Occupied Housing by Geography	587,006	5.31	20.90	32.83	40.97	0.00
Businesses by Geography	162,915	5.88	24.96	31.21	37.70	0.25
Farms by Geography	2,830	2.69	16.89	37.03	43.39	0.00
Family Distribution by Income Level	768,266	22.36	16.52	20.25	40.87	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	298,714	15.26	39.51	31.25	13.98	0.00
Median Family Income	36,886	Median Housing Value		\$75,587		
HUD Adjusted Median Family Income for 2001	59,600	Unemployment Rate		3.57%		
Households Below the Poverty Level	13.32%					

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 1990 U.S. Census, and 2001 HUD updated MFI.

The Houston AA consists of the Harris and Fort Bend Counties. The AA includes the major city of Houston and much of its surrounding areas. There are 631 CTs in the AA; 74 low-income, 183 moderate-income, 190 middle-income, and 170 upper-income. Approximately 14 CTs have not been assigned an income classification. The Houston AA comprises 87% of Metro's rated area deposits and 82% of all reportable loans originated in the evaluation period. Metro ranks as the 13th largest commercial bank in the Houston AA with less than 1% of the market share. Local banking competition is aggressive and includes affiliates of large national banking companies, regional banks, numerous small community banks, credit unions, and non-bank financial service providers. The top five competitors in this market include: Chase Manhattan Bank (35% market share), Bank of America, NA (10 % market share), Wells Fargo Bank Texas, NA (8% market share), Bank One, NA (6% market share), and Washington Mutual Bank, FA (6% market share). Metro operates 11 full service branches and 11 ATMs within the Houston AA.

Population

The population living in the Houston AA was 3,043,620 in 1990 and is projected to be 3,672,095 in 2000. The most dramatic population change is in the growth of the Hispanic population, increasing from 678,223 in 1990 to a projected 1,022,143 in 2000.

The Asian/Pacific Islander population also reflected a dramatic 74% increase from 120,591 in 1990 to 212,534 in 2000.

The number of families in the Houston AA was 768,266 in 1990 but is projected to be 905,739 in 2000, with 7% in low-income, 26% in moderate-income, 35% in middle-income, and 32% in upper-income geographies. The percentage of low-income families increased from 22% in 1990 to a projected 24% in 2000. The percentage of moderate-income families increased during the same time period from 17 to 20%. Middle-income families increased from 20 to 22%, and the percentage of upper-income families decreased from 41 to 34% of the population. The number of households in the AA is projected to have increased from 1,098,333 in 1990 to 1,325,650 in 2000, with 7% in low-income, 26% in moderate-income, 36% in middle-income, and 30% upper-income CTs, respectively. The percentage of low-income households is projected to have decreased from 23 to 22% in 2000. The percentage of moderate-income households is projected to have increased during the same time period from 16 to 17%. Middle-income households increased from 19 to 20% and upper-income households remained stable at 41% of the population.

Dwellings

In 1990, housing stock in the Houston AA was 1,250,833; with 32,712 being mobile homes or trailers. Fair market rents in Harris and Fort Bend Counties range from \$470 for efficiency to \$1,124 for a four-bedroom apartment.

Median Housing Price

The average housing price in Houston was \$153,500 during 2000, with 62% of the households being able to afford a median-priced home. In Fort Bend County, the average housing price was \$161,300 during 2000, with 80% of the households being able to afford the median priced home.

Employment

Harris and Fort Bend Counties reported relatively low unemployment rates of 4.4% in comparison to the State unemployment rate of 5.7%, at December 2001. In 2001, Dun & Bradstreet reported that there were 162,915 businesses in the Houston AA. Of these, 6% were in low-income, 25% were in moderate-income, 31% were in middle-income and 38% were in upper-income CTs, respectively. There were 138,412 businesses with gross annual revenues less than \$1 million. The two major industries in the Houston AA were services at 41% and retail trade at 21%.

Appendix C: Tables of Performance Data

Content of Standardized Tables

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

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

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

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

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

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

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

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

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

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

Table 1. Lending Volume

LENDING VOLUME												Geography: TEXAS		Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2001	
MA/Assessment Area:	% of Rated Area Loans (#) in MA/AA	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans **		Total Reported Loans		% of Rated Area Deposits in MA/AA ***			
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)				
Full Review: HOUSTON AA															
	81.75	223	20,068	1,222	200,441	2	227	103	12,941	1,550	233,677	86.79			
Limited Review: DALLAS AA															
	18.25	2	137	344	49,223	0	0	0	0	346	49,360	13.21			

* Loan Data as of December 31, 2001. Rated area refers to either the state or multi-state MA rating area.
 ** The evaluation period for Community Development Loans is [January 19, 1999 to May 20, 2002..
 *** Deposit Data as of June 31, 2001. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table 1. Other Products

LENDING VOLUME		Geography: TEXAS						Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2001						
MA/Assessment Area:	% of Rated Area Loans (#) in MA/AA	Total Optional Loans**		Small Business Real Estate Secured**		Home Equity**		Motor Vehicle**		Credit Card**		Other Secured Consumer**		% of Rated Area Deposits in AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
Full Review: HOUSTON AA														
	92.24	1,184	28,852	4	395	0	0	518	9,430	0	0	404	17,461	86.79
Limited Review: DALLAS AA														
	7.76	100	1,362	0	0	0	0	55	882	0	0	34	415	13.21

* Loan Data as of December 31, 2001. Rated area refers to either the state or multi-state MA rating area.
 ** The evaluation period for Optional Product Line(s) is From January 1, 1999 to December 31, 2001.
 *** Deposit Data as of June 30, 2001. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table 1. Other Products

LENDING VOLUME		Geography: TEXAS		Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2001	
MA/Assessment Area:	Other Unsecured Consumer Loans*		Other Optional Loans*		
	#	\$ (000's)	#	\$ (000's)	
Full Review: HOUSTON AA					
	258	1,566	0	0	
Limited Review: DALLAS AA					
	11	65	0	0	

(*)The evaluation period for Optional Product Line(s) is from January 1, 1999 to December 31, 2001.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE		Geography: TEXAS					Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2002					Market Share (%) by Geography*				
MA/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: HOUSTON AA																
	106	99.07	5.31	3.77	20.90	14.15	32.83	31.13	40.97	50.94	0.04	0.13	0.06	0.03	0.03	
Limited Review: DALLAS AA																
	1	0.93	4.35	0.00	19.22	0.00	37.83	100.00	38.60	0.00	0.00	0.00	0.00	0.00	0.00	

* Based on 2000 Peer Mortgage Data: Southwest region.

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

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

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT															
Geography: TEXAS															
Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2001															
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography [*]				
	#	% of Total ^{**}	% Owner Occ Units ^{***}	% BANK Loans	% Owner Occ Units ^{***}	% BANK Loans	% Owner Occ Units ^{***}	% BANK Loans	% Owner Occ Units ^{***}	% BANK Loans	Over all	Low	Mod	Mid	Upp
Full Review: HOUSTON AA															
	73	100.00	5.31	24.66	20.90	63.01	32.83	6.85	40.97	5.48	0.31	1.45	1.35	0.10	0.05
Limited Review: DALLAS AA															
	0	0.00	4.35	0.00	19.22	0.00	37.83	0.00	38.60	0.00	0.00	0.00	0.00	0.00	0.00

^{*} Based on 2000 Peer Mortgage Data: Southwest Region.

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

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

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE			Geography: TEXAS						Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2001						
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp
Full Review: HOUSTON AA															
	25	96.15	5.31	8.00	20.90	16.00	32.83	36.00	40.97	40.00	0.02	0.15	0.03	0.00	0.01
Limited Review: DALLAS AA															
	1	3.85	4.35	0.00	19.22	0.00	37.83	0.00	38.60	100.00	0.00	0.00	0.00	0.00	0.00

* Based on 2000 Peer Mortgage Data: Southwest Region.

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

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

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY		Geography: TEXAS					Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2001					Market Share (%) by Geography*				
MA/Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Over all	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: Houston AA																
	19	100.00	10.00	26.32	34.53	26.32	32.42	36.84	23.05	10.53	1.85	4.76	2.13	1.72	0.00	
Limited Review: Dallas AA																
	0	0.00	13.71	0.00	31.02	0.00	37.18	0.00	18.09	0.00	0.00	0.00	0.00	0.00	0.00	

* Based on 2000 Peer Mortgage Data: Southwest region.

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

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

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES												Geography: TEXAS		Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2001				
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*							
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	Overall	Low	Mod	Mid	Upp			
Full Review: Houston AA																		
	1,222	78.03	5.88	14.48	24.96	35.52	31.21	26.19	37.70	23.73	0.48	1.70	0.76	0.42	0.28			
Limited Review: Dallas AA																		
	344	21.97	5.11	10.47	24.73	38.66	31.79	21.80	36.30	28.49	0.19	0.51	0.34	0.18	0.11			

* Based on 2000 Peer Small Business Data: US&PR.

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

*** Source Data - Dun and Bradstreet (2001).

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS															Geography: TEXAS		Evaluation Period: January 1, 1999 to December 31, 2001				
MA/Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*										
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	Overall	Low	Mod	Mid	Upp						
Full Review: Houston AA																					
	2	100.00	2.69	0.00	16.89	0.00	37.03	50.00	43.39	50.00	0.00	0.00	0.00	0.00	0.00						
Limited Review: Dallas AA																					
	0	0.00	2.89	0.00	17.81	0.00	39.17	0.00	39.52	0.00	0.00	0.00	0.00	0.00	0.00						

* Based on [Year] Peer Small Business Data: US&PR.

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

*** Source Data - Dun and Bradstreet 2001.

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: TEXAS					Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2001					Market Share*				
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers							
	#	% of Total**	% Families***	% BANK Loans****	% Families**	% BANK Loans****	% Families*	% BANK Loans****	% Families*	% BANK Loans****	Over all	Low	Mod	Mid	Upp	
Full Review: Houston AA																
	106	99.07	22.36	9.28	16.52	24.74	20.25	22.68	40.87	43.30	0.04	0.01	0.09	0.04	0.03	
Limited Review: Dallas AA																
	1	0.93	20.56	0.00	17.71	0.00	21.61	0.00	40.13	100.00	0.00	0.00	0.00	0.00	0.00	

* Based on 2000 Peer Mortgage Data: Southwest Region.
 ** As a percentage of loans with borrower income information available. No information was available for 8.41% of loans originated and purchased by Bank.
 *** Percentage of Families is based on the 1990 Census information.
 **** Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT			Geography: TEXAS				Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2001					Market Share*				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Over all	Low	Mod	Mid	Upp	
	#	% of Total**	% Families**	% BANK Loans****	% Families*	% BANK Loans****	% Families*	% BANK Loans****	% Families*	% BANK Loans****						
Full Review: Houston AA																
	73	100.00	22.36	47.76	16.52	22.39	20.25	11.94	40.87	17.91	0.28	1.36	0.26	0.07	0.17	
Limited Review: Dallas AA																
	0	0.00	20.56	0.00	17.71	0.00	21.61	0.00	40.13	0.00	0.00	0.00	0.00	0.00	0.00	

* Based on 2000 Peer Mortgage Data: Southwest Region.
 ** As a percentage of loans with borrower income information available. No information was available for 8.22% of loans originated and purchased by Bank.
 *** Percentage of Families is based on the 1990 Census information.
 **** Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE															Geography: TEXAS		Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2001				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*										
	#	% of Total**	% Families**	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	Over all	Low	Mod	Mid	Upp						
Full Review: Houston AA																					
	25	96.15	22.36	16.67	16.52	12.50	20.25	12.50	40.87	58.33	0.02	0.06	0.03	0.00	0.02						
Limited Review: Dallas AA																					
	1	3.85	20.56	0.00	17.71	0.00	21.61	0.00	40.13	0.00	0.00	0.00	0.00	0.00	0.00						

* Based on 2000 Peer Mortgage Data: Southwest Region.
 ** As a percentage of loans with borrower income information available. No information was available for 7.69% of loans originated and purchased by Bank.
 *** Percentage of Families is based on the 1990 Census information.
 **** Home mortgage refinance loans originated and purchased in the MA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

Table11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES					Geography: TEXAS		Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2001		
MA/Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share	
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev \$1 Million or Less
Full Review: Houston AA									
	1,222	78.03	84.96	75.61	60.15	20.79	19.07	0.48	0.92
Limited Review: Dallas AA									
	344	21.97	84.70	79.65	65.12	19.77	15.12	0.19	0.42

* Based on [Year] Peer Small Business Data: US&PR.

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

*** Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2001).

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

Table12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS			Geography: TEXAS		Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2001				
MA/Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share	
	#	% of Total**	% of Farms***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev \$1 Million or Less
Full Review: Houston AA									
	2	100.00	89.22	100.00	50.00	50.00	0.00	0.00	0.00
Limited Review: Dallas AA									
	0	0.00	89.17	0.00	0.00	0.00	0.00	0.00	0.00

* Based on [Year] Peer Small Business Data: US&PR.
 ** Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.
 *** Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2001).
 **** Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 0.00% of small loans to farms originated and purchased by Bank.

Table 13. Geographic and Borrower Distribution of Consumer Loans (Institution's Option)

Geographic and Borrower Distribution: CONSUMER LOANS																			Geography: TEXAS				Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2001			
MA/Assessment Area:	Geographic Distribution										Borrower Distribution															
	Total Consumer Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers									
	#	% of Total*	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans								
Full Review: Houston AA																										
	1,180	92.19	8.05	10.34	26.03	30.85	33.16	29.75	32.75	29.07	23.24	34.51	16.24	28.87	19.23	14.89	41.29	21.73								
Limited Review: Dallas AA																										
	100	7.81	7.77	1.00	24.25	15.00	37.90	28.00	30.08	56.00	21.35	31.71	17.22	21.95	20.19	20.73	41.24	25.61								

* Consumer loans originated and purchased in the MA/AA as a percentage of all consumer loans originated and purchased in the rated area.
 ** Percentage of Households is based on the 1990 Census Information.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS									
Geography: TEXAS									
Evaluation Period: JANUARY 19, 1999 TO MAY 20, 2002									
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review: Houston AA									
	0	0	3	4,211	3	4,211	100.00	0	0
Limited Review: Dallas AA									
	0	0	0	0	0	0	100	0	0

* 'Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.
 ** 'Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

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 19, 1999 TO MAY 20, 2002																	
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings				Population					
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full Review: Houston AA																	
	86.79	11	79	18.18	27.27	18.18	36.36	3	1	0	0	1	1	8.49	27.01	32.95	31.55
Limited Review: Dallas AA																	
	13.21	3	21	0.00	33.33	66.67	0.00	1	0	0	0	1	0	8.75	24.97	36.77	29.48