



## **PUBLIC DISCLOSURE**

January 14, 2013

### **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

ViewPoint Bank, National Association  
Charter Number 25024  
1309 W. 15th Street, Suite 400  
Plano, TX 75075

Office of the Comptroller of the Currency  
Dallas Field Office  
225 E. John Carpenter Freeway, Suite 500  
Irving, TX 75062

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 **ViewPoint Bank, National Association** (VPB or bank) with respect to the Lending, Investment, and Service Tests:

Performance Levels	ViewPoint Bank, National Association Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding		X	
High Satisfactory	X		X
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:

- Lending activity reflects a good responsiveness to credit needs in the bank's assessment areas (AAs).
- The geographic distribution of loans to borrowers of different income levels is adequate.
- The distribution of loans to borrowers of different income levels is good.
- A majority of VPB's loans are made in the AAs.
- The bank has made a relatively high level of community development loans that is strong enough to positively impact the overall Lending Test rating.
- An excellent level of qualified investments responsive to AA needs has been made.
- Delivery systems are reasonably accessible to essentially all portions of the bank's AAs.
- The bank's opening and closing of offices has not adversely affected the accessibility of its delivery systems and hours are tailored to the convenience and needs of the AAs.
- The bank is a leader in providing 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 MA/assessment area.

**Census Tract (CT):** Small, relatively permanent statistical subdivisions of a county delineated by local participants as part of the U.S. Census Bureau's Participant Statistical Areas Program. The primary purpose of CTs is to provide a stable set of geographic units for the presentation of decennial census data. CTs generally have between 1,500 and 8,000 people, with an optimum size of 4,000 people.

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

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

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

**Community Reinvestment Act (CRA):** the statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, consistent with the safe and sound

operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

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

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

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

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

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

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

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

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

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

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

**Median Family Income (MFI):** The median income derived from the United States Census Bureau's American Community Survey data every 5 years and used to determine the income level category of geographies. Also, it is the median income determined by the Federal Financial Institutions Examination Council (FFIEC) annually that is used to determine the income level of individuals within a geography. For any given geography, the median is the point at which half of the families have income above it and half below it.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## Description of Institution

VPB, an intrastate bank, is a wholly owned subsidiary of ViewPoint Financial Group, Inc. (VPFG), with headquarters for both the bank and holding company located in Plano, Texas. VPFG does not have any other affiliates or operating subsidiaries that influence the bank's capacity to lend or invest in the community.

VPB was originally chartered in 1952 as Collins Radio Credit Union, later changing its name to Community Credit Union. For a significant majority of the review period, the Office of Thrift Supervision (OTS) regulated VPB after the bank converted from a credit union charter to a mutual savings association known as ViewPoint Bank in January 2006. On December 19, 2011, the bank converted to a national bank charter. VPB is the largest independent and locally owned bank in Collin County.

Prior to 2012 and based on the 2000 Census, the bank's AA during the time period reviewed from April 1, 2008 through December 31, 2011 consisted of 653 census tracts (CTs), including all of Collin and Dallas counties and portions of Denton and Tarrant counties. For the partial counties, the AA included 45 of 56 CTs in Denton County and 36 of 310 CTs for Tarrant County.

In April 2012, VPB acquired Dallas-based Highlands Bancshares, Inc., the parent company of Highlands Bank and its subsidiary, First National Bank of Jacksboro. With this acquisition, the bank has three AAs and has designated portions of the Dallas-Fort Worth Core Statistical Area (CSA 206) as its AAs for internal analysis. The bank designated the full counties of Collin, Dallas, and Denton under the Dallas AA. The Jack County AA consists of all of Jack County and the Wise County AA consists of all of Tarrant and Wise counties. Based on the 2010 Census, the bank's revised AAs encompass a total of 1,175 CTs, with 143 designated as low-income tracts and 306 designated as moderate-income tracts. For purposes of this analysis and based on the limited performance data for portions of the revised AAs, we performed a full scope review of the performance in Collin, Dallas, and Denton counties as the Dallas AA. We performed a limited scope review of the Fort Worth AA and Jack County AA.

VPB serves a diverse market with a wide range of demographics and competition. The bank has experienced growth since the prior review. As of September 30, 2012, VPB reported total assets of \$3.6 billion, with loans of \$2.6 billion, deposits of \$2.3 billion, and a Tier 1 Capital ratio of 10.29 percent. Balance sheet composition is centered in the loan and investment portfolios representing 67.70 percent and 25.27 percent of total assets, respectively. The loan-to-deposit ratio was approximately 113 percent. VPB offers a wide variety of loan products and related financial services through its branch network within the Dallas AA. In addition to the main office in Plano, VPB has 31 branches and 52 ATMs.

The bank's business strategy focuses on delivering the best and most up-to-date financial products and services to meet the pace of the rapidly changing needs of its customers and to assure their financial prosperity. The bank focuses this strategy on retail banking, mortgage lending, business banking, and commercial real estate. In June 2012, VPB sold its wholly-owned subsidiary, ViewPoint Mortgage, Inc. to a Dallas-based nonbank lender, Highlands Residential Mortgage, as part of its strategy to shift from thrift to commercial bank.

The loan portfolio, comprised of 88.52 percent real estate loans, 9.12 percent commercial loans, and 2.34 percent loans to individuals, represents approximately 99.98 of net total loans. The real estate loan portfolio primarily consists of 65.08 percent 1-4 family residential loans and 29.74 percent commercial real estate loans. According to the June 30, 2012 FDIC Market Share Report for the Dallas AA, VPB ranks 7<sup>th</sup> in deposits with a market share of 1.50 percent.

VPB operates in a highly aggressive banking environment within the Dallas AA. Banking competition includes dominant affiliates of large national banking companies, numerous mid-size and small community banks, thrifts, credit unions, and non-bank financial service providers. There are no legal, financial, or other factors that impede the bank's ability to meet the credit needs in its AAs.

The bank's last CRA performance, performed by the OTS, as of May 12, 2008 resulted in an "Outstanding" rating. A review of OCC records since the conversion to a national bank and the bank's CRA public file revealed no complaints related to the bank's CRA performance.

## **Scope of the Evaluation**

### **Evaluation Period/Products Evaluated**

This Performance Evaluation is based on the bank's performance since the last evaluation in May 2008 through December 2011. The bank's performance for this time period will be primarily related to the data from the 2000 Census. A summary review of performance from January 1, 2012 through September 30, 2012 will be related to the data from the 2010 Census. For the facts and data used, please refer to Appendix B: Market Profiles for Full-Scope Areas.

Conclusions regarding the Lending Test are based on HMDA reportable loans and small business loans from the April 1, 2008 through December 31, 2011 time periods was compared to the 2000 Census data, with a separate summary analysis for the January 1, 2012 through September 30, 2012 time periods compared to the 2010 Census data.

For CD loans and the Investment and Service Tests, the evaluation period starts from the ending date of the last CRA evaluation period to the start date of the current CRA examination. This evaluation period is May 12, 2008 through January 14, 2013. The Investment Test included a review of all investments, grants, and donations. The Service Test included a review of all of VPB's retail and community development services.

### **Data Integrity**

We performed a data integrity review in January 2012 to determine the accuracy of the loan data provided by the bank for use at this evaluation. Included in the review were samples of HMDA and CRA small business/small farm loans made by the bank from January 2008 through December 2011. In addition, we performed a review of the 2012 HMDA and CRA small business/small farm loans made by the bank in 2012. Information reported on HMDA and CRA loan data was determined to be substantially accurate. We also verified data regarding CD loans, qualified community debt or equity investments, qualified donations, and qualified CD services provided by the bank. Our review ensured that submitted CD investments and services met the definition for CD in the regulation.

### **Selection of Areas for Full-Scope Review**

We selected the Dallas AA for our full-scope review because this AA represented a substantial majority of VPB's loans, deposits, and branch locations. The Dallas AA represents 92.64 percent of the loans, 97.31 percent of the bank's total deposits, and 92.00 percent of their branch locations.

We conducted limited-scope reviews for the remaining two AAs: Fort Worth AA and Jack County AA. Please refer to Appendix A for more information.

## Ratings

VPB's overall CRA rating is a blend of its performance under the Lending, Investment, and Service Tests. Under each of those tests, performance in the Dallas AA carried the most weight as the full-scope AA. The Dallas AA represents 92.64 percent of VPB's loans and 97.31 percent of the bank's deposits.

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

We conducted one community contact in conjunction with this examination in the Dallas AA. A housing advocacy group contact was interviewed to provide information about credit needs and bank performance in the Dallas-Plano-Irving Metropolitan Division. The interviewee states there exists a significant need for construction financing for spec housing for low- and moderate-income (LMI) persons and communities in the Dallas-Plano-Irving Metropolitan Division including townhomes, condos and some single family housing. The interviewee further states builder lines of credit are drying up due to the high foreclosure rate in the area, an abundance of foreclosed properties on the market, enhanced underwriting standards by lenders, and special mortgage loan programs not as prevalent as in the past.

## **Fair Lending or Other Illegal Credit Practices Review**

Pursuant to 12 C.F.R. 25.28(c), or 12 C.F.R. 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". Based on full-scope review, the bank's performance in the Dallas AA is adequate. Other factors having a positive impact on the rating included the origination of a significant majority of loans in the AAs and the level of community development loans originated.

We based our conclusion on the bank's performance context and the full scope review of the Dallas AA, which is where VPB does a significant majority of their lending volume. Residential mortgage lending and small business lending were the primary products reviewed to evaluate CRA performance, with home mortgage lending receiving more consideration. Review of these two major lending products had the most impact on the final rating.

#### Lending Activity

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

Overall lending activity reflects an adequate responsiveness to the credit needs, given the performance context. Home mortgage lending is adequate and small business lending activity is good. The bank's lending activity in the full-scope Dallas AA is adequate, given the performance context. The bank's product innovation/flexibility and CD lending had a positive effect on the bank's overall lending activity.

The bank originated or purchased 10,159 home mortgage, small business, small farm, and CD loans in the Dallas AA that totaled more than \$1.84 billion, during our review period. By number of loans made and reported, home mortgage loans accounted for 90.47 percent of the total volume, small business loans were 9.42 percent of the total volume, CD loans were 0.11 percent, and small loans to farms and multifamily housing loans were nominal amounts.

VPB's lending activity is good compared to the bank's deposit market share. As of June 30, 2012, VPB had a deposit market share of 1.50 percent and was ranked 7<sup>th</sup> out of 128 FDIC insured banks in the Dallas AA. VPB's mortgage lending market share (2010 data) was 1.55 percent of the market. By home mortgage type, VPB ranked 13<sup>th</sup>, 14<sup>th</sup>, and 1st, with a market share for home purchase, home refinance, and home improvement loans of 1.35, 1.34, and 13.40 percent, respectively. VPB's lending activity is adequate when comparing the bank's deposit market share to their small business lending activity market share. Based on the 2010 small business data, the bank ranked 29<sup>th</sup> in originating small business loans with a market share of less than one percent.

The bank's AAs are highly competitive with a large number of lenders reporting home mortgage lending activity. These lenders include multiple non-bank lenders that do not take deposits in the assessment area as well as large nationwide banks that provide a wide variety of home mortgage products. These large banks generally dominate the home loan market in all of the bank's AAs.

Economic conditions, including high foreclosure rates, high unemployment rates, and a number of homes with negative equity impacted the overall lending activity during the evaluation period. While the nationwide economic conditions were much worse than in Texas, many Texas lenders became much more cautious in their lending programs. For further discussion on these and other performance context issues, please see Market Profile in Appendix B.

## **Distribution of Loans by Income Level of the Geography**

Overall, the geographic distribution of the bank's lending activity is adequate. VPB's geographic distribution of home purchase loans and small loans to businesses were good, while the bank's geographic distribution of home improvement loans and home mortgage refinance loans was significantly below the demographic comparator reflecting poor performance.

### ***Home Mortgage Loans***

Refer to Tables 2, 3, 4, and 5 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases for the 2008-2011 analysis from the 2000 Census. Refer to Tables 2(a), 3(a), 4(a), and 5(a) in Appendix C for the facts and data used for the 2012 analysis from the 2010 Census.

### ***Home Purchase Mortgage Loans***

#### **2008 – 2011**

VPB's geographic distribution of home purchase loans is good. The percentage of home purchase loans in the low-income geographies slightly exceeds the percentage of owner-occupied housing units in the low-income geographies. The percentage distribution of home purchase loans in moderate-income geographies is significantly lower than the percentage of owner-occupied housing units in moderate-income geographies. The market share of home purchase loans in low-income geographies is more than three times the bank's overall market share. The market share of home purchase loans in moderate-income geographies exceeds the bank's overall market share.

#### **2012**

The summary review of the geographic distribution of home purchase loans for the period January 1, 2012 through September 30, 2012 indicates that lending activity is adequate. The percentage of home purchase loans in the low-income geographies is lower than the percentage of owner-occupied housing units in the low-income geographies. The percentage distribution of home purchase loans in moderate-income geographies is significantly lower than the percentage of owner-occupied housing units in moderate-income geographies. However, VPB's market share of home purchase loans in low-income geographies significantly exceeds the bank's overall market share and their market share of home purchase loans in moderate-income geographies slightly exceeds the bank's overall market share.

***Home Improvement Loans***

2008-2011

VPB's geographic distribution of home improvement loans is poor in the Dallas AA. The percentage distribution of home improvement loans is significantly lower than the percentage of owner-occupied housing units in the low-income geographies. The percentage distribution is also significantly lower than the percentage of owner-occupied housing units in moderate-income geographies. The market share of home improvement loans in both low-income and moderate-income geographies is lower than the bank's overall market share.

2012

The summary review of the geographic distribution of home improvement loans for the period January 1, 2012 through September 30, 2012 reflects that the bank's performance is poor. The percentage distribution of home improvement loans is significantly lower than the percentage of owner-occupied housing units in the low-income geographies. The percentage distribution is also significantly lower than the percentage of owner-occupied housing units in moderate-income geographies. The market share of home improvement loans in both low-income and moderate-income geographies is lower than the bank's overall market share.

***Home Mortgage Refinance Loans***

2008-2011

The geographic distribution of home refinance loans is poor. The percentage of home refinance loans in low- to moderate- income geographies is significantly lower than the percentage of owner-occupied housing units. In addition, VPB's market share of home mortgage refinance loans in low- and moderate-income geographies is below their overall market share.

2012

The summary review of the geographic distribution of home mortgage refinance loans for the period January 1, 2012 through September 30, 2012 reflects that the bank's performance is adequate in low-income tracts and poor in moderate-income tracts in the areas listed for the 2008-2011 time period. The market share of home refinance loans in low-income geographies is significantly greater than the bank's overall market share. The market share of home refinance loans in moderate-income geographies is greater than VPB's 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 from data based on the 2000 Census. Refer to Table 6(a) in Appendix C for the facts and data used based on the 2010 Census.

2008-2011

The geographic distribution of small business loans is good. The distribution of the percentage of small loans to businesses with revenues of \$1 million or less in low-income census tracts was lower than the percentage of small business loans in low-income geographies. The percentage

of small loans to businesses with revenues of \$1 million or less in moderate-income geographies exceeded the percentage of small businesses in the moderate-income geographies.

Market share for small loans to businesses with revenues of \$1 million or less exceeds the bank's overall market share in both low-income and moderate-income geographies.

2012

The summary review of the geographic distribution of small business loans for the period January 1, 2012 through September 30, 2012 reflects that the bank's performance is adequate for low-income geographies and exceeds the demographic comparator for moderate-income geographies reflecting excellent performance.

### ***Lending Gap Analysis***

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

### ***Inside/Outside Ratio***

We performed an analysis of VPB's lending, within its AAs, at the bank level. A majority of the home mortgage loans and small loans to businesses originated or purchased by VPB and its affiliate are within the bank's AAs, during the review period. Overall, 76 percent of the loans by number and 76 percent by dollar amount are inside the bank's AAs. This information includes loans that the bank originated or purchased. This performance was positively factored into the overall analysis of the distribution of loans by income level of the geography.

By lending product, 90 percent of the small loans to businesses by number and 90 percent of the dollar amount are inside the bank's overall AAs. For home improvement loans, 85 percent of loans by number and 82 percent by dollar amount were inside the AAs. Finally, for home purchase loans, 51 percent by number of loans and 56 percent by dollar amount are inside the bank's overall AAs.

### **Distribution of Loans by Income Level of the Borrower**

VPB's distribution of loans to borrowers of different income levels and businesses of different sizes is good. VPB's distribution of home purchase loans was excellent. The bank's distribution of home mortgage improvement loans and home mortgage refinance loans was adequate. Finally, VPB's borrower distribution of small loans to businesses was 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 based on 2000 Census.

Refer to Tables 8(a), 9(a), and 10(a) in Appendix C for the facts and data used based on the 2010 Census.

In evaluating the borrower distribution of home mortgage loans, we considered the number of low- and moderate-income families in the AA. We also considered the number of households living below the poverty level and the barriers this may impose on home ownership. Based on 2000 Census, there are 764 households in the Dallas AA with 7.24 percent considered low-income and 25.25 percent considered moderate-income. The percentage of total households living below the poverty level is 10 percent. More weight was given to the bank's performance related to moderate-income borrowers due to the difficulties many low-income borrowers have in qualifying for mortgage loans, especially those below the poverty level. This is especially true with the tightening of credit standards because of the economic downturn that occurred during the evaluation period.

### ***Home Purchase Loans***

2008-2011

The borrower distribution for home purchase loans is excellent. The bank's percentage of home purchase loans to low-income borrowers was below the percentage of low-income families. However, VPB's percentage of home purchase loans to moderate-income borrowers of 19.56 was greater than the 17.72 percentage of moderate-income borrowers. Additionally, VPB's market share of low-income borrowers at 2.06 is significantly higher than its overall market share of 1.21. In addition, the bank's market share of moderate-income borrowers is comparable to its overall market share for this AA.

2012

The review of the home purchase loans by borrower income level is good for the period January 1, 2012 through September 30, 2012, given performance context. The percentage of loans to low-income borrowers is less than the percentage of low-income families. However, the percentage of home purchase loans to moderate-income borrowers of 17.25 was greater than the 16.57 percentage of moderate-income families. Additionally, VPB's market share of low-income borrowers is much higher than the bank's overall market share and the bank's market share of moderate-income borrowers was comparable to its overall market share for this AA.

### ***Home Improvement Loans***

2008-2011

The borrower distribution for home improvement loans is adequate when consideration is given to the number of families living below the poverty level and the number of low-income families. The percentage of home improvement loans to low-income borrowers was significantly below the percentage of low-income families. The percentage of moderate-income borrowers is lower than the percentage of moderate-income families. The bank's market share of home improvement loans to low- and moderate-income borrowers is lower than its overall market share. However, VPB did rank second (out of over 80 lenders) or third (out of 70 lenders) for home improvement lending to low-income and moderate-income borrowers during the assessment period.

2012

The distribution of the home improvement loans by borrower income level is adequate for the period January 1, 2012 through September 30, 2012. The percentage of home improvement loans to low-income and moderate-income borrowers is lower than the percentage of low-income and moderate-income families, respectively. The bank's market share of home improvement loans to low- and moderate-income borrowers is lower than its overall market share. However, VPB did rank second (out of 76 lenders) for home improvement lending to low-income and moderate-income borrowers during the assessment period.

### ***Home Mortgage Refinance Loans***

2008-2011

The borrower distribution for home mortgage refinance loans is adequate, given the performance context. The distribution of home mortgage refinance loans to low-income borrowers is significantly below the demographic comparator, while the loans to moderate-income borrowers are lower than the demographic comparator. VPB's market share of home mortgage refinance loans to low-income borrowers is below the overall market share, while VPB's market share to moderate-income borrowers is slightly above their overall market share.

2012

The distribution of home mortgage refinance loans to low-income and moderate-income borrowers for the period January 1, 2012 through September 30, 2012 is below the demographic comparator. However, VPB's market share of home mortgage refinance loans to low-income borrowers is comparable to its overall market share while VPB's market share to moderate-income borrowers is somewhat below its overall market share.

### ***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 based on 2000 Census. Refer to Table 11(a) for the facts and data used based on the 2010 Census.

2008-2011

The distribution of loans to small businesses is good. The percentage of loans to businesses with revenues of \$1 million or less is near to the percentage of businesses with revenues of \$1 million or less. The bank's market share of small loans to businesses is twice its overall market share. Additionally, a significant majority of the volume of loans were for amounts \$100,000 or less, an indication that VPB meets the credit needs of small businesses within the AA.

2012

The summary review of the distribution of loans to small businesses for the period January 1, 2012 through September 30, 2012 reflects that the bank's performance is adequate. The percentage of loans to businesses with revenues of \$1 million or less is lower than the percentage of businesses with revenues of \$1 million or less; however, a majority of the volume of loans granted were for amounts \$100,000 or less, an indication that VPB serves the credit needs of small businesses within the AA.

## Community Development Lending

Refer to Tables 1 and 1a captioned Lending Volume in Appendix C for the facts and data used to evaluate the bank's level of CD lending. The combined CD lending includes all multi-family loans that qualify as CD loans. Tables 5 and 5a show geographic lending data on all multi-family loans, including those that also qualify as CD loans. However, it does not separately list CD loans.

Overall, in the full-scope Dallas AA, the bank has made a relatively high level of CD loans and it had a positive impact on the overall Lending Test. In the Dallas AA, VPB granted 11 extensions of credit that qualified as CD loans with a total of \$48.4 million, including renewals from prior years. CD loans in the Dallas AA represent 1.4 percent of VPB's total assets and 12 percent of VPB's equity capital, as of September 30, 2012.

VPB has an excellent level of CD loans in the Dallas AA considering the level of its presence in the Dallas-Collin County area. This performance had a positive impact on the overall Lending Test. VPB originated seven loans totaling \$40.8 million for the economic development of LMI geographies. In addition, VPB originated four loans totaling \$7.6 million for affordable housing for LMI individuals and families. A few of the high impact CD loans were:

- The bank originated a loan for \$5.8 million in a Historically Under-utilized Zone (HUB Zone) which was located in a moderate-income census tract. This is a commercial real estate loan on an office/warehouse property; this loan will help to retain 500 jobs in this geography. This HUB Zone property is part of the City of Plano's Comprehensive Plan to revitalize this area and to create or save jobs in the area.
- The bank originated a loan for \$1.6 million in the City of Dallas' Trinity River Corridor Project. This project is part of Dallas' Comprehensive Plan for revitalization and creates economic development in this section of Dallas. The commercial real estate loan is on a warehouse. This warehouse, once the project is completed, will provide several jobs in the area. In addition, this property is located in a moderate-income geography.
- The Samaritan Inn is a 501c3 non-profit organization that provides temporary housing for homeless families in Collin County. This homeless shelter is the only one in Collin County. In the review period, the Inn provided housing for over 683 people. The Inn provides the shelter, meals, and other services until people can get back on their feet.
- The bank originated a real estate loan for \$18.9 million on a warehouse/office located in moderate-income geography. The real estate is located in an area that has been designated by the City of Plano as part of their Comprehensive Plan to retain jobs and businesses in the area.

## Product Innovation and Flexibility

The bank makes extensive use of innovative and flexible lending practices in order to serve the AAs credit needs. VPB's use of these programs had a positive impact on the conclusions under the Lending Test. During the assessment period, VPB provided a variety of flexible lending products to assist LMI applicants and borrowers. Through these credit programs, VPB originated 266 loans totaling \$22.5 million.

- An example of the bank's innovative and flexible lending practices would be their CRA Consumer Unsecured Loan Program, which was created by VPB. This program was designed to assist low- and moderate-income individuals within the bank's AAs that do not qualify under its standard underwriting guidelines for home improvement, home equity, home equity lines of credit, or unsecured term loan programs. While VPB only originated 39 loans totaling \$161,000 under this program, it demonstrates that management is flexible as it is willing to offer innovative and flexible lending programs to low-and moderate income individuals who do not otherwise meet VPB's standard requirements. Prospective borrowers residing outside the AAs may also apply provided they meet the gross annual income qualifications for eligibility under this program.
- Another example of the bank's innovative and flexible lending practices would be their CRA Small Business Outreach Program. It is a loan program designed by VPB to meet the credit needs of small business owners located in the bank's AA who would not qualify under the bank's standard business lending underwriting guidelines. If a business is declined a loan with VPB, an additional review is made to determine if they are eligible under this innovative program. To be eligible for the program, the applicant must have a business address in a low- or moderate-income geography in the bank's AA. In addition, gross annual revenue of the company must be less than \$1.0 million. The bank also offers CRA Business Vehicle Fixed, CRA Business Secured LOC, and CRA Other Secured Fixed Programs. These programs were created through VPB's CRA Focus Group. The group is dedicated to creating alternative products and services for small businesses and owners and low- and moderate-income consumers.

VPB has also searched out lending programs that would assist low- and moderate-income families in obtaining housing. The following flexible lending programs relate to making housing more affordable for LMI individuals and families:

- VPB closed 58 loans totaling \$5.3 million under the Federal Home Loan Bank of Dallas (FHLB) Home Equity Leverage Program (HELP). Through HELP the FHLB provides grants through its members (VPB is a participating lender) to first-time homebuyers who are income qualified (primarily LMI families). VPB assists the applicants in obtaining these grants, which are on a first-come, first-serve basis. The maximum HELP award per household is \$5,000 for closing costs or down-payment assistance. The FHLB's subsidized funds for VPB borrowers were \$280,200.
- VPB originated 60 loans totaling \$5.3 million under the Enterprise Foundation City of Dallas Mortgage Assistance Program (MAP). The MAP assists homebuyers with a total household income of less than 80 percent of the Dallas Area Median Family Income to purchase a home within the city limits of Dallas. Subsidized funds from the U.S. Department of Housing and Urban Development through MAP to the borrowers were \$1.1 million. These loans are part of the Lending Tables included in the back of our report.
- The bank originated three loans under the Federal Home Loan Bank of Dallas' Affordable Housing Program.

- During the review period, the bank originated 106 FHA loans for \$11.7 million, which benefited low- and moderate-income borrowers. This program has low down-payment requirements and higher debt-to-income ratios that allow low- and moderate-income families and individuals to qualify for home purchase mortgages.

## **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on a limited-scope review, VPB's performance in the Fort Worth AA is not inconsistent with the overall "High Satisfactory" rating under the Lending Test. Two CD loans totaling \$11 million originated in this AA. A \$2 million loan assisted in providing community services for the local LMI population and proceeds from a \$9 million loan were used for economic development and permanent job creation in a LMI geography and for the LMI population, respectively.

The addition of the Jack County AA in 2012 has no impact on VPB's performance under the Lending Test as its three census tracts (CTs) are all upper-income. No CD loans were made in this rural non-MSA AA.

## **Conclusions for Out of Assessment Area Community Development Loans**

VPB granted four extensions of credit outside its assessment areas with a total of \$25.9 million. These out of assessment area CD loans were made in the regional area. Thus, these CD loans had a positive impact on the overall Lending Test conclusion.

## **INVESTMENT TEST**

### **Conclusions for Area Receiving Full-Scope Reviews**

VPB's performance under the Investment Test is rated "Outstanding". Based on full-scope reviews, the bank's performance in the Dallas AA is excellent.

Tables 14 and 14a in Appendix C list the facts and data used to evaluate the number and amount of qualified investments made in the AAs.

In the Dallas AA, the bank has an excellent level of qualified community development investments and grants. In addition, the bank exhibits good responsiveness to credit and community economic development needs of the Dallas AA.

Qualified investments made in the Dallas AA during the assessment period totaled \$15.5 million. In addition to this total, there are \$2.7 million of prior period, long-term investments still outstanding at the end of the current evaluation period. Also, there are \$2.1 million in qualified investment commitments that are yet to be funded. In aggregate, qualified investments, unfunded investment commitments, and outstanding prior period investments total \$20.4 million in the Dallas AA. This represents five percent of equity capital, as of September 30, 2012.

During the review period, the bank has invested \$7.7 million in the funds offered by Lone Star Investment Advisors; these funds are CRA qualified investment funds within the Dallas AA. Lone Star has a mission of promoting economic development in low-income tracts and creating permanent jobs in Texas. VPB has taken every opportunity possible to participate with Lone Star on several of these funds when they were initially announced to investors. Following is a summary of the two funds VPB invested in during the assessment period:

- Lone Star New Markets Fund (LSNMF) – LSNMF is a Tax Credit Program that the U.S. Congress established to attract private sector capital investments into urban and rural low-income areas to help finance CD projects, stimulate economic opportunity and create jobs in the areas that are of most need. LSNMF invests in low- and moderate-income communities within the State of Texas. VPB’s investment funds went to companies located in a moderate-income census tracts or distressed areas in the Dallas-Plano-Irving MSA. The primary purpose of investments is to stimulate economic development and help revitalize communities.
- Lone Star CRA Fund (LSCF) – LSCF is a private investment partnership formed to make \$2 million to \$15 million equity orientation investments in middle-market Texas-based companies. All LSCF investments are in companies domiciled in LMI areas of Texas. LSCF is designed to attract private sector capital investments into urban and rural low-income areas to help finance CD projects, stimulate economic opportunity and create permanent jobs in the areas that are of most need. VPB has committed to invest an additional \$2.1 million in this fund.

Overall, the bank’s CD investments are responsive to assessment area needs, primarily addressing the need for affordable housing and permanent jobs for low- and moderate-income persons. The creation of jobs in the Dallas AA during the recent economic recession where unemployment was above normal levels was very critical.

All of the bank’s investments were to organizations whose primary mission meets the definition of community development, primarily affordable housing and community services. VPB made two significant purchases in the Dallas AA, which we would like to highlight:

- An investment of \$7.2 million for the Regal Crossing Apartments, which is a Fannie Mae CRA mortgage-backed security. This investment is backed by a loan that financed Regal Crossing Apartments, which is a multi-family housing complex located in a low-income census tract in South Dallas. The U.S. Government subsidizes the rents for Regal Crossing to keep them affordable to low-income residents. This property consists of 386 one and two bedroom apartments. The residents of these apartments attend two area elementary schools where the students are enrolled in the free/reduced lunch program is 95 percent and 91 percent, respectively.
- VPB made an investment of \$2.1 million in the Evergreen Apartments. Evergreen at Mesquite Apartments is a senior living retirement community located in the City of Mesquite, in Dallas County. The occupants’ income for all 200 units of this apartment complex is restricted to 50 percent of the area median income. This project also receives Low-Income Housing Tax Credits with 100 of the 200 units for the elderly being subsidized and considered to be Affordable Housing Units.

## **Conclusions for Area Receiving Limited-Scope Reviews**

Based on limited scope reviews, VPB purchased no debt securities or equity investments in the Fort Worth AA. Cash and in-kind donations in this AA amounted to 3.6 percent of VPB's total donations, which is comparable to the bank's 3.05 percent of deposits emanating from this AA. VPB's performance under the investment test in the Fort Worth AA is good.

The addition of the Jack County AA in 2012 has no impact on VPB's performance under the Investment Test as its three CTs are all upper-income. VPB made no CD investments in this rural non-MSA.

## **Conclusions for Out of Assessment Area Qualified Investments**

VPB purchased four securities outside of its assessment areas with a total of \$2.3 million. These out of AA investments were in economically distressed areas of Texas and benefit the regional area. These investments had a positive impact on the overall Investment Test.

## **SERVICE TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

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

#### **Retail Banking Services**

Refer to Tables 15 and 15a of Appendix C – Distribution of Branch Delivery System and Branch Openings/Closings for the facts and data used to evaluate the distribution of VPB's branch delivery system and branch openings and closings.

The bank's retail service delivery systems are reasonably accessible to essentially all portions of the Dallas AA and reasonably accessible to geographies and individuals of different income levels. The percentage of branches in low-income geographies is lower than the percentage of the population residing in these geographies. In addition, the percentage of branches in moderate-income geographies is lower than the percentage of the population residing in moderate-income geographies. The bank has ten branches that are adjacent to low- or moderate-income geographies. During the assessment period, these ten branches serviced approximately 3,700 deposit accounts and provided 400 loans and 140 safety deposit boxes for persons residing in the adjacent low- and moderate income geographies.

The bank's opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income areas. During the review period, the bank opened three branches and closed two branches. Both closed branches were located in Albertsons grocery stores. Albertsons closed many of its stores in Texas prompting the in-store bank branches to close, which is the case for both of VPB's branches. One of the grocery store branches was located in a moderate-income geography and the other in an upper-income geography. In 2011, the bank opened three branches which were all located in upper-income geographies.

On April 1, 2012, VPB acquired Highlands Bank and its subsidiary bank, The First National Bank of Jacksboro. The acquisition increased VPB's branches by four locations in the Dallas AA. Of these four locations, one is in a middle-income geography while three are in upper-income geographies.

#### **Reasonableness of Business Hours and Services**

Banking services, including banking hours, do not vary in a way that inconveniences certain portions of the AA, particularly those serving low- and moderate-income geographies and individuals. The majority of the bank's locations have hours of operation from 9:00 A.M. to 5:00 P.M., Monday through Friday, for the lobby. In addition, the bank's drive-thru facilities have expanded times starting at 7:00 A.M. to 7:00 P.M. and Saturday hours starting at 9:00 A.M. to 1:00 P.M.

Branch locations and hours are augmented by a variety of alternative delivery systems that include ATMs, telephone banking, online banking, banking by mail, direct deposit, debit cards, and Treasury management services. In addition, many of these delivery systems are designed specifically to assist low- and moderate-income individuals and small businesses. Some of these services include:

- ATM facilities provide enhanced availability of banking services to low- and moderate-income persons and geographies. As of September 30, 2012, 50 proprietary ATMs supplement VPB's full-services branches. Thirty of the ATMs take deposits while 20 of the ATMs only dispense cash. In addition, VPB's ATMs offer services in both English and Spanish. Ten of the 48 ATMs in the Dallas AA, or 21 percent, are located in moderate-income geographies. In addition, one of the 48 ATMs in the Dallas AA, or 2 percent, is located in a low-income geography. VPB reported these 11 ATMs had very heavy traffic with approximately 169,000 transactions over a one-year period. In addition, six of the 11 ATMs are located in moderate-income geographies where the bank does not have branches. Please see additional information below about the Absolute and Free Checking programs that benefits low- and moderate-income individuals.
- Bank at Work program Checking Account is available to employees of the bank's business clients who sign-up for the program. This program comes with direct deposit and the employee has no monthly maintenance fee, no minimum opening or balance requirement, and no per check charges. This program benefits both small businesses and the employees.
- 24-hour Bank by Phone, internet banking, and mobile banking with smart phones or other mobile devices. All of these services are offered in English and Spanish. The bank has 120,712 of these accounts with 12,183 (10 percent) of these accounts being in low- and moderate-income geographies.
- At Home Banking is offered by VPB via Online Banking where customers can access their accounts and perform a number of transactions. The bank has 96,261 online banking accounts with 7,256 (7.5 percent) of these accounts being in low- and moderate-income geographies.
- Absolute and Free Checking programs with Visa Check Card/Debit Card features that assist in providing services to low- and moderate-income individuals. This account only requires a \$100 opening deposit and either a monthly direct deposit or one monthly online bill payment per month. The account comes with free ATM fees at both proprietary and non-proprietary ATMs (VPB will reimburse the non-proprietary fee). This program allows the bank to deliver needed services to low- and moderate-income areas and individuals in its community. VPB has issued 51,149 debit cards in conjunction with its Absolute Checking Accounts of which 5,388 of these accounts are located in low- and moderate-income geographies. Additionally, almost 10 percent of its Absolute Checking accounts are located in low-and-moderate income census tracts. Free Checking requires only a \$100 opening deposit with no minimum balance or monthly

service charge. There are 30,197 Free Checking Accounts, of which 11 percent are located in low-and-moderate geographies.

- Non-Profit Checking is offered to non-profit organizations and government entities. Account benefits include \$5 monthly service charge, \$100 minimum balance for opening, free ePoint and free Business Visa check card. The bank has 687 Non-Profit Checking accounts with 88 accounts located in low- and moderate-income geographies.
- Multilingual employees are noted throughout VPB's branches and operations areas so that the bank may assist all customers, including small business owners and low- and moderate-income customers. Currently the bank has 59 employees that speak 24 different languages. The bank's compliance department keeps an updated list of languages spoken by each employee so that they may provide help to any customer requiring a bank employee to speak to them in their native language.
- Matricula identification cards are allowed by VPB to accommodate Mexican citizens working in the U.S. and in need of a U.S. bank account. Many banks in the Dallas AA will not open accounts using this card; however, VPB has performed the due diligence review so that they may safely offer this service with low risk to the bank. During the review period, the bank has opened 92 accounts with the Matricula identification card. The Dallas Police Department has stated that opening accounts to the unbanked and under-banked communities helps fight crime in low- and moderate-income areas.
- Treasury Management Services are offered to small business owners enabling them to conduct business in a variety of ways. The services are provided to approximately 1,800 small business owners throughout the bank's assessment area, of which approximately 241 are located in low-and-moderate income geographies. Services include:
  - Free Business Checking for small businesses with low transaction volumes. This account features no monthly maintenance fees, Visa check card, and free ePoint business options. Over the last three years, many banks have stopped offering these types of accounts to small businesses due to changes in regulations, such as Regulation E. The bank records noted that 603 free business accounts (10 percent) are located in low- and moderate-income geographies. This product is considered innovative and responsive to the needs of small business owners.
  - Remote Deposit Capture provides the ability to deposit checks the account holder receives remotely. This enables thinly staffed businesses the ability to deposit checks remotely.
  - ViewPoint Valet Service provides a scheduled weekly deposit pick up service.
- Small Business Lending – SBA 504 Loan Program – VPB is designated as a SBA Preferred Lenders Program (PLP). Through this SBA program, businesses have the opportunity to secure long term financing on commercial real estate. The purpose of the program is to have preferred lenders who can make the lending process go much quicker.

- Small Business Lending – SBA 7(a) and Low Doc Loans are offered by VPB. This program is designed for small business owners who need funds for working capital, equipment purchases, debt refinancing, and small commercial real estate purchases. Using this SBA program, VPB can make loans up to \$1.0 million with as much as 90 percent financing. With the low doc program, VPB can make loans up to \$150,000. During the review period, the bank originated 15 of these loans of which two were located in low- and moderate-income geographies.

## Community Development Services

VPB is a leader in providing CD services throughout the full-scope AA that are responsive to AA needs. Our review noted that the directors, management team, and employees have taken leadership roles such as Board Members, Directors, or Committee Chairs with several community development organizations. The bank has primarily met these needs by providing financial services that take advantage of bank employee's financial expertise. The bank's CD activities are responsive to the needs of low-income and moderate-income individuals and small businesses. These services include developing and conducting financial educational programs; providing technical assistance; and developing and participating in fundraising activities. For the Dallas AA, bank employees have held leadership Board/committee representation with at least 14 organizations during our review period. VPB management and personnel provided just over 8,000 hours of qualifying CD services during the assessment period.

For the review period, VPB offered 187 financial literacy programs to children, consumers, and businesses educating 3,696 individuals. In addition, bank employees created and taught financial literacy education to first-time homebuyers and small business owners. We identified several activities that were of high impact and demonstrated strong leadership by the bank in the Dallas AA. These programs were:

- North Collin County Habitat for Humanity – This nonprofit organization works to provide affordable housing to low- and moderate-income individuals. VPB was instrumental in this group being awarded a \$49,000 grant by the Federal Home Loan Bank of Dallas, which assisted in building seven homes in low-income geographies. The bank's CRA development officer provided leadership by completing the application for this award. In addition, VPB's CRA development officer is a Board member for this non-profit group for the past two years utilizing her financial expertise to assist on strategic plans and budgets. VPB's McKinney office president assists with finances for this group by overseeing their accounts. Both of these employees have served in vital leadership roles and have donated over 348 hours. Finally, other bank employees assisted with financial and homebuyer education to new homebuyers. In the review period, this non-profit built 12 homes.
- Communities in North Texas – This nonprofit organization works with public schools to teach at risk low- and moderate-income kids about financial literacy as well as providing counseling, health services, career/college awareness, and academic enrichment. One bank employee serves in a leadership role by being on the Advisory Board for this organization for the past six years. Utilizing her financial expertise, she has contributed over 120 hours to this organization. In addition, other bank employees have performed

volunteer teaching financial literacy to these kids. As part of this program, bank employees spent over 100 hours one-on-one with 75 at risk students teaching them financial literacy.

- Lone Star Investment Advisors – This is a Community Development Entity dedicated to investing in low-income areas and creating permanent jobs. To accomplish this mission, Lone Star has created CRA Funds for investment by financial institutions and others. VPB’s chief counsel served in a leadership position by serving as the Chairman of the Board of the Advisory Committee since 2008, providing 88 hours of service. As previously noted in the Investment Test section, the bank provided \$7.7 million in CD Investments to this organization as well as originating two loans for \$8.6 million during the review period. Companies that Lone Star has invested employ over 5,000 people with an average annual compensation of \$55,000.
- North Texas Housing Coalition – This is a nonprofit organization made up of over 200 organizations with the mission to improve and increase affordable housing in the North Texas region. This organization is a certified HUD housing counselor, a Community Development Financial Institution, and a preferred educator with the City of Dallas Mortgage Assistance Program. In addition, this organization provides counseling where they bring the defaulted borrowers and area lenders together to mitigate the foreclosure process. VPB’s community development officer served in a leadership position on this organization’s Board and donated 69 hours to this group during our review period.
- AVID Program – This program targets low-income students whose families do not have a college-going tradition in their families. It is a college prep program targeted to fourth graders to seniors in high school. VPB annually participates in this program by teaching programs such as the ABA’s Teach Children to Save and Get Smart About Credit. In the review period, VPB employees volunteered 3,000 hours to teach these financial literacy programs.
- Plano ISD Education Foundation – VPB’s marketing president serves in a leadership position for this organization as a member of the Board of Directors for the last seven years and chairman of the Small Business Fundraiser and previously served as treasurer of the Finance Committee. She has won numerous awards for her service. This organization works with at risk students in predominantly LMI families and LMI geographies to keep them in school.
- Teach Kids to Save – 177 hours were volunteered by VPB employees in this national initiative to teach youth about the importance of savings, money management, and developing wealth. Many of the selected schools have a student population that is over 50 percent economically disadvantaged according to the Texas Education Agency. VPB employees taught these financial literacy programs.
- Jeffries Street Learning Center – VPB employees volunteered 156 hours to assist the nonprofit organization that provides educational and mentoring programs for low-income and underprivileged children and adults. In addition to education programs, the Center offers home buying counseling and has helped more than 25 families purchase their first home. In a leadership position, VPB employees engaged in activities such as chairing the Finance Committee, serving as a director, teaching homebuyer classes, and assisting with fundraising activities.

- Bridewell Foundation/Camp Esperanza – VPB employees volunteered 150 hours to assist the Bridewell Foundation in fundraising activities that allow pediatric oncology patients at Children’s Medical Center in Dallas to attend Camp Esperanza for a week of outside activities. The majority of the participants in the camp are from LMI families. One VPB employee served as a director and fundraiser and other employees were involved in the fundraising activities.
- Get Smart About Credit – VPB employees volunteered 134 hours to this annual national initiative to teach youth about the concept of credit, its importance and cost, budgeting, and savings. All selected schools have a student population that is over 50 percent economically disadvantaged according to the TEA. VPB employees taught these financial literacy programs.

### **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank’s performance under the Service Test in the Fort Worth AA and the Jack County AA (acquired in 2012) is not inconsistent with the bank’s full scope review.

## Appendix A: Scope of Examination

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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”).

<b>Time Period Reviewed</b>	Lending Test (excludes CD Loans): 4/1/2008 to 12/31/2011 Investment and Service Tests and CD Loans: 5/12/2008 to 12/31/2011 and 1/1/2012 to 12/31/2012	
<b>Financial Institution</b>	<b>Products Reviewed</b>	
Viewpoint Bank (VPB) Plano, Texas	Home Purchase, Home Refinance, Home Improvement, Small Business Loans CD Loans, Investments and Services	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
ViewPoint Mortgage, Inc.	100% Owned Subsidiary of ViewPoint Bank, N.A.	Home Purchase, Home Refinance, Home Improvement
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
Dallas AA # 19124	Full Scope	Dallas AA includes all of Collin, Dallas, and Denton counties
Fort Worth AA #23104	Limited Scope	Fort Worth AA includes all of Tarrant and Wise counties
Jack County AA #237	Limited Scope	Jack County AA includes all of Jack County

## Appendix B: Market Profiles for Full-Scope Areas

### Dallas Assessment Area (2000 Census)

Demographic Information for Full-Scope Area: Dallas Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	617	10.05	29.50	29.01	30.79	0.65
Population by Geography	3,068,802	8.42	28.04	30.54	33.00	0.00
Owner-Occupied Housing by Geography	634,009	2.88	20.40	31.98	44.74	0.00
Businesses by Geography	214,434	3.77	19.86	28.65	46.69	1.03
Farms by Geography	4,320	2.25	18.06	34.65	44.63	0.42
Family Distribution by Income Level	764,163	7.24	25.25	31.05	36.46	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	296,683	14.82	40.56	30.22	14.40	0.00
Median Family Income	= \$56,313					
HUD Adjusted Median Family Income for 2012	= \$69,600					
Households Below the Poverty Level	= 10%					
				Median Housing Value	= \$92,700	
				Unemployment Rate	= 3.40%	

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2000 U.S. Census and 2011 HUD updated MFI.

**Dallas Assessment Area (2010 Census)**

Demographic Information for Full-Scope Area: Dallas Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	818	13.45	24.94	25.06	36.19	0.37
Population by Geography	3,813,094	11.95	25.11	26.51	36.43	0.00
Owner-Occupied Housing by Geography	793,448	5.48	19.36	27.90	47.25	0.00
Businesses by Geography	184,486	12.05	25.21	25.26	37.03	0.45
Farms by Geography	4,853	8.53	19.78	28.99	42.55	0.14
Family Distribution by Income Level	898,731	10.57	23.02	27.22	39.19	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	360,135	21.32	36.45	25.99	16.23	0.00
Median Family Income	= \$67,501					
HUD Adjusted Median Family Income for 2011	= \$70,600					
Households Below the Poverty Level	= 12%					
				Median Housing Value	= \$142,850	
				Unemployment Rate	= 4.92%	

The full-scope Dallas assessment area (AA) consists of portions of the Dallas-Plano-Irving, TX Metropolitan Division and includes all of Collin, Dallas, and Denton counties. Prior to the acquisition of Highlands Bank in April 2012, the bank's assessment area included all of Collin and Dallas counties, and only a portion of Denton County. The assessment area meets the requirements of the CRA regulation and does not arbitrarily exclude low- or moderate-income geographies.

Prior to 2012 and based on the 2000 Census, the bank's AA during the time period reviewed from April 1, 2008 through December 31, 2011 consisted of 653 census tracts (CTs), including the full counties of Collin and Dallas, with a portion of Denton and Tarrant counties. For the partial counties, the AA included 45 of 56 CTs in Denton County and 36 of 310 CTs for Tarrant County.

In April 2012, VPB acquired Dallas-based Highlands Bancshares, Inc., the parent company of Highlands Bank and its subsidiary, First National Bank of Jacksboro. With this acquisition, the bank has three AAs and has designated portions of the Dallas-Fort Worth Core Statistical Area (CSA 206) as its AAs for internal analysis. The bank designated the full counties of Collin, Dallas, and Denton counties under the Dallas AA. The Jack County AA consists of all of Jack County and the Fort Worth AA consists of all of Tarrant and Wise counties. Based on the 2010 Census, the bank's revised AAs encompasses a total of 1,175 CTs, with 143 designated as low-income tracts and 306 designated as moderate-income tracts. For purposes of this analysis and based on the limited performance data for portions of the revised AAs, we performed a full scope review of the performance in Collin, Dallas, and Denton counties as the Dallas AA. We performed a limited scope review of the Fort Worth AA and the Jack County AA.

VPB operates 27 of their 31 branches in this AA with four of the branches being in LMI geographies. Alternative delivery systems that provide readily available access to banking products include ATM/VISA Check Cards, online banking, online bill pay, and telephone banking. VPB ranks 7<sup>th</sup> in deposit market share with 1.50 percent in the AA, based on the FDIC Summary of Deposits report dated June 30, 2012.

The level of competition for loans, deposits, and investments in the Dallas AA continues to increase from large nationwide banks, regional banks, and community banks, which have branched into the AA. A number of local credit unions also provide competition to the banking institutions in the AA. The FDIC Summary of Deposits report shows that Bank of America N.A., JP Morgan Chase N.A., and Wells Fargo Bank N.A. hold 64.7 percent of the deposits in this AA. The FDIC report further noted this AA has 178 different banks with 1,068 branches and total deposits of \$143.2 billion.

The AA has a total population of approximately 3.1 million people with the 2010 Census reflecting an increase to 3.8 million people. The Dallas AA economy is primarily based on petroleum, telecommunications, computer technology, banking, and transportation. The top employers located in the Dallas AA include companies such as American Airlines, Texas Health Resources, Bank of America, the Dallas ISD, Frito-Lay, and Alcatel-Lucent Technologies. From 2008 to 2011, the unemployment rate in the Dallas AA was 3.40 percent with an increase to 4.92 percent in 2012.

We conducted one community contact in conjunction with this examination in the Dallas AA. A housing advocacy group contact was interviewed to provide information about credit needs and bank performance in the Dallas-Plano-Irving Metropolitan Division. The interviewee states there exists a significant need for construction financing for spec housing for LMI persons and communities in the Dallas-Plano-Irving Metropolitan Division including townhomes, condos and some single family housing. The interviewee further states builder lines of credit are drying up due to the high foreclosure rate in the area, an abundance of foreclosed properties on the market, enhanced underwriting standards by lenders, and special mortgage loan programs not as prevalent as in the past.

## Appendix C: Tables of Performance Data

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### Content of Standardized Tables

References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to Appendix A: Scope of the Examination). For purposes of reviewing the lending test tables, the following are applicable: (1) purchased loans are treated as originations/purchases and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/assessment area; (2) partially geocoded loans (loans where no census tract is provided) cannot be broken down by income geographies and, therefore, are only reflected in the Total Loans in Core Tables 2 through 7 and part of Table 13; and (3) partially geocoded loans are included in the Total Loans and % Bank Loans Column in Core Tables 8 through 12 and part of Table 13. Tables without data are not included in this PE. **Tables 1-A through 15-B are provided for data based on 2010 Census.**

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. Community development loans to statewide or regional entities or made outside the bank’s assessment area may receive positive CRA consideration.
- 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/AA. 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/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 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/AA.
- 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.
- 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: April 1, 2008 to December 31, 2011													
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)		
<b>Full Review:</b>													
Dallas AA	94.58	8,173	1,499,326	761	63,355	0	0	7	37,700	8,941	1,600,381	97.31	
<b>Limited Review:</b>													
Fort Worth AA	5.42	483	109,002	28	3,182	0	0	1	2,000	512	114,184	2.69	
<b>Out of AA CD Loans</b>								4	25,903	-			

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

\*\* The evaluation period for Community Development Loans is May 12, 2008 to December 31, 2011.

\*\*\* Deposit Data as of January 22, 2013. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE		Geography: TEXAS				Evaluation Period: April 1, 2008 to December 31, 2011						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						
<b>Full Review:</b>																
Dallas AA	3,564	93.79	2.88	2.95	20.40	9.48	31.98	29.21	44.74	58.36	1.08	3.84	1.25	0.99	1.06	
<b>Limited Review:</b>																
Fort Worth AA	236	6.21	0.00	0.00	1.39	1.27	23.44	22.46	75.16	76.27	1.02	0.00	4.17	0.54	1.14	

\* Based on 2010 Peer Mortgage Data (USPR)

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

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

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

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT															Geography: TEXAS		Evaluation Period: April 1, 2008 to December 31, 2011											
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*																	
	#	% of Total*	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp													
<b>Full Review:</b>																												
Dallas AA	1,307	96.89	2.88	0.23	20.40	3.44	31.98	25.02	44.74	71.31	12.37	3.85	7.22	12.60	13.02													
<b>Limited Review:</b>																												
Fort Worth AA	42	3.11	0.00	0.00	1.39	2.38	23.44	11.90	75.16	85.71	6.43	0.00	50.00	2.22	6.93													

\* Based on 2010 Peer Mortgage Data (USPR)

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

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

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE												Geography: TEXAS		Evaluation Period: April 1, 2008 to December 31, 2011				
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	Overall	Low	Mod	Mid	Upp			
<b>Full Review:</b>																		
Dallas AA	3,301	94.15	2.88	0.42	20.40	2.76	31.98	21.36	44.74	75.46	1.01	0.00	0.45	0.80	1.12			
<b>Limited Review:</b>																		
Fort Worth AA	205	5.85	0.00	0.00	1.39	0.49	23.44	14.63	75.16	84.88	0.92	0.00	3.23	1.32	0.82			

\* Based on 2010 Peer Mortgage Data: (USPR).

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

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

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY		Geography: TEXAS					Evaluation Period: April 1, 2008 to December 31, 2011					Market Share (%) by Geography*				
MA/Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies							
	#	% of Total**	% of MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
Dallas AA	1	100.00	14.66	0.00	30.31	0.00	32.74	100.00	22.29	0.00	0.00	0.00	0.00	0.00	0.00	
<b>Limited Review:</b>																
Fort Worth AA	0	0.00	0.00	0.00	5.69	0.00	66.02	0.00	28.29	0.00	0.00	0.00	0.00	0.00	0.00	

\* Based on 2010 Peer Mortgage Data: USPR.

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

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

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES															Geography: TEXAS		Evaluation Period: April 1, 2008 to December 31, 2011	
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*							
	#	% of Total*	% of Businesses**	% BANK Loans	% of Businesses**	% BANK Loans	% of Businesses*	% BANK Loans	% of Businesses**	% BANK Loans	% of Businesses*	% BANK Loans	Overall	Low	Mod	Mid	Upp	
<b>Full Review:</b>																		
Dallas AA	753	96.41	4.20	1.06	21.39	22.58	30.29	28.95	42.98	47.41	0.27	0.12	0.33	0.33	0.23			
<b>Limited Review:</b>																		
Fort Worth AA	28	3.59	0.00	0.00	6.84	0.00	38.14	25.00	55.03	75.00	0.05	0.00	0.08	0.06	0.04			

\* Based on 2010 Peer Small Business Data: US.

\*\* 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 (Year).

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS															Geography: TEXAS		Evaluation Period: April 1, 2008 to December 31, 2011		
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				
<b>Full Review:</b>																			
Dallas AA	0	0.00	2.51	0.00	18.28	0.00	35.39	0.00	43.37	0.00	0.00	0.00	0.00	0.00	0.00				
<b>Limited Review:</b>																			
Fort Worth AA	0	0.00	0.00	0.00	7.09	0.00	50.84	0.00	42.06	0.00	0.00	0.00	0.00	0.00	0.00				

\* Based on 2010 Peer Small Business Data: US.

\*\* 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 (Year).

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: TEXAS					Evaluation Period: April 1, 2008 to December 31, 2011					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****	Overall	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
Dallas AA	3,564	93.79	21.42	10.24	17.72	19.56	19.83	19.87	41.04	50.32	1.21	2.06	1.19	1.00	1.19	
<b>Limited Review:</b>																
Fort Worth AA	236	6.21	8.89	3.39	12.15	13.56	17.23	18.64	61.73	64.41	1.13	1.90	0.84	1.48	1.04	

\* Based on 2010 Peer Mortgage Data: USPR.

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

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

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for [Percentage] of loans originated and purchased by bank.

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT		Geography: TEXAS					Evaluation Period: April 1, 2008 to December 31, 2011					Market Share*				
MA/Assessment Area:	Total Home Improvement 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****	Overall	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
Dallas AA	1,307	96.89	21.42	2.31	17.72	7.86	19.83	15.49	41.04	74.35	12.98	3.88	6.44	12.57	15.02	
<b>Limited Review:</b>																
Fort Worth AA	42	3.11	8.89	0.00	12.15	9.52	17.23	9.52	61.73	80.95	6.72	0.00	5.56	5.41	7.43	

\* Based on 2010 Peer Mortgage Data: USPR.

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

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

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for [Percentage] of loans originated and purchased by bank.

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE															Geography: TEXAS		Evaluation Period: April 1, 2008 to December 31, 2011				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*										
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp						
<b>Full Review:</b>																					
Dallas AA	3,301	94.15	21.42	1.50	17.72	9.20	19.83	15.92	41.04	73.38	1.21	0.80	1.24	1.08	1.26						
<b>Limited Review:</b>																					
Fort Worth AA	205	5.85	8.89	0.51	12.15	5.05	17.23	13.64	61.73	80.81	1.10	0.00	0.86	1.09	1.15						

\* Based on 2010 Peer Mortgage Data: USPR.

\*\* 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 Families is based on the 2000 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for [Percentage] of loans originated and purchased by bank.

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES									
					Geography: TEXAS		Evaluation Period: April 1, 2008 to December 31, 2011		
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
<b>Full Review:</b>									
Dallas AA	761	96.45	77.65	69.65	84.10	8.94	6.96	0.27	0.54
<b>Limited Review:</b>									
Fort Worth AA	28	3.55	79.21	89.29	85.71	0.00	14.29	0.05	0.12

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\* Based on 2010 Peer Small Business Data: US.

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

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

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

Table 12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS					Geography: TEXAS		Evaluation Period: April 1, 2008 to December 31, 2011		
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
<b>Full Review:</b>									
Dallas AA	0	0.00	94.79	0.00	0.00	0.00	0.00	0.00	0.00
<b>Limited Review:</b>									
Fort Worth AA	0	0.00	96.79	0.00	0.00	0.00	0.00	0.00	0.00

\* Based on 2010 Peer Small Business Data: US.

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

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

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

Table 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography: TEXAS		Evaluation Period: April 1, 2008 to December 31, 2011					
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
Dallas AA	7	2,716	171	15,463	178	18,179	88.43	2	2,086
<b>Limited Review:</b>									
Fort Worth AA	0	0	13	14	13	14	0.46	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: April 1, 2008 to December 31, 2011																	
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full Review:</b>																	
Dallas AA	97.31	23	92.00	0.00	17.39	30.43	52.18	3	2	0	-1	0	2	8.42	28.04	30.54	33.00
<b>Limited Review:</b>																	
Fort Worth AA	2.69	2	8.00	0.00	0.00	50.00	50.00	0	0	0	0	0	0	0.00	2.79	33.34	63.86

Table 1(a). Lending Volume

LENDING VOLUME												
Geography: TEXAS						Evaluation Period: January 1, 2012 to September 30, 2012						
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)	
<b>Full Review:</b>												
Dallas AA	80.45	1,018	195,230	196	34,509	0	0	4	10,712	1,218	240,451	91.42
<b>Limited Review:</b>												
Fort Worth AA	14.84	180	29,779	41	7,575	3	556	1	9,000	225	46,910	3.05
Jack County AA	4.71	18	923	27	1,732	26	712	0	0	71	3,367	5.53

\* Loan Data as of December 31, 2012. Rated area refers to either the state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is January 1, 2012 to December 31, 2012.

\*\*\* Deposit Data as of January 29, 2013. Rated area refers to either the state, multi-state MA, or institution, as appropriate.

Table 2(a). Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE															Geography: TEXAS					Evaluation Period: January 1, 2012 to September 30, 2012				
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*													
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp									
<b>Full Review:</b>																								
Dallas AA	375	80.30	5.48	3.20	19.36	10.13	27.90	21.60	47.26	65.07	0.53	0.84	0.55	0.42	0.57									
<b>Limited Review:</b>																								
Fort Worth AA	80	17.13	3.95	0.00	20.56	7.50	39.15	36.25	36.35	56.25	0.24	0.00	0.17	0.23	0.26									
Jack County AA	12	2.57	0.00	0.00	0.00	0.00	0.00	0.00	100.00	100.00	25.00	0.00	0.00	0.00	25.00									

\*\* 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 2010 Census information.

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

Table 3(a). Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT												Geography: TEXAS		Evaluation Period: January 1, 2012 to September 30, 2012				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*							
	#	% of Total*	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp			
<b>Full Review:</b>																		
Dallas AA	297	86.34	5.48	0.34	19.36	4.38	27.90	20.20	47.26	75.08	8.23	1.72	4.35	7.79	8.98			
<b>Limited Review:</b>																		
Fort Worth AA	43	12.50	3.95	0.00	20.56	6.98	39.15	41.86	36.35	51.16	2.20	0.00	1.28	2.43	2.32			
Jack County AA	4	1.16	0.00	0.00	0.00	0.00	0.00	0.00	100.00	100.00	50.00	0.00	0.00	0.00	50.00			

\* 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 2010 Census information.

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

Table 4(a). Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE												Geography: TEXAS		Evaluation Period: January 1, 2012 to September 30, 2012				
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	Overall	Low	Mod	Mid	Upp			
<b>Full Review:</b>																		
Dallas AA	344	85.36	5.48	2.33	19.36	7.85	27.90	14.83	47.26	75.00	0.37	0.66	0.44	0.27	0.39			
<b>Limited Review:</b>																		
Fort Worth AA	57	14.14	3.95	0.00	20.56	7.02	39.15	26.32	36.35	66.67	0.14	0.00	0.13	0.11	0.17			
Jack County AA	2	0.50	0.00	0.00	0.00	0.00	0.00	0.00	100.00	100.00	3.92	0.00	0.00	0.00	3.92			

\*\* 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 2010 Census information.

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

Table 5(a). Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY		Geography: TEXAS					Evaluation Period: January 1, 2012 to September 30, 2012					Market Share (%) by Geography*					
MA/Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies								
	#	% of Total**	% of MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Overa ll	Low	Mod	Mid	Upp
<b>Full Review:</b>																	
Dallas AA	2	100.00	24.56	0.00	27.39	50.00	25.91	0.00	22.14	50.00	0.81	0.00	1.49	0.00	2.44		
<b>Limited Review:</b>																	
Fort Worth AA	0	0.00	8.48	0.00	37.31	0.00	42.91	0.00	11.29	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Jack County AA	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

\*\* 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 2010 Census information.

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

Table 6(a). Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES															Geography: TEXAS		Evaluation Period: January 1, 2012 to September 30, 2012				
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						
<b>Full Review:</b>																					
Dallas AA	196	74.24	8.57	6.63	18.12	25.51	25.46	19.90	47.63	47.96	0.32	0.37	0.45	0.26	0.31						
<b>Limited Review:</b>																					
Fort Worth AA	41	15.53	4.69	4.88	21.92	24.39	35.52	51.22	37.69	19.51	0.15	0.14	0.15	0.22	0.11						
Jack County AA	27	10.23	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00	0.00	21.38	0.00	0.00	23.85						

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

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

Table 7(a). Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS															Geography: TEXAS		Evaluation Period: January 1, 2012 to September 30, 2012				
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						
<b>Full Review:</b>																					
Dallas AA	0	0.00	6.28	0.00	17.91	0.00	30.94	0.00	44.78	0.00	0.00	0.00	0.00	0.00	0.00						
<b>Limited Review:</b>																					
Fort Worth AA	3	10.34	3.84	0.00	20.38	0.00	41.36	100.00	34.42	0.00	5.08	0.00	10.00	10.00	0.00						
Jack County AA	26	89.66	0.00	0.00	0.00	0.00	0.00	0.00	100.00	100.00	80.40	0.00	0.00	0.00	81.40						

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

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

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

Table 8(a). Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: TEXAS					Evaluation Period: January 1, 2012 to September 30, 2012					Market Share*				
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp	
	#	% of Total*	% Families***	% BANK Loans***	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****						
<b>Full Review:</b>																
Dallas AA	375	80.30	23.50	11.32	16.57	17.25	17.88	15.63	42.05	55.80	0.59	0.90	0.55	0.43	0.63	
<b>Limited Review:</b>																
Fort Worth AA	80	17.13	21.89	8.75	17.41	18.75	19.43	15.00	41.27	57.50	0.27	0.26	0.22	0.17	0.37	
Jack County AA	12	2.57	13.23	0.00	15.40	25.00	19.04	33.33	52.34	41.67	29.27	0.00	42.86	36.36	25.00	

\*\* 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 2.2% of loans originated and purchased by bank.

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

Table 9(a). Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT		Geography: TEXAS					Evaluation Period: January 1, 2012 to September 30, 2012					Market Share*				
MA/Assessment Area:	Total Home Improvement 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****	Overa ll	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
Dallas AA	297	86.34	23.50	3.37	16.57	8.42	17.88	15.82	42.05	72.39	8.68	8.20	8.25	7.78	8.98	
<b>Limited Review:</b>																
Fort Worth AA	43	12.50	21.89	2.38	17.41	4.76	19.43	7.14	41.27	85.71	2.24	1.05	0.80	0.75	3.18	
Jack County AA	4	1.16	13.23	25.00	15.40	25.00	19.04	0.00	52.34	50.00	80.00	100	100	0.00	66.67	

\*\* 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 0.4% of loans originated and purchased by bank.

Table 10(a). Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE		Geography: TEXAS		Evaluation Period: January 1, 2012 to September 30, 2012											
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total**	% Families***	% BANK Loans***	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Dallas AA	344	85.36	23.50	3.34	16.57	7.90	17.88	13.37	42.05	75.38	0.42	0.39	0.33	0.32	0.47
<b>Limited Review:</b>															
Fort Worth AA	57	14.14	21.89	0.00	17.41	7.41	19.43	20.37	41.27	72.22	0.17	0.00	0.10	0.17	0.20
Jack County AA	2	0.50	13.23	0.00	15.40	0.00	19.04	0.00	52.34	100.00	4.35	0.00	0.00	0.00	5.71

\*\* 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 Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 6.4% of loans originated and purchased by bank.

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

Table 11(a). Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES					Geography: TEXAS		Evaluation Period: January 1, 2012 to September 30, 2012			
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	
<b>Full Review:</b>										
Dallas AA	196	74.24	71.31	45.41	65.31	12.24	22.45	0.00	0.00	
<b>Limited Review:</b>										
Fort Worth AA	41	15.53	70.98	41.46	68.29	4.88	26.83	0.00	0.00	
Jack County AA	27	10.23	76.20	11.11	81.48	14.81	3.70	0.00	0.00	

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

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

\*\*\*\* Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 23.86% of small loans to businesses originated and purchased by bank.

Table 12(a). Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS									
				Geography: TEXAS		Evaluation Period: January 1, 2012 to September 30, 2012			
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
<b>Full Review:</b>									
Dallas AA	0	0.00	97.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Limited Review:</b>									
Fort Worth AA	3	10.34	97.55	33.33	33.33	33.33	33.33	0.00	0.00
Jack County AA	26	89.66	100.00	7.69	96.15	3.85	0.00	0.00	0.00

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

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

\*\*\*\* Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 86.21% of small loans to farms originated and purchased by bank.

Table 14(a). Qualified Investments

QUALIFIED INVESTMENTS									
Geography: TEXAS									
Evaluation Period: January 1, 2012 to September 30, 2012									
MA/Assessment Area:	Prior Period Investments *		Current Period Investments		Total Investments			Unfunded Commitments **	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
Dallas AA	0	0	38	95	38	95	0.46	0	0
<b>Limited Review:</b>									
Fort Worth AA	0	0	5	6	5	6	0.03	0	0
Jack County AA	0	0	0	0	0	0	0	0	0
<b>Out of AA Investments</b>					4	2,264	11.01		

\* '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(a). Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS																	
Geography: TEXAS Evaluation Period: January 1, 2012 to September 30, 2012																	
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
<b>Full Review:</b>																	
Dallas AA	91.42	27	87.10	3.70	11.11	22.22	62.97	6	0	0	0	2	4	11.95	25.11	26.51	36.43
<b>Limited Review:</b>																	
Fort Worth AA	3.05	3	9.68	0.00	0.00	66.67	33.33	0	0	0	0	0	0	7.00	26.38	36.99	29.63
Jack County AA	5.53	1	3.22	0.00	0.00	0.00	100.00	0	0	0	0	0	0	0.00	0.00	0.00	100.00

Table 15(a) Distribution of Branch and ATM Delivery Systems

DISTRIBUTION OF BRANCH AND ATM DELIVERY SYSTEM																	
Geography: TEXAS Evaluation Period: January 1, 2012 to September 30, 2012																	
MA/ Assessment Area:	Deposits	Branches						ATMs						Population			
	% of Total Bank Deposits	# of Bank Branches	% of Total Bank Branches	Location of Branches by Income of Geographies (%)				#of Bank ATMs	% of Total Bank ATMs*	Location of ATMs by Income of Geographies				% of Population within Each Geography			
				% Low	% Mod	% Mid	% Upp			% Low	% Mod	% Mid	% Upp	Low	Mod	Mid	Upp
<b>Full Review:</b>																	
Dallas AA	91.42	27	87.10	3.70	11.11	22.22	62.97	48	92.31	2.08	18.75	29.17	50.00	11.95	25.11	26.51	36.43
<b>Limited Review:</b>																	
Fort Worth AA	3.05	3	9.68	0.00	0.00	66.67	33.33	3	5.77	0.00	0.00	66.67	33.33	7.00	26.38	36.99	29.63
Jack County AA	5.53	1	3.22	0.00	0.00	0.00	100.00	1	1.92	0.00	0.00	0.00	100.00	0.00	0.00	0.00	100.00