Annual Report to Congress
Preservation of Minority National Banks and Federal Savings Associations

2011

In accordance with Sections 301 and 308 of the Financial Institutions Reform, Recovery and Enforcement Act of 1989

by the
Office of the Comptroller of the Currency
Washington, DC

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I. EXECUTIVE SUMMARY

The Office of the Comptroller of the Currency (OCC) supervises 57 minority depository institutions (MDI), which account for about 3 percent of the 1,870 community banks in the OCC’s Midsize and Community Bank Supervision (MCBS) line of business. That total includes 13 minority-owned federal savings associations (FSA) that came under the OCC’s jurisdiction in July 2011, when most of the functions of the Office of Thrift Supervision (OTS) were integrated into the OCC.

This report is submitted in compliance with section 367 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act), which directed the Comptroller of the Currency to submit an annual report to Congress containing a description of actions taken to carry out section 308 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), as amended by the Dodd-Frank Act. Section 308 describes five goals for preserving minority ownership of minority financial institutions and directs the Secretary of the Treasury to consult with the Comptroller and a number of other agencies on methods for best achieving these goals.

In 2011, the OCC engaged in numerous activities to carry out the goals detailed in section 308. For example:

- Subject matter experts provided technical assistance to MDIs on topics including legal, accounting, compliance, and safety and soundness issues. Much of this activity focused on asset quality and loan administration, liquidity and interest rate risk management, and capital formation through earnings retention.
- Bank Director Workshops were held throughout the country on topics such as risk assessment, credit risk, and compliance risk. The OCC made a special effort to encourage MDI directors to attend and waived charges for MDI directors.
- The OCC’s District Community Affairs Officers provided consultations to MDIs on community development, the Community Reinvestment Act (CRA), and other related topics.
- OCC staff participated in outreach events, including the National Bankers Association’s Legislative and Regulatory Conference and Annual Convention roundtable discussion with the Independent Community Bankers of America’s Minority Bank Council and the OTS MDI Advisory Council and the Interagency Minority Depository Institutions National Conference.

This report provides additional details on all of the OCC’s activities completed in 2011 to support MDIs, including the overall condition of minority depository institutions supervised by the OCC, the OCC’s compliance with section 308’s provisions, and an overview of the OCC’s outreach to MDIs and the training the agency provided to examiners who supervise those institutions.
II. OVERALL CONDITION OF MINORITY DEPOSITORY INSTITUTIONS

While all banks have struggled with a weak economy, MDIs have faced particularly significant challenges. A major concern is the high level of noncurrent loans—just over 4 percent at MDIs, compared to 2.29 percent for all other OCC community banks. Because they have higher levels of problem loans, MDIs generally hold more Tier 1 capital—an average of 11.63 percent, compared to 10.88 percent for federal community banks as a whole. Profitability is improving for all banks, and MDIs recorded net interest income of 3.98 percent of average assets, compared to 3.7 percent for all other OCC community banks. Asset levels at MDIs held steady in 2011.

III. OCC’S NATIONAL MINORITY DEPOSITORY INSTITUTIONS PROGRAM

The OCC’s National Minority Depository Institutions program is designed to provide technical assistance and other support to minority-owned banks and thrifts in order to promote and preserve these institutions, consistent with the requirements of section 308 of FIRREA detailed below.

A. Preserving the Present Number of Minority Depository Institutions

The number of MDIs supervised by the OCC now includes 13 FSAs that were added during 2011 as a result of the Dodd-Frank Act.

As noted in Table 1 below, nearly 60 percent of the MDIs supervised by the OCC hold assets of less than $250 million, with nearly 85 percent below $500 million. This distribution has not changed materially since 2010.

<table>
<thead>
<tr>
<th>Asset Size</th>
<th>National Banks</th>
<th>FSAs</th>
<th>Total</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>$250 million or less</td>
<td>26</td>
<td>8</td>
<td>34</td>
<td>59.7%</td>
</tr>
<tr>
<td>$251 million to $500 million</td>
<td>10</td>
<td>3</td>
<td>13</td>
<td>22.8%</td>
</tr>
<tr>
<td>$501 million to $1 billion</td>
<td>4</td>
<td>2</td>
<td>6</td>
<td>10.5%</td>
</tr>
<tr>
<td>Greater than $1 billion</td>
<td>4</td>
<td>0</td>
<td>4</td>
<td>7.0%</td>
</tr>
<tr>
<td>Total</td>
<td>44</td>
<td>13</td>
<td>57</td>
<td></td>
</tr>
</tbody>
</table>

OCC-supervised MDIs are located in 22 states and the District of Columbia, with combined assets of $18.8 billion. The heaviest concentrations of MDIs are in the states of California (12 institutions), Texas (11), and New York (6).
B. Preserving the Minority Character of Minority Depository Institutions

When considering potential merger and acquisition partners for minority depository institutions, the OCC, in coordination with the Federal Deposit Insurance Corporation, uses the “general preference guidelines” identified below to establish preferences for the types of institutions for which a merger/acquisition would be most appropriate. We apply these guidelines in the following order:

1. Same type of MDI in the same city.
2. Same type of MDI in the same state.
3. Same type of MDI nationwide.
4. Any type of MDI in the same city.
5. Any type of minority depository in the same state.
6. Any type of MDI nationwide.
7. Any other bidders.

During 2011, the OCC was not involved in any mergers or acquisitions of minority depository institutions.

C. Providing Technical Assistance to Prevent the Insolvency of Institutions Not Now Insolvent

Because MDIs still face challenges because of higher-than-average levels of noncurrent loans, technical assistance provided regularly during onsite examinations, quarterly management discussions, and various training and education programs has focused on improving overall asset quality and strengthening capital levels. OCC experts have worked with MDIs on improving asset quality and loan administration, liquidity and interest rate risk management, and capital formation through earnings retention. In addition, MDIs have ready access to OCC subject matter experts on a wide range of topics, including accounting, compliance, and capital markets, to name a few.

D. Providing for Training, Technical Assistance, and Educational Programs

OCC Director Workshops are one of many offerings that help bank directors fulfill their fiduciary responsibilities. Directors are integral to the long-term health and viability of community-based financial institutions, and the OCC is committed to providing a support structure that recognizes and builds on that importance. Workshops focusing on four different subject areas (see Table 2) are held in various locations throughout the year in an effort to make participation as convenient as possible for attendees. While the OCC typically charges a registration fee to attend the agency’s Director Workshops, the registration fee is waived for participants from MDIs in order to encourage attendance. During 2011, the OCC conducted 35 workshops in 22 locations throughout the United States. A news announcement was sent to all OCC-regulated MDIs to notify them of the 2011 workshop schedule and that the registration fee would be waived for their directors. Table 2 provides data on participation.
Table 2: Participation of MDIs in Director Workshops

<table>
<thead>
<tr>
<th>Workshop</th>
<th>Sessions During 2011</th>
<th>Number of MDIs</th>
<th>Total Institutions</th>
<th>Percentage of MDIs Participating</th>
<th>Number of MDI Directors</th>
<th>Total Number of Directors Participating</th>
<th>Percentage of MDIs Participating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk Assessment</td>
<td>13</td>
<td>9</td>
<td>189</td>
<td>4.76%</td>
<td>20</td>
<td>479</td>
<td>4.18%</td>
</tr>
<tr>
<td>Credit Risk</td>
<td>11</td>
<td>7</td>
<td>154</td>
<td>4.55%</td>
<td>11</td>
<td>328</td>
<td>3.35%</td>
</tr>
<tr>
<td>Compliance Risk</td>
<td>6</td>
<td>6</td>
<td>87</td>
<td>6.90%</td>
<td>11</td>
<td>189</td>
<td>5.82%</td>
</tr>
<tr>
<td>Mastering the Basics</td>
<td>6</td>
<td>0</td>
<td>93</td>
<td>0.00%</td>
<td>0</td>
<td>215</td>
<td>0.00%</td>
</tr>
</tbody>
</table>

District Community Affairs Officers assist national banks and federal savings associations in their efforts to provide credit and other banking services to their communities through several activities including:

- training and technical assistance on resources and effective strategies for community development and CRA; financial literacy initiatives and other productive partnerships; and investing in community development projects.
- tailored one-on-one consultations that typically cover the following topics: identifying opportunities for community development finance; strategies for forming partnerships with community development organizations and governmental agencies; creating mechanisms for expanding a bank’s community development capacity in urban and rural markets; and preparing for the CRA exam.
- banker and community outreach. These initiatives include sponsorship of roundtable discussions, conferences, seminars, and workshops for the exchange of information and ideas among bankers, community groups, governmental agencies, and other stakeholders. Topics covered relate to support of low- to moderate-income communities, such as economic recovery, small business lending programs, neighborhood stabilization, CRA, and community development challenges and opportunities.

The OCC’s Community Affairs Department conducts “best practice” research and promotes OCC publications that encourage economic development activities by national banks and federal savings associations in line with safe and sound banking practices. Publications relevant to MDIs include the following:

- Minority-Owned Banks: Making a Difference in their Communities, a newsletter that outlines the role MDIs play in meeting the credit needs of the customers living in their communities.
• A Guide to Tribal Ownership of a National Bank: A companion to the OCC’s Licensing Manual, this guide is designed to help federally recognized Native American tribes explore entry into the national banking system by establishing or acquiring control of a national bank.

• Commercial Lending in Indian Country: Potential Opportunities in an Untapped Market discusses the specific approaches that bankers active in this market have used to accommodate some of the unique business and legal challenges, including the use of several federal programs that are available to manage the risks in tribal commercial and business development.

• Banking in Indian Country contains articles addressing how financial institutions, tribal organizations, and others have developed partnerships that lead to increased access to lending and other financial services on tribal lands. Successes are described in the areas of home mortgage lending, commercial lending, retail services, financial literacy initiatives, and development of Native American financial institutions.

• Partnerships with Minority- and Women-Owned Financial Institutions and Low-Income Credit Unions is a fact sheet describing how banks can receive CRA consideration for investments in and partnerships with MDIs.

All of these publications and more are available on the Community Affairs pages of the OCC Web site. These publications are promoted at conferences and events that OCC staff attends.

IV. ADDITIONAL OCC ACTIVITIES IN SUPPORT OF MINORITY DEPOSITORY INSTITUTIONS

A. Outreach

Outreach meetings are conducted on a regional basis, typically once a year. These outreach meetings are directed to bank executive officers, with the chief executive officers (CEO) most likely in attendance, and typically cover a variety of compliance, accounting, economic, and safety and soundness topics.

Teleconferences:

The agency conducted two teleconferences for federal savings associations during 2011 to assist with the integration of OTS-supervised institutions into OCC:

• FSA Executive Teleconference: Migration from the Thrift Financial Report to the Bank Call Report; Allowances, Accounting and Credit; and Other Supervision Topics

• FSA Executive Teleconference: Supervisory Expectations for Interest Rate Risk Management

Publications:

Quarterly newsletters are distributed to the CEOs of national banks and federal savings associations to provide updates on recent OCC issuances as well as guidance on current hot topics pertaining to safety and soundness or compliance matters.
Industry Meetings:

The OCC participates in a number of national and state banking conventions through an exhibit booth program sponsored by the agency's Banking Relations unit. Outreach efforts specifically targeted to minority-owned institutions in 2011 included:

- The National Bankers Association Annual Convention.
- The National Bankers Association Annual Legislative and Regulatory Conference.
- The Interagency MDI National Conference.
- A roundtable discussion for MDIs with the Acting Comptroller, Senior Deputy Comptroller for Midsize and Community Bank Supervision, and the Senior Advisor to the Deputy Comptroller for Public Affairs for External Outreach and Minority Affairs at the Interagency MDI Conference.
- A roundtable discussion with the Senior Advisor to the Deputy Comptroller for Public Affairs for External Outreach and Minority Affairs. The setting for the discussion was the Independent Community Bankers of America's Minority Bank Council at the Interagency MDI Conference.
- The roundtable discussion for the OTS MDI Advisory Council with the Comptroller, Senior Deputy Comptroller for Midsize and Community Bank Supervision, Deputy Comptroller for Public Affairs, and the Senior Advisor to the Deputy Comptroller for Public Affairs for External Outreach and Minority Affairs.

These meetings provide an informal environment in which experienced OCC staff members interact with bankers and provide a valuable communications link to the banking community. They give the OCC the opportunity to hear suggestions from community bankers on issues affecting the banking industry, provide information on national banking trends and issues, and highlight resources the OCC has developed to assist bankers, including a commercial real estate stress test model. In addition, the OCC has provided demonstrations on the use of OCC BankNet and the Comparative Analysis Reports available to the institutions supervised by the OCC.

Interagency MDI National Conference:

At the 2011 Interagency MDI National Conference mentioned above, the OCC organized and conducted three of the six workshops and provided speakers and moderators for general and plenary sessions. These conference activities covered a variety of topics, including:

- **Activities of an Effective Board of Directors**
  This session discussed key activities that enhance the effectiveness of boards of directors, including strategic planning, policies, performance management, and succession planning.

- **Commercial Real Estate Risk Management**
  This session discussed asset quality trends, underwriting, appraisal and evaluation guidelines, prudent commercial real estate loan workout guidance, and troubled debt restructures.
• Managing Interest Rate Risk
This session explored the current rate environment and the low rate setup, the National Risk Committee and the quarterly interest rate risk assessment, balance sheet metrics, and outlier reports and interagency guidance on interest rate risk management.

Various aspects of the conference were designed based on the input we received from MDIs the OCC supervises. Leading up to the conference, the OCC contacted each MDI through calls, letters, and news advisories in an effort to increase awareness, attendance, and participation in this conference.

B. Educational Activities With Bank Examiners

In 2011, diversity awareness training sessions were provided to all newly hired examiners as a part of their orientation into the OCC. Each session provided information about cultural and generational diversity to enhance interactions with both their co-workers and the bankers they come in contact with on a daily basis. The training included discussions of situational workplace dilemmas to reinforce concepts and tips to enhance workplace interactions.

C. OCC Minority Depository Institutions Advisory Committee

In October 2011, the OCC took steps to formally establish a Minority Depository Institutions Advisory Committee (MDIAC), designed to provide perspectives to the agency on the unique challenges and needs of minority depository institutions. The OCC MDIAC will have up to 10 members serving two-year terms and will meet at least twice every year. The MDIAC will be made up of officers and directors of MDIs and other financial institutions committed to supporting such institutions.

On August 13, 2012, the OCC published a notice in the Federal Register soliciting membership on the committee, and members were announced on December 12, 2012. The MDIAC will provide the OCC an assessment of the current condition of MDIs and what regulatory changes or other steps the OCC should consider to preserve minority institutions. The presiding OCC official for the MDIAC is the Senior Advisor to the Senior Deputy Comptroller for Midsize and Community Bank Supervision, and the first meeting is scheduled to be held on January 16, 2013. See the MDIAC Charter in Appendix 3.

V. CONCLUSION

The OCC has long supported the MDI provisions of FIRREA. During the calendar year covered by this report (2011), the first year in which the Dodd-Frank Act MDI provisions applied to the OCC, the agency demonstrated its support of MDIs by engaging the services of employees throughout the agency to plan and implement or participate in a number of activities for the benefit of MDIs. Those employees represented several OCC units, including Midsize and Community Bank Supervision, Banking Relations, Community Affairs, External Outreach and Minority Affairs, Licensing, and the Ombudsman’s Office.
Recognizing the importance of MDIs to the community bank sector in the United States, the OCC will continue to demonstrate its commitment to supporting these institutions through a proactive and coordinated effort within the agency and through interagency partnerships.
# APPENDIX 1

## Minority- and Women-Owned Depository Institutions

(As of December 31, 2011)

<table>
<thead>
<tr>
<th>NAME</th>
<th>ADDRESS</th>
<th>CITY</th>
<th>STATE</th>
<th>ZIP CODE</th>
<th>TELEPHONE</th>
<th>CHARTER</th>
<th>TOTAL ASSETS ($000)</th>
<th>OWNER CODE</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Slocomb National Bank</td>
<td>220 E. Lawrence Harris Highway</td>
<td>Slocomb</td>
<td>AL</td>
<td>36375-0000</td>
<td>(334) 886-2367</td>
<td>7940</td>
<td>72,672</td>
<td>6</td>
</tr>
<tr>
<td>Commonwealth National Bank</td>
<td>2214 St. Stephens Road</td>
<td>Mobile</td>
<td>AL</td>
<td>36617-0000</td>
<td>(251) 475-5938</td>
<td>16553</td>
<td>65,062</td>
<td>1</td>
</tr>
<tr>
<td>The First National Bank of Izard County</td>
<td>2005 Highway 56</td>
<td>Calico Rock</td>
<td>AR</td>
<td>72519-0000</td>
<td>(870) 297-3711</td>
<td>21165</td>
<td>143,741</td>
<td>6</td>
</tr>
<tr>
<td>Broadway Federal Bank, F.S.B.</td>
<td>4835 West Venice Blvd.</td>
<td>Los Angeles</td>
<td>CA</td>
<td>90019-0000</td>
<td>(323) 634-1700</td>
<td>705141</td>
<td>418,357</td>
<td>3</td>
</tr>
<tr>
<td>Tomatobank, National Association</td>
<td>1241 Grand Avenue, Suite K</td>
<td>Diamond Bar</td>
<td>CA</td>
<td>91750-0000</td>
<td>(625) 759-9222</td>
<td>23999</td>
<td>416,298</td>
<td>3</td>
</tr>
<tr>
<td>Gateway Bank, F.S.B.</td>
<td>919 Clement Street</td>
<td>San Francisco</td>
<td>CA</td>
<td>94118-0000</td>
<td>(415) 831-1288</td>
<td>708857</td>
<td>266,820</td>
<td>3</td>
</tr>
<tr>
<td>New Omni Bank, National Association</td>
<td>1235 South Garfield Avenue</td>
<td>Alhambra</td>
<td>CA</td>
<td>91801-5037</td>
<td>(626) 284-5555</td>
<td>18640</td>
<td>153,496</td>
<td>6</td>
</tr>
<tr>
<td>Asian Pacific National Bank</td>
<td>333 West Valley Boulevard</td>
<td>San Gabriel</td>
<td>CA</td>
<td>91776-0000</td>
<td>(626) 457-4888</td>
<td>23006</td>
<td>53,338</td>
<td>3</td>
</tr>
<tr>
<td>American Plus Bank, National Association</td>
<td>630 West Duarte Road</td>
<td>Arcadia</td>
<td>CA</td>
<td>91007-0000</td>
<td>(626) 821-9188</td>
<td>24716</td>
<td>212,563</td>
<td>3</td>
</tr>
<tr>
<td>Borrego Springs Bank, National Association</td>
<td>7777 Alvarado Road, Suite 515</td>
<td>La Mesa</td>
<td>CA</td>
<td>91942-3645</td>
<td>(619) 688-5159</td>
<td>23162</td>
<td>131,298</td>
<td>4</td>
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<tr>
<td>Mission National Bank</td>
<td>3060 16th Street</td>
<td>San Francisco</td>
<td>CA</td>
<td>94103-0000</td>
<td>(415) 826-3627</td>
<td>17176</td>
<td>185,443</td>
<td>3</td>
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<tr>
<td>Trans Pacific National Bank</td>
<td>55 Second Street, Suite 100</td>
<td>San Francisco</td>
<td>CA</td>
<td>94105-0000</td>
<td>(415) 543-3377</td>
<td>18368</td>
<td>113,743</td>
<td>3</td>
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<tr>
<td>Bank of Whittier, National Association</td>
<td>15141 East Whittier Boulevard</td>
<td>Whittier</td>
<td>CA</td>
<td>90603-0000</td>
<td>(562) 945-7553</td>
<td>17548</td>
<td>49,298</td>
<td>3</td>
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<tr>
<td>Salton National Bank</td>
<td>15606 Brookhurst Street, Suite C</td>
<td>Westminster</td>
<td>CA</td>
<td>92683-7582</td>
<td>(714) 338-8712</td>
<td>24577</td>
<td>58,567</td>
<td>3</td>
</tr>
<tr>
<td>Universal Bank</td>
<td>3455 Nogales Street-2nd Floor</td>
<td>West Covina</td>
<td>CA</td>
<td>91792-0000</td>
<td>(626) 854-2818</td>
<td>705801</td>
<td>458,897</td>
<td>3</td>
</tr>
<tr>
<td>Native American Bank, National Association</td>
<td>999 18th Street, Suite 2460</td>
<td>Denver</td>
<td>CO</td>
<td>80202-0000</td>
<td>(303) 988-2727</td>
<td>134378</td>
<td>69,574</td>
<td>4</td>
</tr>
<tr>
<td>Independence Federal Savings Bank</td>
<td>1301 9th Street, NW</td>
<td>Washington</td>
<td>DC</td>
<td>20001-0000</td>
<td>(202) 628-5500</td>
<td>70173</td>
<td>94,327</td>
<td>1</td>
</tr>
<tr>
<td>Executive National Bank</td>
<td>9600 North Kendall Drive</td>
<td>Miami</td>
<td>FL</td>
<td>33176-0000</td>
<td>(305) 964-2442</td>
<td>15974</td>
<td>275,407</td>
<td>2</td>
</tr>
<tr>
<td>Continental National Bank of Miami</td>
<td>1801 Continental Plaza</td>
<td>Miami</td>
<td>FL</td>
<td>33135-0000</td>
<td>(305) 642-2440</td>
<td>16325</td>
<td>290,664</td>
<td>2</td>
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<tr>
<td>Interamerican Bank, A FSB</td>
<td>9190 Coral Way</td>
<td>Miami</td>
<td>FL</td>
<td>33165-2049</td>
<td>(305) 223-1434</td>
<td>707506</td>
<td>248,000</td>
<td>2</td>
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<td>Embassy National Bank</td>
<td>1817 North Brown Road</td>
<td>Lawrenceville</td>
<td>GA</td>
<td>30043-0000</td>
<td>(770) 822-9111</td>
<td>24679</td>
<td>59,064</td>
<td>3</td>
</tr>
<tr>
<td>Quantum National Bank</td>
<td>505 Peachtree Industrial Blvd.</td>
<td>Suwanee</td>
<td>GA</td>
<td>30024-0729</td>
<td>(770) 831-2601</td>
<td>22905</td>
<td>342,025</td>
<td>3</td>
</tr>
<tr>
<td>Hawaii National Bank</td>
<td>45 North King Street</td>
<td>Honolulu</td>
<td>HI</td>
<td>96817-0000</td>
<td>(808) 528-7711</td>
<td>14911</td>
<td>618,162</td>
<td>3</td>
</tr>
<tr>
<td>First Newton National Bank</td>
<td>100 North 2nd Avenue West</td>
<td>Newton</td>
<td>IA</td>
<td>50208-0000</td>
<td>(641) 792-3010</td>
<td>13609</td>
<td>78,193</td>
<td>6</td>
</tr>
<tr>
<td>Second FS &amp; LA of Chicago</td>
<td>3960 W 26th St</td>
<td>Chicago</td>
<td>IL</td>
<td>60623-3705</td>
<td>(773) 277-8500</td>
<td>700679</td>
<td>198,243</td>
<td>2</td>
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<tr>
<td>Illinois-Service FS &amp; LA</td>
<td>4619 S King Dr</td>
<td>Chicago</td>
<td>IL</td>
<td>60653-4107</td>
<td>(773) 624-2000</td>
<td>703395</td>
<td>150,000</td>
<td>1</td>
</tr>
<tr>
<td>The National Republic Bank of Chicago</td>
<td>1201 West Harrison Street</td>
<td>Chicago</td>
<td>IL</td>
<td>60607-0000</td>
<td>(312) 738-4900</td>
<td>14399</td>
<td>1,298,746</td>
<td>3</td>
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<tr>
<td>Sunflower Bank, National Association</td>
<td>3025 Cortland Circle</td>
<td>Salina</td>
<td>KS</td>
<td>67401-0000</td>
<td>(785) 827-5564</td>
<td>4742</td>
<td>1,733,783</td>
<td>6</td>
</tr>
<tr>
<td>Leader Bank, National Association</td>
<td>141 Massachusetts Avenue</td>
<td>Arlington</td>
<td>MA</td>
<td>02474-0000</td>
<td>(781) 646-3900</td>
<td>24131</td>
<td>509,286</td>
<td>3</td>
</tr>
<tr>
<td>Advance Bank</td>
<td>4801 Seton Drive</td>
<td>Baltimore</td>
<td>MD</td>
<td>21215-0000</td>
<td>(410) 358-1700</td>
<td>706824</td>
<td>66,877</td>
<td>1</td>
</tr>
<tr>
<td>Woodlands National Bank</td>
<td>122 Main Street</td>
<td>Hinchley</td>
<td>MN</td>
<td>55037-0000</td>
<td>(888) 532-4142</td>
<td>23926</td>
<td>137,826</td>
<td>4</td>
</tr>
<tr>
<td>The First National Bank of Gordon</td>
<td>134 N. Main Street</td>
<td>Gordon</td>
<td>NE</td>
<td>69343-0000</td>
<td>(308) 282-0050</td>
<td>8521</td>
<td>152,928</td>
<td>6</td>
</tr>
</tbody>
</table>

## APPENDIX 1 (Cont’d)

### Minority- and Women-Owned Depository Institutions

(As of December 31, 2011)

<table>
<thead>
<tr>
<th>NAME</th>
<th>ADDRESS</th>
<th>CITY</th>
<th>STATE</th>
<th>ZIP CODE</th>
<th>TELEPHONE</th>
<th>CHARTER</th>
<th>TOTAL ASSETS ($000)</th>
<th>OWNER CODE</th>
</tr>
</thead>
<tbody>
<tr>
<td>City National Bank of New Jersey</td>
<td>900 Broad Street</td>
<td>Newark</td>
<td>NJ</td>
<td>07102-0000</td>
<td>9736240885</td>
<td>16142</td>
<td>358,432</td>
<td>1</td>
</tr>
<tr>
<td>BNB Bank, National Association</td>
<td>2024 Center Avenue</td>
<td>Fort Lee</td>
<td>NJ</td>
<td>07024-0000</td>
<td>(212) 689-5922</td>
<td>20622</td>
<td>357,273</td>
<td>3</td>
</tr>
<tr>
<td>Nevada National Bank</td>
<td>6110 Spring Mountain Road</td>
<td>Las Vegas</td>
<td>NV</td>
<td>89102-0000</td>
<td>(888) 881-8718</td>
<td>24862</td>
<td>44,479</td>
<td>3</td>
</tr>
<tr>
<td>Carver Federal Savings Bank</td>
<td>75 West 125th Street</td>
<td>New York</td>
<td>NY</td>
<td>10027-4512</td>
<td>2123608810</td>
<td>705273</td>
<td>670,357</td>
<td>1</td>
</tr>
<tr>
<td>Chinatown Federal Savings Bank</td>
<td>107-109 Bowery</td>
<td>New York</td>
<td>NY</td>
<td>10002-0000</td>
<td>2123349191</td>
<td>708003</td>
<td>161,380</td>
<td>3</td>
</tr>
<tr>
<td>Ponce do Leon Federal Bank</td>
<td>2244 Westchester Avenue</td>
<td>Bronx</td>
<td>NY</td>
<td>10462-0000</td>
<td>(718) 931-9000</td>
<td>706509</td>
<td>759,115</td>
<td>2</td>
</tr>
<tr>
<td>Eastbank, National Association</td>
<td>183 Centre Street</td>
<td>New York</td>
<td>NY</td>
<td>10013-0000</td>
<td>(212) 219-9000</td>
<td>18431</td>
<td>187,145</td>
<td>3</td>
</tr>
<tr>
<td>Asia Bank, National Association</td>
<td>135-34 Roosevelt Avenue</td>
<td>New York City</td>
<td>NY</td>
<td>11354-0000</td>
<td>(718) 951-9700</td>
<td>18432</td>
<td>437,403</td>
<td>3</td>
</tr>
<tr>
<td>Abacus Federal Savings Bank</td>
<td>6 Bowery</td>
<td>New York</td>
<td>NY</td>
<td>10013-5101</td>
<td>2122669063</td>
<td>708059</td>
<td>233,256</td>
<td>3</td>
</tr>
<tr>
<td>First National Bank in Okeene</td>
<td>124 North Main Street</td>
<td>Okeene</td>
<td>OK</td>
<td>73763-0000</td>
<td>(580) 822-3300</td>
<td>10913</td>
<td>61,162</td>
<td>6</td>
</tr>
<tr>
<td>The Central National Bank of Alva</td>
<td>602-612 Flynn Street</td>
<td>Alva</td>
<td>OK</td>
<td>73717-0000</td>
<td>(580) 327-1122</td>
<td>12152</td>
<td>275,547</td>
<td>6</td>
</tr>
<tr>
<td>First National Bank and Trust Company</td>
<td>130 East Macarthur</td>
<td>Shawnee</td>
<td>OK</td>
<td>74804-0000</td>
<td>(405) 275-8830</td>
<td>18430</td>
<td>215,689</td>
<td>4</td>
</tr>
<tr>
<td>The National Bank of Malvern</td>
<td>325 Bridge Street</td>
<td>Malvern</td>
<td>PA</td>
<td>19355-0000</td>
<td>6106470100</td>
<td>3147</td>
<td>131,457</td>
<td>6</td>
</tr>
<tr>
<td>Independence Trust Company</td>
<td>325 Bridge Street</td>
<td>Franklin</td>
<td>TN</td>
<td>37064-0000</td>
<td>(615) 591-8011</td>
<td>717965</td>
<td>3,604</td>
<td>6</td>
</tr>
<tr>
<td>Commercial National Bank of Texarkana</td>
<td>5515 Summerhill Road</td>
<td>Texarkana</td>
<td>TX</td>
<td>75505-0000</td>
<td>(806) 773-4561</td>
<td>15257</td>
<td>193,887</td>
<td>6</td>
</tr>
<tr>
<td>The Lamesa National Bank</td>
<td>602 South 1st Street</td>
<td>Lamesa</td>
<td>TX</td>
<td>79331-0000</td>
<td>(806) 872-5457</td>
<td>13111</td>
<td>275,380</td>
<td>6</td>
</tr>
<tr>
<td>Texas National Bank</td>
<td>215 S. Texas Avenue</td>
<td>Mercedes</td>
<td>TX</td>
<td>78570-0000</td>
<td>(956) 565-2485</td>
<td>11879</td>
<td>93,004</td>
<td>2</td>
</tr>
<tr>
<td>Zapata National Bank</td>
<td>7th &amp; Hidalgo</td>
<td>Zapata</td>
<td>TX</td>
<td>78076-0000</td>
<td>(956) 765-4302</td>
<td>14955</td>
<td>103,999</td>
<td>2</td>
</tr>
<tr>
<td>Lone Star National Bank</td>
<td>208 West Ferguson</td>
<td>Pharr</td>
<td>TX</td>
<td>78577-0000</td>
<td>(956) 781-4321</td>
<td>17611</td>
<td>2,174,674</td>
<td>2</td>
</tr>
<tr>
<td>The First National Bank of Hico</td>
<td>135 N. Pecan</td>
<td>Hico</td>
<td>TX</td>
<td>76457-0000</td>
<td>(254) 796-4221</td>
<td>4366</td>
<td>39,684</td>
<td>6</td>
</tr>
<tr>
<td>Golden Bank, National Association</td>
<td>9315 Bellaire Boulevard</td>
<td>Houston</td>
<td>TX</td>
<td>77036-0000</td>
<td>(713) 777-3838</td>
<td>18558</td>
<td>517,463</td>
<td>3</td>
</tr>
<tr>
<td>Unity National Bank of Houston</td>
<td>2502 Blodgett Street</td>
<td>Houston</td>
<td>TX</td>
<td>77004-0000</td>
<td>(713) 387-7400</td>
<td>21008</td>
<td>71,584</td>
<td>1</td>
</tr>
<tr>
<td>American First National Bank</td>
<td>9999 Bellaire Boulevard</td>
<td>Houston</td>
<td>TX</td>
<td>77036-0000</td>
<td>(713) 596-2888</td>
<td>23522</td>
<td>868,864</td>
<td>3</td>
</tr>
<tr>
<td>Metrobank, National Association</td>
<td>9600 Bellaire Boulevard, Suite 252</td>
<td>Houston</td>
<td>TX</td>
<td>77036-0000</td>
<td>(713) 776-3876</td>
<td>21017</td>
<td>1,103,089</td>
<td>3</td>
</tr>
<tr>
<td>Southwestern National Bank</td>
<td>6901 Corporate Drive</td>
<td>Houston</td>
<td>TX</td>
<td>77036-0000</td>
<td>(713) 771-9700</td>
<td>23081</td>
<td>331,476</td>
<td>3</td>
</tr>
</tbody>
</table>

### Owner Codes

1 = African American  
2 = Hispanic American  
3 = Asian or Pacific Islander American  
4 = Native American or Alaskan Native  
5 = Multiracial Minorities  
6 = Women
Office of the Comptroller of the Currency  
Policy Statement on Minority-Owned National Banks

The Office of the Comptroller of the Currency (OCC) recognizes the importance of minority-owned national banks in supporting and promoting the economic viability of the communities they serve. Consistent with its mission of ensuring a safe, sound, and competitive banking system, the OCC seeks to advance the objectives of Section 308 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), including the preservation of a robust and healthy minority-owned national bank sector and the creation of new minority-owned national banks.

Definition of Minority-Owned National Banks

A minority-owned national bank is a national bank that is more than 50 percent owned or controlled by African Americans, Native Americans, Hispanic Americans, Asian Americans, or women.

Identification of Minority-Owned National Banks

The OCC maintains a list of minority-owned national banks and makes it available on National BankNet (OCC’s secure, limited-access “extranet” Web site for national banks) and the agency’s External Outreach and Minority Affairs page on its public Web site at http://www.occ.gov/minority.htm.

Formation of Minority-Owned National Banks

The OCC provides advice and technical assistance to minority bank applicants interested in entering the national banking system. The OCC has produced materials useful to national bank organizing groups that can facilitate their development of national bank applications. The OCC assists organizers of minority-owned national banks through pre-filing meetings and comments on draft applications. Requests for such assistance should be directed to the licensing director in the OCC’s district office that serves the area in which the bank will be headquartered.

A minority-owned national bank may be eligible for designation as a community development bank if its activities will primarily support: (1) low- and moderate-income individuals or areas; (2) government targeted revitalization areas; or (3) activities that would be considered “qualified investments” under the Community Reinvestment Act. The institution’s designation as a
APPENDIX 2 (Cont’d)

community development bank can facilitate investments in that community development bank by other depository institutions.

**Examination Support for Minority-Owned National Banks**

A supervisory strategy is developed annually for each minority-owned national bank. The supervisory strategy is based on the risks facing the individual minority-owned national bank and addresses specific supervisory issues identified by the OCC as requiring attention. As part of the supervisory strategy, OCC examiners will also consider the minority-owned national bank’s need for technical assistance, training, and education in areas such as compliance, risk management, and operational issues.

The OCC assigns to each minority-owned national bank an Assistant Deputy Comptroller and portfolio manager who are familiar with the issues and needs of the individual minority-owned bank. Assignment of examiners to minority-owned national banks takes into account the expertise and background needed to properly evaluate the products and services offered by those institutions and the markets and environments in which they operate.

Each OCC district has expert advisors who are available to provide minority-owned national banks with guidance on subjects such as credit, asset management, consumer compliance, capital markets, bank information systems, legal issues, and economic conditions.

The OCC periodically convenes meetings and discussions among Assistant Deputy Comptrollers with responsibility for supervision of minority-owned national banks to exchange information and best practices for supervising minority-owned national banks.

**Capital for Minority-Owned National Banks**

The OCC supports investments by national banks in minority-owned banks pursuant to the public welfare investment authority (12 U.S.C. § 24(Eleventh) and 12 C.F.R. Part 24 (“Part 24”)) and will give positive consideration under the Community Reinvestment Act to national banks that invest in minority-owned banks.

**Accessing Peer Data for Minority-Owned Institutions**

The OCC promotes the use of the Comparative Analysis Reporting system which includes publicly available call report data on all FDIC-insured banks. A minority-owned national bank can use this system to develop peer group analyses that help the bank to identify its relative strengths and weaknesses by comparing its performance to other specified banks or groups of banks. The system can be accessed on National BankNet at [https://www.banknet.occ/Portal/Banking.aspx](https://www.banknet.occ/Portal/Banking.aspx).
Resolution of Supervisory Cases

In the course of its ongoing supervision, the OCC provides technical assistance to help prevent the failure of minority-owned national banks. In resolving supervisory cases involving minority-owned national banks, the OCC encourages remedies, including mergers and acquisitions, which are consistent with the institution’s safety and soundness and the goal of maintaining its minority ownership.

Information, Education, and Outreach for Minority-Owned National Banks

The OCC provides relevant information to minority-owned national banks through the publication OCC Highlights as well as its External Outreach and Minority Affairs page on the OCC’s Web site at http://www.occ.gov/minority.htm.

A series of workshops is offered to national bank directors covering a variety of topics relevant to all community banks, including those with minority ownership. The OCC actively promotes these workshops to minority-owned national banks and encourages their directors to participate.

The OCC, in collaboration with the Federal Reserve Board, the Federal Deposit Insurance Corporation, and Office of Thrift Supervision, annually co-sponsors an interagency national conference for minority-owned banks and FSAs. The purpose of the conference is to highlight recent regulatory developments and provide OCC executive leadership and managers an opportunity to understand issues facing minority-owned banks and identify strategies to address them.

A Community Affairs Officer is assigned to each minority-owned national bank to provide technical assistance to those institutions interested in structuring community development investments under the national bank public welfare investment authority (Part 24). Upon request, Community Affairs Officers also advise minority-owned national banks in designing community development initiatives.

Periodic Surveys of Minority-Owned National Banks

The OCC periodically surveys minority-owned national banks to assess the effectiveness of its education, outreach, and technical assistance efforts.

Annual Report

Beginning in 2008, the OCC’s Annual Report includes a summary of the agency’s activities to support minority-owned national banks.

Roles and Responsibilities

The OCC’s Senior Advisor for External Outreach and Minority Affairs serves as the agency’s focal point for minority-owned national bank matters. The OCC’s efforts in support of minority-owned national banks are coordinated through the Minority-Owned National Bank Working
Group, which is comprised of representatives of External Outreach and Minority Affairs, Community/Mid-Size Bank Supervision, the Chief National Bank Examiner, Public Affairs, and Community Affairs.

Conclusion

The OCC recognizes the important role of minority-owned national banks in their communities and our national banking system. The agency remains committed to employing measures and resources that will encourage and preserve minority ownership of national banks.

//S//

John C. Dugan
Comptroller of the Currency

9/19/08
Date
AMENDED CHARTER

OFFICE OF THE COMPTROLLER OF THE CURRENCY
MINORITY DEPOSITORY INSTITUTIONS ADVISORY COMMITTEE

   Minority Depository Institutions Advisory Committee (MDIAC).

2. Authority. This charter is prepared and filed in accordance with the
   provisions of the Federal Advisory Committee Act (FACA), as amended, 5

3. Objective and Scope of Activities.

   The MDIAC will provide advice to the Department of the Treasury, OCC
   on meeting the goals established by section 308 of the Financial
   Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA),
   preserve the present number of minority depository institutions, preserve
   the minority character of minority owned institutions in cases involving
   mergers or acquisitions, provide technical assistance, and encourage the
   creation of new minority depository institutions.

   The scope of the MDIAC's work will include an assessment of the current
   condition of minority depository institutions, what regulatory changes or
   other steps OCC may be able to take to fulfill the mandate of section 308,
   and other issues of concern to OCC-supervised minority depository
   institutions.

4. Description of Duties. The MDIAC shall meet to discuss issues of
   importance to minority depository institutions and provide advice and
   recommendations to OCC. No non-advisory functions shall be performed.

5. Official to Whom Committee Reports. The MDIAC reports to the
   Comptroller of the Currency, who shall be solely responsible for any action
   taken with respect to the MDIAC's advice and recommendations.

6. Support Services. OCC shall provide all necessary support to the MDIAC.

7. Estimated Annual Operating Costs and Staffing. The estimated annual
   cost to operate the MDIAC is approximately $125,000 (includes
   approximately .35 full-time equivalent.) While MDIAC members are not
   compensated for their services, they are reimbursed for travel-related
   expenses to attend meetings and outreach and orientation sessions in

8. **Designated Federal Official (DFO).** The DFO (or designee) is a full-time federal employee who will be appointed by the Comptroller of the Currency and shall ensure compliance with the requirements of FACA and its implementing regulations. The DFO will approve or call all of the advisory committee and subcommittee meetings, prepare and approve all meeting agendas, attend all committee and subcommittee meetings, and adjourn any meeting when determined to be in the public interest.

9. **Estimated Number and Frequency of Meetings.** The MDIAC generally meets two to three times each calendar year. Advance notice of the meetings will be published in the Federal Register.

10. **Duration.** The MDIAC is a continuing advisory committee.

11. **Termination Date.** The authority to utilize the MDIAC expires two years from the original charter filing as indicated in paragraph 15.

12. **Membership and Designation.** The MDIAC shall consist of no more than 10 members serving for one two-year term. Each member shall serve as a representative of his or her institution.

A structured application process shall be used to provide a balanced membership and ensure that diverse views are represented, including the views of officers and directors of minority depository institutions, and other depository institutions with a commitment to supporting minority depository institutions.

13. **Subcommittees.** The OCC has the authority to create subcommittees that must report back to the MDIAC. The subcommittees may not provide advice or recommendations directly to OCC.

14. **Recordkeeping.** The records of the MDIAC and its subcommittee(s) will be handled in accordance with the General Records Schedule 26, item 2 or other approved OCC records disposition schedule. The records will be available for public inspection and copying, subject to the Freedom of Information Act, 5 U.S.C. § 552.
15. Filing Date. The filing date of this amended charter is **OCT 20 2011**.
The filing date of the original charter was August 2, 2010.

Approved:

//S//

John Walsh
Acting Comptroller of the Currency
Office of the Comptroller of the Currency

Date: 9/26/11

Approved:

//S//

Dan Tangherlini
Assistant Secretary for Management
and Chief Financial Officer

Date: 10/19/11