Annual Report to Congress

Preservation of Minority National Banks and Federal Savings Associations

2012

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

As of December 2012, the Office of the Comptroller of the Currency (OCC) supervised 57 minority depository institutions (MDI), which accounted for about 3.2 percent of the 1,791 community banks in the OCC’s Midsize and Community Bank Supervision (MCBS) line of business.

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). The Dodd-Frank Act directs 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.

This report provides details on OCC’s activities completed in 2012 to support MDIs, including the overall condition of minority depository institutions supervised by the OCC, the OCC’s compliance with section 308’s provisions, an overview of the OCC’s outreach to MDIs and the training the agency provided to examiners who supervise those institutions.

In 2012, 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 various 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 such topics as risk assessment, credit risk, and compliance risk. The OCC made a special effort to encourage MDI directors to attend these workshops and waived fees 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 the Annual Convention roundtable discussion with the Independent Community Bankers of America’s Minority Bank Council.
II. OVERALL CONDITION OF MINORITY DEPOSITORY INSTITUTIONS

While all banks have struggled with a weak economy, MDIs have faced particularly significant challenges. A continuing concern is the high level of noncurrent loans—just over 5 percent at MDIs, compared to 2.92 percent for all other OCC-regulated community banks. Because they have higher levels of problem loans, MDIs generally hold more Tier 1 capital—an average of 11.85 percent, compared to 11.12 percent for OCC-regulated community banks as a whole. Profitability is improving for all banks, and MDIs recorded net interest income of 3.63 percent of average assets, compared to 3.30 percent for all other OCC-regulated community banks.

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 national banks and federal savings associations in order to promote and preserve these institutions, consistent with the requirements of section 308 of FIRREA, as detailed below.

A. Preserving the Present Number of Minority Depository Institutions

As noted in Table 1 below, nearly 60 percent of the MDIs supervised by the OCC had assets totaling $250 million or less, while 82.5 percent had assets $500 million or less. This distribution has not changed materially since 2010.

Table 1: Asset Distribution for Minority-Owned Institutions (as of December 31, 2012)

<table>
<thead>
<tr>
<th>Asset Size</th>
<th>National Banks</th>
<th>Federal Savings Associations</th>
<th>Total</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>$250 million or less</td>
<td>27</td>
<td>7</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>45</td>
<td>12</td>
<td>57</td>
<td></td>
</tr>
</tbody>
</table>

OCC-supervised MDIs are located in 23 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 (10), 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 MDI in the same state
6. Any type of MDI nationwide
7. Any other bidders

During 2012, the OCC did not receive or review any merger or acquisitions applications involving minority depository institutions.

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

MDIs faced challenges because of higher-than-average levels of noncurrent loans. Therefore, technical assistance was provided regularly during on-site examinations and quarterly management discussions. In addition, various training and educational programs focused on improving overall asset quality and strengthening capital levels. OCC experts worked with MDIs on improving asset quality and loan administration, liquidity and interest rate risk management, and capital formation through earnings retention. Furthermore, MDIs had ready access to OCC subject matter experts on a wide range of topics, including accounting, compliance, and capital markets.

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 subjects (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 Director Workshops, the registration fee is waived for participants from MDIs in order to encourage attendance. During 2012, the OCC conducted 33 workshops in 21 locations throughout the United States. A news announcement was sent to all OCC-regulated MDIs to notify them of the 2012 workshop schedule and that the registration fee would be waived for their directors. Table 2 provides data on MDI participation.
Table 2: Participation of MDIs in Director Workshops

<table>
<thead>
<tr>
<th>Workshop</th>
<th>Sessions During 2012</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>12</td>
<td>6</td>
<td>168</td>
<td>3.57%</td>
<td>25</td>
<td>387</td>
<td>6.46%</td>
</tr>
<tr>
<td>Credit Risk</td>
<td>9</td>
<td>6</td>
<td>126</td>
<td>4.76%</td>
<td>24</td>
<td>272</td>
<td>8.82%</td>
</tr>
<tr>
<td>Compliance Risk</td>
<td>3</td>
<td>1</td>
<td>46</td>
<td>2.17%</td>
<td>1</td>
<td>73</td>
<td>1.37%</td>
</tr>
<tr>
<td>Mastering the Basics</td>
<td>9</td>
<td>5</td>
<td>117</td>
<td>4.27%</td>
<td>9</td>
<td>229</td>
<td>3.93%</td>
</tr>
</tbody>
</table>

The OCC District Community Affairs Officers, working with supervisory office staff, assist national banks and federal savings associations, including MDIs 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 government agencies; creating mechanisms for expanding a bank’s community development capacity in urban and rural markets; and preparing for a CRA exam.
- banker and community outreach, including sponsorship of roundtable discussions, conferences, seminars, and workshops for the exchange of information and ideas among bankers, community groups, government agencies, and other stakeholders. Topics covered relate to support of low- and 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 consistent with safe and sound banking practices. Publications relevant to MDIs include the following:

- *Extending Credit in Indian Country: How Banks Use Federal Programs to Promote Economic Development* is a newsletter that highlights some best practices; challenges; and CRA treatment of investments, service, and credit extensions made by national banks and federal savings association in Indian Country.
• **Minority-Owned Banks: Making a Difference in Their Communities** is 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** is a companion to the OCC’s Licensing Manual that helps 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** is a report that 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** is a newsletter that 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.

These publications 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 three teleconferences during 2012:

• **Stress Testing for Community Banks: Guidance on the benefits of using stress testing with examples of stress testing methods appropriate for community banks and clarification of stress testing expectations.**

• **Concentrations of Credit: Supervisory expectations for identifying, measuring, monitoring and controlling concentrations of credit; lessons learned due to excessive risk created by concentrations of credit; and review of the OCC’s updated handbook on concentrations of credit.**

• **Small Business Investment Companies: An overview of how Small Business Administration-licensed Small Business Investment Companies operate and how they**
might be a viable investment option for national banks and federal savings associations, including MDIs.

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. In addition, staff participates in events sponsored by minority trade associations and events where there is a large presence of MDIs. Outreach efforts specifically targeted to minority-owned institutions in 2012 included:

- The Comptroller delivering the keynote address during the National Bankers Association (NBA) Annual Convention and staff participating in the exhibition and workshop sessions.
- The Senior Advisor for External Outreach and Minority Affairs participating in the NBA Annual Legislative and Regulatory Conference and discussions regarding minority banks with Congressional representatives.
- The Senior Advisor for External Outreach and Minority Affairs and Senior Advisor for Midsize and Community Bank Supervision participating in a roundtable discussion with the Independent Community Bankers of America Minority Bank Council.
- The Senior Deputy Comptroller and Chief of Staff and Senior Advisor for External Outreach and Minority Affairs convening a meeting with the NBA to discuss MDIs’ regulatory concerns.

These meetings were valuable forums in which OCC and the banking community could communicate in an informal environment and provided a valuable communications link. The meetings gave the OCC the opportunity to hear suggestions from MDI bankers on issues affecting their banks and the industry at large and to provide bankers information on national banking trends and issues. OCC staff highlighted OCC-developed resources (e.g., a commercial real estate stress test model and Comparative Analysis Reports) on the OCC’s BankNet Web site for OCC-supervised institutions.

B. Educational Activities With Bank Examiners

In 2012, the OCC conducted 11 diversity awareness-training sessions for newly hired examiners as part of their orientation to the agency. The sessions provided information about cultural and generational diversity to enhance examiners’ interactions within the OCC’s diverse workforce. The training helped employees understand that their own attributes, traits, and experiences influence their perceptions of and interactions with others. The last session included situational workplace scenarios to reinforce the concepts learned.
OCC Minority Depository Institutions Advisory Committee

The OCC took steps to formally establish a Minority Depository Institutions Advisory Committee (MDIAC), to understand the unique perspectives, challenges and needs of MDIs. On August 13, 2012, the agency published a notice in the Federal Register soliciting members to serve on the committee. The OCC issued a press release announcing the eight committee members on December 12, 2012. The members serve a two-year term and will meet at least semiannually. The MDIAC members are officers and directors of MDIs and other financial institutions committed to supporting these institutions.

The MDIAC will provide the OCC an assessment of the current condition of MDIs and suggest 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. See the MDIAC Charter in Appendix 3.

V. CONCLUSION

The OCC has long supported the MDI provisions of FIRREA. During 2012, the second year in which the Dodd-Frank Act MDI provisions applied to the OCC, the agency demonstrated its support of MDIs by planning and implementing or participating in a number of activities for the benefit of MDIs. Staff participation included representatives from 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 support these institutions through its proactive and coordinated programs and in partnership with other agencies as opportunities are available.
## APPENDIX 1
### Minority- and Women-Owned Depository Institutions
(As of December 31, 2012)

<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>Commonwealth National Bank</td>
<td>2214 St. Stephens Road</td>
<td>Mobile</td>
<td>AL</td>
<td>36617-0000</td>
<td>(251) 476-5938</td>
<td>16553</td>
<td>64,863</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>148,526</td>
<td>6</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>16840</td>
<td>200,958</td>
<td>3</td>
</tr>
<tr>
<td>Tomatobank, National Association</td>
<td>1241 Grand Avenue, Suite K</td>
<td>Alhambra</td>
<td>CA</td>
<td>91765-0000</td>
<td>(626) 759-9222</td>
<td>23999</td>
<td>417,074</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>296,112</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) 668-5159</td>
<td>23162</td>
<td>141,708</td>
<td>4</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>373,839</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) 831-1286</td>
<td>708857</td>
<td>237,689</td>
<td>3</td>
</tr>
<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>169,972</td>
<td>3</td>
</tr>
<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>18358</td>
<td>114,774</td>
<td>3</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>53,536</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>358,725</td>
<td>3</td>
</tr>
<tr>
<td>Saigon 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>51,056</td>
<td>3</td>
</tr>
<tr>
<td>Bank of Whittier, National Association</td>
<td>15141 East Whittier Boulevard</td>
<td>Whittier</td>
<td>CA</td>
<td>90603-7553</td>
<td>(562) 945-7553</td>
<td>17548</td>
<td>53,150</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>21158</td>
<td>61,639</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>707173</td>
<td>75,180</td>
<td>1</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>321,648</td>
<td>2</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>282,201</td>
<td>2</td>
</tr>
<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>226,405</td>
<td>2</td>
</tr>
<tr>
<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>53,156</td>
<td>3</td>
</tr>
<tr>
<td>Quantum National Bank</td>
<td>505 Peachtree Industrial Blvd.</td>
<td>Suwanee</td>
<td>GA</td>
<td>30024-00729</td>
<td>(770) 831-2601</td>
<td>22905</td>
<td>335,528</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>620,554</td>
<td>3</td>
</tr>
</tbody>
</table>
### APPENDIX 1

**Minority- and Women-Owned Depository Institutions**

*(As of December 31, 2012)*

<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>First Newton National Bank</td>
<td>100 North 2nd Avenue West</td>
<td>Newton</td>
<td>IA</td>
<td>50206-0000</td>
<td>(614) 792-3010</td>
<td>13609</td>
<td>78,791</td>
<td>6</td>
</tr>
<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>135,046</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>1,161,808</td>
<td>3</td>
</tr>
<tr>
<td>The First National Bank of Odon</td>
<td>501 W Main Street</td>
<td>Odon</td>
<td>IN</td>
<td>47562-1223</td>
<td>(812) 636-7324</td>
<td>7260</td>
<td>80,553</td>
<td>6</td>
</tr>
<tr>
<td>First National Bank in Fredonia</td>
<td>730 Madison Street</td>
<td>Fredonia</td>
<td>KS</td>
<td>66736-1339</td>
<td>(620) 378-2151</td>
<td>14370</td>
<td>101,729</td>
<td>6</td>
</tr>
<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>1,754,705</td>
<td>6</td>
</tr>
<tr>
<td>Leader Bank, National Association</td>
<td>141 Massachusetts Avenue</td>
<td>Arlington</td>
<td>MA</td>
<td>60247-0000</td>
<td>(781) 646-3900</td>
<td>24131</td>
<td>587,570</td>
<td>3</td>
</tr>
<tr>
<td>Advance Bank</td>
<td>4801 Seton Drive</td>
<td>Baltimore</td>
<td>MD</td>
<td>21218-0000</td>
<td>(410) 358-1700</td>
<td>706824</td>
<td>60,763</td>
<td>1</td>
</tr>
<tr>
<td>Woodlands National Bank</td>
<td>122 Main Street</td>
<td>Hinckley</td>
<td>MN</td>
<td>55037-0000</td>
<td>(888) 532-5412</td>
<td>23926</td>
<td>132,246</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>167,113</td>
<td>6</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>(201) 689-5292</td>
<td>20622</td>
<td>333,001</td>
<td>3</td>
</tr>
<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>9736240865</td>
<td>16142</td>
<td>331,131</td>
<td>1</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>24682</td>
<td>44,259</td>
<td>3</td>
</tr>
<tr>
<td>Ponce de 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>762,079</td>
<td>2</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>258,561</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>640,482</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>70803</td>
<td>159,874</td>
<td>3</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>179,185</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) 961-9700</td>
<td>18432</td>
<td>464,956</td>
<td>3</td>
</tr>
<tr>
<td>Bancentral, National Association</td>
<td>602-612 Flynn Street</td>
<td>Alva</td>
<td>OK</td>
<td>73717-0000</td>
<td>(360) 327-1122</td>
<td>12152</td>
<td>317,990</td>
<td>6</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>70,439</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>237,919</td>
<td>4</td>
</tr>
</tbody>
</table>
## APPENDIX 1
### Minority- and Women-Owned Depository Institutions
#### (As of December 31, 2012)

<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 National Bank of Malvern</td>
<td>King and Warren Streets</td>
<td>Malvern</td>
<td>PA</td>
<td>19355-0000</td>
<td>6106470100</td>
<td>3147</td>
<td>136,399</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>3,763</td>
<td>6</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>45,983</td>
<td>6</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>23521</td>
<td>887,983</td>
<td>3</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>553,651</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>1,118,197</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>340,095</td>
<td>3</td>
</tr>
<tr>
<td>Unity National Bank of Houston</td>
<td>2602 Blodgett Street</td>
<td>Houston</td>
<td>TX</td>
<td>77004-0000</td>
<td>(713) 387-7400</td>
<td>21008</td>
<td>67,060</td>
<td>1</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>100,839</td>
<td>2</td>
</tr>
<tr>
<td>Lone Star National Bank</td>
<td>206 West Ferguson</td>
<td>Pharr</td>
<td>TX</td>
<td>78577-0000</td>
<td>(956) 781-4321</td>
<td>17611</td>
<td>2,117,190</td>
<td>2</td>
</tr>
<tr>
<td>Commercial National Bank of Texarkana</td>
<td>5515 Summerhill Road</td>
<td>Texarkana</td>
<td>TX</td>
<td>75005-0000</td>
<td>(870) 773-4561</td>
<td>15257</td>
<td>196,427</td>
<td>6</td>
</tr>
<tr>
<td>Zapeta National Bank</td>
<td>7th &amp; Hidalgo</td>
<td>Zapeta</td>
<td>TX</td>
<td>78076-0000</td>
<td>(956) 765-4302</td>
<td>14955</td>
<td>102,516</td>
<td>2</td>
</tr>
<tr>
<td>First National Bank in Tigerton</td>
<td>140 Cedar Street</td>
<td>Tigerton</td>
<td>WI</td>
<td>54486-9527</td>
<td>(715) 535-2291</td>
<td>14150</td>
<td>21,694</td>
<td>6</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
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 invests 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.

Resolution of Supervisory Cases
APPENDIX 2 (Cont’d)

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](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
APPENDIX 2 (Cont'd)

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

Please note: This policy statement is superseded by the policy statement issued June 7, 2013.
APPENDIX 3

CHARTER

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


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

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), Pub. L. No. 101-73, Title III, 103 Stat. 353, 12 U.S.C. § 1463 note, to 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 ace-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
APPENDIX 3 (Cont’d)


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 charter is **JUL 30 2012**

Approved: ___________________________ Date: ___________________________

//S//

Thomas J. Curry
Comptroller of the Currency
Office of the Comptroller of the Currency

Approved: ___________________________ Date: **7/27/12**

//S//

Nani A. Coloretti
Acting Assistant Secretary for Management