



# LARGE BANK

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Comptroller of the Currency  
Administrator of National Banks

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Washington, DC 20219

## PUBLIC DISCLOSURE

April 13, 2009

### COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Inwood National Bank  
Charter Number: 15292

7621 Inwood Road  
Dallas, Texas 75209

Office of the Comptroller of the Currency  
Dallas Field Office  
17300 Dallas Parkway, Suite 2020  
Dallas, Texas 75248

**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 Inwood National Bank with respect to the Lending, Investment, and Service Tests:

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

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

The major factors that support this rating include:

- The lending volumes reflect an adequate responsiveness to the credit needs of the assessment areas.
- The bank’s overall geographic distribution is excellent and borrower distribution is adequate.
- The bank originated a large dollar amount of community development loans during the review period, which have a positive impact on the Lending Test rating.
- The bank has an adequate level of qualified community development investments given its asset size, loan-to-deposit ratio, and management expertise.
- The delivery systems are reasonably accessible to the geographies and individuals of different income levels in the bank’s assessment areas.
- Community development services support the bank’s other community development efforts that had a positive impact on the Service Test rating.

## Definitions and Common Abbreviations

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

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

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

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

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

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

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

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

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

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

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

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

**Home Mortgage Disclosure Act (HMDA):** The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of 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% 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% of the area median income, or a median family income that is less than 50%, in the case of a geography.

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

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

**Metropolitan Area (MA):** Any 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% and less than 120% of the area median income, or a median family income that is at least 80% and less than 120%, in the case of a geography.

**Moderate-Income:** Individual income that is at least 50% and less than 80% of the area median income, or a median family income that is at least 50% and less than 80%, 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% of the area median income, or a median family income that is at least 120%, in the case of a geography.

## Description of Institution

Inwood National Bank (Inwood), an intrastate bank, is a wholly owned subsidiary of Inwood Delaware Corporation, which is wholly owned by Inwood Bancshares, Inc., a one-bank holding company. It remains one of the largest independent, locally owned community banks in the area. Inwood does not have any other affiliates or operating subsidiaries that influence the bank's capacity to lend or invest in the community.

Inwood serves a diverse market with a wide range of demographic and varying degrees of competition. The bank has experienced growth since the prior review. As of December 31, 2008, Inwood reported total assets of \$1,362 million, loans of \$959 million, deposits of \$1,102 million, and a Tier 1 Capital ratio of 8.36%. Balance sheet composition is centered in the loan and investment portfolio representing 70% and 22% of total assets, respectively. The loan-to-deposit ratio was approximately 87%. Inwood offers a wide variety of loan products and related financial services through its branch network within the Dallas metropolitan area (MA). In addition to the main office in Dallas, Inwood has 15 branches, 2 motor bank/drive-up facilities, and 15 ATMs operating in the Dallas MA.

The loan portfolio, comprised of 84% real estate loans, 14% commercial loans, and 2% loans to individuals, represents approximately 70% of total assets. The real estate loan portfolio consists of 46% commercial, 49% construction & development, and 13% 1-4 family residential loans. Inwood's deposit market share rank in the assessment area (AA) receiving the full-scope review is 16th with a 0.60% market share out of deposit-taking institutions. Inwood operates in a highly aggressive banking environment in Dallas alone. 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 CRA performance was last evaluated on July 18, 2006, at which time Inwood was rated "Satisfactory". A review of OCC records and the bank's CRA public file revealed one complaint related to the bank's CRA performance. The complaint is maintained in the bank's public file for review.

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

The evaluation is based on the review period from January 1, 2006 thru December 31, 2008 and will use the 2000 Census demographic information. Refer to Appendix B for the facts and data.

Conclusions regarding the Lending Test are based on small business and HMDA reportable loans from the January 1, 2006 to December 31, 2008 evaluation period. The community development lending performance analysis considered loans made since the previous CRA examination and includes loans made from July 18, 2006 to April 13, 2009. An evaluation of the distribution of home mortgage refinanced loans and small loans to farms and multifamily loans in the AA was not meaningful as very few loans of those type were originated in the AA during either evaluation period.

The Investment Test included a review of investments, grants, and donations made within the AAs that meet the definition of community development investments. The Service Test included a review of retail and community development services provided in the bank's AAs. The evaluation period for community development investments and services is July 18, 2006 to April 13, 2009.

### Data Integrity

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

### Selection of Areas for Full-Scope Review

Inwood has a portion of the Dallas MA as its assessment area (AA). The AA consists of all of Dallas County and census tracts in Denton, Collin, Rockwall, and Hunt counties. There are 619 census tracts (CTs) included in the AA. Also, this AA is where the highest concentration of branches is located. The Dallas MA AA was selected for the full-scope review because this area is where the bank maintains a substantial share of its business with 63% of the deposits and 61% of the reportable loans in the 2006 - 2008 assessment period. Refer to the tables in Appendix C for more information. Additionally, Inwood has a long history of serving this market. Please refer to the table in Appendix A for more information.

## **Ratings**

The bank's overall rating is based primarily on those areas that received full-scope reviews. Small business lending was given the greatest weight under the Lending Test since it is the bank's primary business line, followed by home mortgages. However, home purchase lending was given more weight than home improvement, home refinance, and multifamily loans. The bank has very few farm loans. Therefore, an analysis of the geographic distribution of multifamily loans and the geographic and borrower distribution of small loans to farms are eliminated from this Public Evaluation.

## **Other**

We reviewed summaries of five recent community contact interviews conducted in the Dallas MA AAs. Organizations contacted included several non-profit organizations that provide services to the community as well as governmental agencies and entities involved in economic development. The contacts indicated a high level of community development opportunities in the areas for banks to help meet community credit needs. The primary needs identified by the community contacts are affordable housing, small business loans, economic development, construction financing, and predevelopment funding for certified community housing developers to build and rehabilitate housing in low- and moderate-income areas to address the lingering issues of urban blight and decay, which remains a top issue.

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

We found no evidence of illegal discrimination or other illegal credit practices.

## 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 reviews, the bank's performance in the Dallas MSA AA is good.

#### Lending Activity

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

Overall lending activity using both evaluation periods reflects an adequate responsiveness to the credit needs within Inwood's AA. During the 2006 - 2008 Evaluation Period, Inwood is ranked 18<sup>th</sup> with a 0.60% of the deposit market share. Based on 2007 aggregate small business data, the bank ranks 23<sup>rd</sup> in small business loans with a less than one percent market share. Based on 2007 peer mortgage data, the bank is ranked 159<sup>th</sup> with an overall market share for all home mortgage loans combined at less than one percent.

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

Overall, the geographic distribution of loans by income level in the geography is good.

#### *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.

Inwood's geographic distribution of home mortgage loans is good. The percentage of home purchase loans in the low-income tracts exceeds the percentage of owner-occupied housing units in the low-income CTs. The percentage distribution of home loans in moderate-income tracts is lower than the percentage of owner-occupied housing units in moderate-income CTs.

The market share of home mortgage loans in low-income CTs exceeds the bank's overall market share. The market share of home mortgage loans in moderate-income CTs is lower than the bank's overall market share.

#### *Home Improvement Loans*

Inwood's geographic distribution of home improvement loans is good in the Dallas MSA AA. The percentage distribution of home improvement loans exceeds the percentage of owner-occupied housing units in the low-income CTs. The percentage distribution is near to the percentage of owner-occupied housing units in moderate-income CTs.

The market share of home improvement loans in low- and moderate-income CTs exceeds the bank'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.

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 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 census tracts exceeded the percentage of small businesses in the moderate-income geographies.

Market share for small loans to businesses with revenues exceeds the bank's overall market share in low- and moderate-income geographies.

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

Our review included an evaluation of Inwood'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 MSA AA. No unexplained conspicuous gaps in lending were identified.

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

The bank's distribution of loans inside/outside of their AAs is good. A majority of the home mortgage loans, small loans to businesses and farms, and community development (CD) loans originated by Inwood over the evaluation period were within its AAs. Approximately 80% of home mortgage loans, 90% of small business loans, 74% of small farm loans, and 100% of the CD loans were originated within its AAs. This performance was positively factored into the overall analysis of the geographic distribution of lending.

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

Inwood's distribution of loans to borrowers of different income levels and businesses of different sizes is adequate.

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

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

The percentage of home purchase loans to low- and moderate-income borrowers is lower than the percentage of families in those income levels. Inwood's market share of low-income borrowers exceeds the bank's overall market share. The bank's market share of moderate-income borrowers is lower than its overall market share for this AA.

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

The percentage of home improvement loans to low- and moderate-income borrowers is lower than the percentage of families in these income levels. The bank's market share of home improvement loans to low-income borrowers exceeds its overall market share. The bank's market share of home improvement loans to moderate-income borrowers is lower than the bank's 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.

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

### **Community Development Lending**

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

Community development lending had a positive affect on the Lending Test conclusion in Inwood's full-scope AA. The bank originated 46 loans totaling \$15.4 million in the AA. A majority of the loans made during the evaluation period were to construct affordable housing. A total of 39 loans totaling \$5.0 million were to provide affordable housing in LMI areas. Most of the loans were to builders that specialize in constructing affordable housing projects. Seven loans totaling \$10.4 million were to organizations that rehabilitate commercial properties or provided credit to small businesses to revitalize or stabilize a LMI area.

### **Product Innovation and Flexibility**

Inwood does not offer any innovative loan products. However, Inwood does participate in specialized loan programs sponsored by the Dallas Afford Housing, Enterprise Dallas Mortgage Assistance Program, and City of Plano Homebuyers Program. These programs offer financial and technical assistance to first time homebuyers.

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

Not applicable.

## **INVESTMENT TEST**

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

The bank's performance under the Investment Test is "Low Satisfactory". Based on a full-scope review, the bank's performance in the Dallas MSA is adequate.

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

Inwood's qualifying investments are centered in new market funds and mortgage backed securities and donations with the primary purpose of affordable housing and community development services targeted to low- and moderate-income households.

The current period investments total \$1 million in new market funds. Prior period investments total \$2.4 million and centered in mortgage backed securities. Grants and donations total \$41,000 and are to organizations that service LMI people and communities. Although Inwood's investments are not particularly innovative or complex, they are responsive to community development needs in the AA. A high level of community development investment opportunities exist in the Dallas MSA AA.

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

Not applicable.

## **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 MSA is good.

### **Retail Banking Services**

Refer to Table 15 in Appendix C for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

Inwood operates a total of 15 branches, which include 2 drive-up facilities and an ATM at each location. The distribution of branches is poor in the low-income geographies and excellent in the moderate-income geographies given the bank's branches exceed the demographics. There are no branches or ATMs in the low-income census tracts located in the AA. Eight percent of the population lives in these census tracts. The moderate-income tracts in the AA have 28% of the population and 47% of the bank's branches in the AA allowing for easy accessibility to banking related services.

Inwood's record of opening and closing branches has generally not adversely affected the provision of financial services. One bank branch in a middle-income census tract closed during the evaluation period.

Inwood's hours, services, and products offered do not vary in ways that inconvenience certain portions of the assessment area. Banking hours are consistent throughout the assessment area. The "standard" lobby and walk-up hours are 9am to 3pm Monday through Thursday and 9am to 6pm on Friday. Drive-in facilities are generally open from 9am to 6pm with all of them opening on Saturday from either 8am or 9am to 1pm. A variety of deposit and loan products, and business services, are available at all of the bank's locations.

In the AA, Inwood's alternative delivery systems consist of ATMs and a telephone banking system programmed for balance inquiries and transfers. Internet banking is currently offered.

## **Community Development Services**

Inwood provides a good level of community development services in the AA and the services had a positive impact on the Service Test rating assigned to the bank.

Inwood's community service activities demonstrate the bank's commitment to its community primarily through providing technical assistance on financial and banking related matters. Certain bank employees possess a good knowledge of community and economic development, community action, and affordable home loan programs. They participate in forums and meetings with government agencies and economic groups to identify CD opportunities. Officers of the bank participate in community outreach and financial education endeavors and are represented on local housing service boards.

Specific bank-wide CD services include:

Texas Mezzanine Fund, Inc. (a Statewide SBIC)

Bank personnel serve on the loan committee meeting every month to review loan proposals made by lending officers of the Southern Dallas Development Corp., which manages the Texas Mezzanine Fund. The Texas Mezzanine Fund, Inc, encourages investments in low- and moderate-income and rural communities, finance growth and expansion of minority and women-owned businesses, and job creation for low- and moderate-income individuals. They accomplish this mission by providing term loans for expansion, equipment, owner-occupied real estate, or any combination of the three.

City of Dallas Housing Department

Bank personnel serve as a member of the City Housing Department's Community Housing Development Organization's (CHDO) External Loan Committee. The committee meets annually and reviews applications received from local CHDO's for operating assistance grants from the city of Dallas.

Dallas Business Finance Corporation

Bank personnel serve on the board of this certified development company of the Small Business Administration (SBA). They provide long term, fixed rate financing through the SBA 504 loan program for real estate acquisition, new construction, renovation and equipment to small businesses.

## Conclusions for Areas Receiving Limited-Scope Reviews

Not applicable.

## Appendix A: Scope of Examination

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

<b>Time Period Reviewed</b>	Lending Test (excludes CD Loans): 1/1/06 to 12/31/08 Investment and Service Tests and CD Loans: 7/18/06 to 4/13/09	
<b>Financial Institution</b>	<b>Products Reviewed</b>	
Inwood National Bank (Inwood) Dallas, Texas	Home mortgage loans, small business loans, community development loans, investments.	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
Not applicable	Not Applicable	
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
Dallas MSA #19124	Full-Scope	

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

### Dallas MSA

Demographic Information for Full Scope Area: Dallas MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	618	10.03	29.77	29.13	30.42	0.65
Population by Geography	3,041,069	8.50	28.44	30.94	32.12	0.00
Owner-Occupied Housing by Geography	624,603	2.92	20.76	32.68	43.65	0.00
Business by Geography	310,992	5.04	24.70	31.61	37.42	1.23
Farms by Geography	4,823	3.19	20.84	36.20	39.31	0.46
Family Distribution by Income Level	755,214	21.65	17.94	19.99	40.42	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	298,989	14.76	40.59	30.30	14.35	0.00
Median Family Income HUD Adjusted Median Family Income for 2008 Households Below Poverty Level		56,313 65,000 10%	Median Housing Value Unemployment Rate (2000 US Census)		123,497 2.58%	

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2000 US Census and 2008 HUD updated MFI

Inwood has three stated assessment areas (AA) within the Dallas metropolitan area (MA). These three AAs are all part of the Dallas MSA. The AA consists of all of Dallas County which is 490 CTs. There are 52 CTs in Denton County, 67 CTs in Collin County, 7 CTs in Rockwall County, and 2 CTs in Hunt County. Ten percent of the CTs are low-income and 30% are moderate-income. All areas consist of whole geographies, do not reflect illegal discrimination, and based on the bank's designation, do not arbitrarily exclude low- and moderate-income geographies. Overall, the AA designations meet the requirements of the CRA regulation.

Dallas is the second largest city in Texas and the county seat of Dallas County. Dallas ranks 8<sup>th</sup> on the list of the largest cities within the United States. It's also known as the business center of the Southwest, and it is the second busiest convention location in the country. Many Fortune 500 companies have located their headquarters in the Dallas area. Major sectors of the economy are high technology, airline industry, retail and wholesale businesses, medical, recreational, and cultural facilities.

Inwood operates in the state of Texas, with 15 banking centers in the Dallas MSA. Many of these competitors have substantially greater financial resources, lending limits and larger retail branch networks, and are able to offer a broader range of products and services. The primary competitors of Inwood National Bank in the Dallas MSA AA are Wells Fargo Bank, JP Morgan/Chase, Bank One, Bank of America, Citibank, and Compass Bank. The majority of these banks are large regional multi-regional national banks.

A well-diversified business environment supports the economy of the Dallas MSA AA with emphasis in manufacturing, high technology, and education. Inwood serves a diverse market

with a wide range of demographics and varying degrees of competition. The bank has experienced some growth since the prior review

During this examination, we used information obtained from numerous interviews with community organizations associated with affordable housing, business development, and economic development. These community contacts revealed numerous opportunities, which exist in the bank's assessment areas to participate in community development lending, investment, and service activities. The primary needs identified by the community contacts are affordable housing, small business loans, economic development, construction financing, and predevelopment funding for certified community housing developers to build and rehabilitate housing in low- and moderate-income areas to address the lingering issues of urban blight and decay, which remains a top issue.

## 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.

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

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

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

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

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

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

A bank may receive positive consideration for qualified investments in statewide/regional entities or made outside of the bank's assessment area. See Interagency Q&As \_\_.12 (i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such investments.

**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: DALLAS MSA						Evaluation Period: JANUARY 1, 2006 TO DECEMBER 31, 2008				
MA/Assessment Area (2008):	% of Rated Area Loans (#) in MA/AA <sup>*</sup>	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans <sup>**</sup>		Total Reported Loans		% of Rated Area Deposits in MA/AA <sup>***</sup>
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
<b>Full Review:</b>												
Dallas MSA	86.00	371	119,010	1,317	236,923	26	1,214	46	15,389	1,760	372,536	86.00

<sup>\*</sup> Loan Data as of December 31, 2008. Rated area refers to either state or multi-state MA rating area.

<sup>\*\*</sup> The evaluation period for Community Development Loans is from July 19, 2006 to April 13, 2009.

<sup>\*\*\*</sup> Deposit Data as of April 13, 2009. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

**Table 1. Other Products**

LENDING VOLUME		Geography: DALLAS MSA						Evaluation Period: JANUARY 1, 2006 TO DECEMBER 31, 2008						
MA/Assessment Area (2008):	% of Rated Area Loans (#) in MA/AA	Total Optional Loans**		Small Business Real Estate Secured**		Home Equity**		Motor Vehicle**		Credit Card**		Other Secured Consumer**		% of Rated Area Deposits in AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
<b>Full Review:</b>														
Dallas MSA	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0.00

\* Loan Data as of December 31, 2008. Rated area refers to either state or multi-state MA rating area.

\*\* The evaluation period for Optional Product Line(s) is from January 01, 2006 to December 31, 2008.

\*\*\* Deposit Data as of April 13, 2009. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

**Table 1. Other Products**

LENDING VOLUME		Geography: DALLAS MSA		Evaluation Period: JANUARY 1, 2006 TO DECEMBER 31, 2008	
MA/Assessment Area (2008):	Other Unsecured Consumer Loans*		Other Optional Loans*		
	#	\$ (000's)	#	\$ (000's)	
<b>Full Review:</b>					
Dallas MSA	0	0	0	0	0

\* The evaluation period for Optional Product Line(s) is from January 01, 2006 to December 31, 2008.

## Table2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE		Geography: DALLAS MSA						Evaluation Period: JANUARY 1, 2006 TO DECEMBER 31, 2008							
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	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Dallas MSA	227	100.00	2.92	8.37	20.76	14.10	32.68	18.50	43.65	59.03	0.07	0.17	0.05	0.03	0.09

\* Based on 2007 Peer Mortgage Data (Western)

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

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

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

### Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT			Geography: DALLAS MSA				Evaluation Period: JANUARY 1, 2006 TO DECEMBER 31, 2008					Market Share (%) by Geography				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Over all	Low	Mod	Mid	Upp	
	#	% of Total**	% Owner Occ***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans						
<b>Full Review:</b>																
Dallas MSA	124	100.0	2.92	3.23	20.76	17.74	32.68	27.42	43.65	51.61	0.56	0.69	0.63	0.57	0.52	

\* Based on 2007 Peer Mortgage Data (Western)

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

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

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

**Table 4. Geographic Distribution of Home Mortgage Refinance Loans**

Geographic Distribution: HOME MORTGAGE REFINANCE			Geography: DALLAS MSA						Evaluation Period: JANUARY 1, 2006 TO DECEMBER 31, 2008						
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 MSA	16	100.0	2.92	0.00	20.76	25.00	32.68	18.75	43.65	56.25	0.02	0.00	0.02	0.01	0.03

\* Based on 2007 Peer Mortgage Data (Western)

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

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

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

**Table 5. Geographic Distribution of Multifamily Loans**

Geographic Distribution: MULTIFAMILY			Geography: DALLAS MSA				Evaluation Period: JANUARY 1, 2006 TO DECEMBER 31, 2008					Market Share (%) by Geography				
MA/Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overa ll	Low	Mod	Mid	Upp	
	#	% of Total**	% of MF Units***	% BANK Loans****	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans						
<b>Full Review:</b>																
Dallas MSA	4	100.0	14.72	0.00	30.82	50.00	32.56	0.00	21.90	50.00	0.30	0.00	0.80	0.00	0.00	

\* Based on 2007 Peer Mortgage Data (Western)

\*\* Multi-family loans originated and purchased in the MA/AA as a percentage of all multi-family loans originated and purchased in the rated area.

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

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

(Included)

**Table 6. Geographic Distribution of Small Loans to Businesses**

Geographic Distribution: SMALL LOANS TO BUSINESSES			Geography: DALLAS MSA						Evaluation Period: JANUARY 1, 2006 TO DECEMBER 31, 2008						
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 Business***	% BANK Loans	% of Business***	% BANK Loans	% of Business***	% BANK Loans	% of Business***	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Dallas MSA	1,304	100.00	5.04	3.99	24.70	40.11	31.61	27.45	37.42	28.45	0.25	0.47	0.51	0.22	0.15

\* Based on 2007 Peer Small Business Data -- US and PR

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

\*\*\* Source Data - Dun and Bradstreet (2008).

### Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS		Geography: DALLAS MSA						Evaluation Period: JANUARY 1, 2006 TO DECEMBER 31, 2008							
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 MSA	26	100.00	3.19	0.00	20.84	0.00	36.20	100.00	39.31	0.00	1.31	0.00	0.00	3.02	0.00

\* Based on 2007 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 (2008).

**Table 8. Borrower Distribution of Home Purchase Loans**

Borrower Distribution: HOME PURCHASE		Geography: DALLAS MSA								Evaluation Period: JANUARY 1, 2006 TO DECEMBER 31, 2008					
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share				
	#	% of Total**	% Families***	% BANK Loans**	% Families <sup>1</sup>	% BANK Loans**	% Families***	% BANK Loans**	% Families**	% BANK Loans****	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Dallas MSA	227	100.00	21.65	9.22	17.94	8.51	19.99	5.67	40.42	76.60	0.05	0.06	0.02	0.01	0.07

\* Based on 2007 Peer Mortgage Data (Western)

\*\* As a percentage of loans with borrower income information available. No information was available for 37.9% of loans originated and purchased by bank.

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

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

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

**Table 9. Borrower Distribution of Home Improvement Loans**

Borrower Distribution: HOME IMPROVEMENT			Geography: DALLAS MSA				Evaluation Period: JANUARY 1, 2006 TO DECEMBER 31, 2008					Market Share				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Families***	% BANK Loans****	% Families <sup>2</sup>	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****						
<b>Full Review:</b>																
Dallas MSA	124	100.00	21.65	16.07	17.94	10.71	19.99	15.18	40.42	58.04	0.55	0.67	0.40	0.34	0.64	

\* Based on 2007 Peer Mortgage Data (Western)

\*\* As a percentage of loans with borrower income information available. No information was available for 9.7% of loans originated and purchased by bank.

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

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

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

**Table 10. Borrower Distribution of Home Mortgage Refinance Loans**

Borrower Distribution: HOME MORTGAGE REFINANCE				Geography: DALLAS MSA				Evaluation Period: JANUARY 1, 2006 TO DECEMBER 31, 2008							
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share <sup>*</sup>				
	#	% of Total <sup>**</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>3</sup>	% BANK Loans <sup>****</sup>	% Families <sup>*</sup> **	% BANK Loans <sup>****</sup>	% Families <sup>*</sup> **	% BANK Loans <sup>**</sup> **	Overa ll	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Dallas MSA	16	100.00	21.65	0.00	17.94	7.14	19.99	0.00	40.42	92.86	0.02	0.00	0.02	0.00	0.03

<sup>\*</sup> Based on 2007 Peer Mortgage Data (Western)

<sup>\*\*</sup> As a percentage of loans with borrower income information available. No information was available for 12.5% of loans originated and purchased by bank.

<sup>\*\*\*</sup> Percentage of Families is based on the 2000 Census information.

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

<sup>3</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table11. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: DALLAS MSA			Evaluation Period: JANUARY 1, 2006 TO DECEMBER 31, 2008				
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 MSA	1,317	100.00	67.53	29.99	58.16	18.83	23.01	0.25	0.21

\* Based on 2007 Peer Small Business Data -- US and PR

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

\*\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2008).

\*\*\*\* 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 17.84% 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: DALLAS MSA		Evaluation Period: JANUARY 1, 2006 TO DECEMBER 31, 2008				
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 \$1,000,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
Dallas MSA	26	100.00	95.85	92.31	88.46	11.54	0.00	1.31	1.66

\* Based on 2007 Peer Small Business Data -- US and PR

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

\*\*\* Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2008).

\*\*\*\* 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 7.69% of small loans to farms originated and purchased by the bank.

**Table 14. Qualified Investments**

QUALIFIED INVESTMENTS		Geography: DALLAS MSA				Evaluation Period: JANUARY 1, 2006 TO DECEMBER 31, 2008			
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 MSA	8	2,400	4	1,000	12	3,400	100.00	0	0

\* 'Prior Period Investments' means investments made in a previous period that are outstanding as of the examination date.

\*\* 'Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

### Table 15. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS								Geography: DALLAS MSA									
Evaluation Period: JANUARY 1, 2006 TO DECEMBER 31, 2008																	
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 MSA	0.00	15	100.00	0.00	46.67	33.33	20.00	0	1	0	0	- 1	0	8.50	28.44	30.94	32.12

## Distribution of Branch and ATM Delivery System

Distribution of Branch and ATM Delivery System				Geography: DALLAS MSA				Evaluation Period: JANUARY 1, 2006 TO DECEMBER 31, 2008									
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 MSA	0.00	15	100.00	0	47	33	20	15	100.00	0	7	5	3	8.50	28.44	30.94	32.12