



**LARGE BANK**

---

Comptroller of the Currency  
Administrator of National Banks

---

Washington, DC 20219

## **Public Disclosure**

October 14, 2003

# **Community Reinvestment Act Performance Evaluation**

**First National Bank Texas  
Charter Number: 5750**

**507 North Gray Street  
Killeen, Texas 76541-4871**

**Office of the Comptroller of the Currency  
Austin Field Office  
8310 Capital of Texas Highway North, Suite 250  
Austin, TX 78731-1080**

**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 the 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.

Table 1. Lending Volume

LENDING VOLUME		Geography: FNBT 2000 TO 2002				Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002						
MA/Assessment Area (2002):	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
<b>Full Review:</b>												
KILLEEN TEMPLE AA	81.76	1,734	150,687	117	15,368	0	0	13	2,805	1,851	166,055	57.58
HOUSTON AA	13.38	243	11,601	60	4,768	0	0	2	2,746	303	16,369	25.17
<b>Limited Review:</b>												
AUSTIN SAN MARCOS AA	0.80	16	520	2	85	0	0	0	0	18	605	0.63
BRAZORIA AA	0.22	5	244	0	0	0	0	0	0	5	244	0.44
BRYAN COLLEGE STATION AA	0.22	4	146	1	250	0	0	0	0	5	396	0.28
CORPUS CHRISTI AA	0.00	0	0	0	0	0	0	0	0	0	0	0.77
DALLAS AA	2.47	56	1,154	0	0	0	0	0	0	56	1,154	3.11
EL PASO AA	0.09	2	212	0	0	0	0	0	0	2	212	1.29
FORT WORTH- ARLINGTON AA	0.66	15	481	0	0	0	0	0	0	15	481	2.56
GALVESTON AA	0.00	0	0	0	0	0	0	0	0	0	0	0.36
LUBBOCK AA	0.00	0	0	0	0	0	0	0	0	0	0	0.57
NON AA	0.35	8	455	0	0	0	0	0	0	8	455	4.69
ODESSA-MIDLAND AA	0.00	0	0	0	0	0	0	0	0	0	0	0.64
SAN ANGELO AA	0.00	0	0	0	0	0	0	0	0	0	0	0.28
SHERMAN-DENISON AA	0.00	0	0	0	0	0	0	0	0	0	0	0.43
VICTORIA AA	0.04	1	19	0	0	0	0	0	0	1	19	0.26
WACO AA	0.00	0	0	0	0	0	0	0	0	0	0	0.35
WICHITA FALLS AA	0.00	0	0	0	0	0	0	0	0	0	0	0.59

\* Loan Data as of December 31, 2002. Rated area refers to either the state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is From January 31, 2000 to October 14, 2003.

\*\*\* Deposit Data as of June 30, 2002. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table 1. Other Products

LENDING VOLUME		Geography: FNBT 2000 TO 2002				Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002								% of Rated Area Deposits in AA***
MA/Assessment Area (2002):	% of Rated Area Loans (#) in MA/AA*	Total Optional Loans**		Small Business Real Estate Secured**		Home Equity**		Motor Vehicle**		Credit Card**		Other Secured Consumer**		
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
<b>Full Review:</b>														
KILLEEN TEMPLE AA	77.80	4,833	5,625	0	0	0	0	0	0	0	0	0	0	57.58
HOUSTON AA	6.41	398	1,423	0	0	0	0	0	0	0	0	0	0	25.17
<b>Limited Review:</b>														
AUSTIN SAN MARCOS AA	0.21	13	66	0	0	0	0	0	0	0	0	0	0	0.63
BRAZORIA AA	0.35	22	125	0	0	0	0	0	0	0	0	0	0	0.44
BRYAN COLLEGE STATION AA	3.78	235	996	0	0	0	0	0	0	0	0	0	0	0.28
CORPUS CHRISTI AA	0.34	21	42	0	0	0	0	0	0	0	0	0	0	0.77
DALLAS AA	4.01	249	1,097	0	0	0	0	0	0	0	0	0	0	3.11
EL PASO AA	1.11	69	155	0	0	0	0	0	0	0	0	0	0	1.29
FORT WORTH- ARLINGTON AA	1.06	66	288	0	0	0	0	0	0	0	0	0	0	2.56
GALVESTON AA	0.11	7	32	0	0	0	0	0	0	0	0	0	0	0.36
LUBBOCK AA	0.48	30	105	0	0	0	0	0	0	0	0	0	0	0.57
NON AA	2.69	167	544	0	0	0	0	0	0	0	0	0	0	4.69
ODESSA-MIDLAND AA	0.13	8	30	0	0	0	0	0	0	0	0	0	0	0.64
SAN ANGELO AA	0.05	3	10	0	0	0	0	0	0	0	0	0	0	0.28
SHERMAN-DENISON AA	0.05	3	11	0	0	0	0	0	0	0	0	0	0	0.43
VICTORIA AA	0.24	15	44	0	0	0	0	0	0	0	0	0	0	0.26
WACO AA	0.95	59	264	0	0	0	0	0	0	0	0	0	0	0.35
WICHITA FALLS AA	0.23	14	39	0	0	0	0	0	0	0	0	0	0	0.59

\* Loan Data as of December 31, 2002. Rated area refers to either the state or multi-state MA rating area.

\*\* The evaluation period for Optional Product Line(s) is From January 01, 2001 to December 31, 2002.

\*\*\* Deposit Data as of June 30, 2003. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table 1. Other Products

LENDING VOLUME		Geography: FNBT 2000 TO 2002		Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002	
MA/Assessment Area (2002):	Other Unsecured Consumer Loans*		Other Optional Loans*		
	#	\$ (000's)	#	\$ (000's)	
<b>Full Review:</b>					
KILLEEN TEMPLE AA	4,833	5,625	0	0	
HOUSTON AA	398	1,423	0	0	
<b>Limited Review:</b>					
AUSTIN SAN MARCOS AA	13	66	0	0	
BRAZORIA AA	22	125	0	0	
BRYAN COLLEGE STATION AA	235	996	0	0	
CORPUS CHRISTI AA	21	42	0	0	
DALLAS AA	249	1,097	0	0	
EL PASO AA	69	155	0	0	
FORT WORTH- ARLINGTON AA	66	288	0	0	
GALVESTON AA	7	32	0	0	
LUBBOCK AA	30	105	0	0	
NON AA	167	544	0	0	
ODESSA-MIDLAND AA	8	30	0	0	
SAN ANGELO AA	3	10	0	0	
SHERMAN-DENISON AA	3	11	0	0	
VICTORIA AA	15	44	0	0	
WACO AA	59	264	0	0	
WICHITA FALLS AA	14	39	0	0	

\* The evaluation period for Optional Product Line(s) is From January 01, 2001 to December 31, 2002.

**Table2. Geographic Distribution of Home Purchase Loans**

Geographic Distribution: HOME PURCHASE		Geography: FNBT 2000 TO 2002					Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002					Market Share (%) by Geography*				
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans						
<b>Full Review:</b>																
KILLEEN TEMPLE AA	1,575	90.41	0.06	0.44	12.73	2.60	55.79	70.16	31.42	26.79	7.03	13.33	1.42	8.26	5.90	
HOUSTON AA	96	5.51	3.24	0.00	28.19	15.63	37.20	39.58	31.38	44.79	0.03	0.22	0.04	0.04	0.02	
<b>Limited Review:</b>																
AUSTIN SAN MARCOS AA	13	0.75	0.00	0.00	2.77	0.00	54.67	76.92	42.56	23.08	0.01	0.00	0.00	0.00	0.03	
BRAZORIA AA	5	0.29	0.00	0.00	10.95	0.00	50.09	80.00	38.97	20.00	0.09	0.00	0.00	0.08	0.11	
BRYAN COLLEGE STATION AA	3	0.17	0.27	0.00	23.66	0.00	48.49	33.33	27.58	66.67	0.00	0.00	0.00	0.00	0.00	
CORPUS CHRISTI AA	0	0.00	6.53	0.00	25.81	0.00	31.27	0.00	36.40	0.00	0.00	0.00	0.00	0.00	0.00	
DALLAS AA	36	2.07	3.23	2.78	18.53	5.56	42.18	25.00	36.05	66.67	0.00	0.00	0.00	0.00	0.00	
EL PASO AA	1	0.06	0.00	0.00	14.19	0.00	35.90	100.00	49.92	0.00	0.00	0.00	0.00	0.00	0.00	
FORT WORTH- ARLINGTON AA	6	0.34	0.09	0.00	9.34	16.67	50.94	0.00	39.63	83.33	0.00	0.00	0.00	0.00	0.00	
GALVESTON AA	0	0.00	14.94	0.00	41.38	0.00	34.56	0.00	9.12	0.00	0.00	0.00	0.00	0.00	0.00	
LUBBOCK AA	0	0.00	3.34	0.00	13.44	0.00	45.56	0.00	37.66	0.00	0.00	0.00	0.00	0.00	0.00	
NON AA	6	0.34	0.00	0.00	7.73	0.00	59.81	33.33	32.46	66.67	0.03	0.00	0.00	0.00	0.10	
ODESSA-MIDLAND AA	0	0.00	5.59	0.00	23.06	0.00	31.02	0.00	40.33	0.00	0.00	0.00	0.00	0.00	0.00	
SAN ANGELO AA	0	0.00	2.15	0.00	21.48	0.00	54.35	0.00	22.03	0.00	0.00	0.00	0.00	0.00	0.00	
SHERMAN-DENISON AA	0	0.00	0.29	0.00	26.72	0.00	33.24	0.00	39.75	0.00	0.00	0.00	0.00	0.00	0.00	
VICTORIA AA	1	0.06	0.00	0.00	28.97	0.00	27.24	0.00	43.80	100.00	0.00	0.00	0.00	0.00	0.00	
WACO AA	0	0.00	0.00	0.00	20.52	0.00	40.89	0.00	38.59	0.00	0.00	0.00	0.00	0.00	0.00	
WICHITA FALLS AA	0	0.00	5.77	0.00	19.78	0.00	41.32	0.00	33.13	0.00	0.00	0.00	0.00	0.00	0.00	

\* Based on 2001 Peer Mortgage Data: Southwest Region.

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

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

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

Geographic Distribution: HOME IMPROVEMENT			Geography: FNBT 2000 TO 2002				Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002					Market Share (%) by Geography*				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans						
<b>Full Review:</b>																
KILLEEN TEMPLE AA	57	32.20	0.06	0.00	12.73	14.04	55.79	54.39	31.42	31.58	5.74	0.00	2.94	6.60	5.04	
HOUSTON AA	118	66.67	3.24	0.00	28.19	53.39	37.20	35.59	31.38	11.02	0.86	0.00	2.21	0.85	0.16	
<b>Limited Review:</b>																
AUSTIN SAN MARCOS AA	0	0.00	0.00	0.00	2.77	0.00	54.67	0.00	42.56	0.00	0.00	0.00	0.00	0.00	0.00	
BRAZORIA AA	0	0.00	0.00	0.00	10.95	0.00	50.09	0.00	38.97	0.00	0.00	0.00	0.00	0.00	0.00	
BRYAN COLLEGE STATION AA	0	0.00	0.27	0.00	23.66	0.00	48.49	0.00	27.58	0.00	0.00	0.00	0.00	0.00	0.00	
CORPUS CHRISTI AA	0	0.00	6.53	0.00	25.81	0.00	31.27	0.00	36.40	0.00	0.00	0.00	0.00	0.00	0.00	
DALLAS AA	1	0.56	3.23	0.00	18.53	100.00	42.18	0.00	36.05	0.00	0.02	0.00	0.19	0.00	0.00	
EL PASO AA	0	0.00	0.00	0.00	14.19	0.00	35.90	0.00	49.92	0.00	0.00	0.00	0.00	0.00	0.00	
FORT WORTH- ARLINGTON AA	0	0.00	0.09	0.00	9.34	0.00	50.94	0.00	39.63	0.00	0.00	0.00	0.00	0.00	0.00	
GALVESTON AA	0	0.00	14.94	0.00	41.38	0.00	34.56	0.00	9.12	0.00	0.00	0.00	0.00	0.00	0.00	
LUBBOCK AA	0	0.00	3.34	0.00	13.44	0.00	45.56	0.00	37.66	0.00	0.00	0.00	0.00	0.00	0.00	
NON AA	1	0.56	0.00	0.00	7.73	0.00	59.81	0.00	32.46	100.00	0.33	0.00	0.00	0.50	0.00	
ODESSA-MIDLAND AA	0	0.00	5.59	0.00	23.06	0.00	31.02	0.00	40.33	0.00	0.00	0.00	0.00	0.00	0.00	
SAN ANGELO AA	0	0.00	2.15	0.00	21.48	0.00	54.35	0.00	22.03	0.00	0.00	0.00	0.00	0.00	0.00	
SHERMAN-DENISON AA	0	0.00	0.29	0.00	26.72	0.00	33.24	0.00	39.75	0.00	0.00	0.00	0.00	0.00	0.00	
VICTORIA AA	0	0.00	0.00	0.00	28.97	0.00	27.24	0.00	43.80	0.00	0.00	0.00	0.00	0.00	0.00	
WACO AA	0	0.00	0.00	0.00	20.52	0.00	40.89	0.00	38.59	0.00	0.00	0.00	0.00	0.00	0.00	
WICHITA FALLS AA	0	0.00	5.77	0.00	19.78	0.00	41.32	0.00	33.13	0.00	0.00	0.00	0.00	0.00	0.00	

\* Based on 2001 Peer Mortgage Data: Southwest Region.

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

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

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

Geographic Distribution: HOME MORTGAGE REFINANCE												Geography: FNBT 2000 TO 2002				Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography <sup>*</sup>									
	#	% of Total <sup>**</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	Overall	Low	Mod	Mid	Upp					
<b>Full Review:</b>																				
- KILLEEN TEMPLE AA	100	61.35	0.06	0.00	12.73	2.00	55.79	59.00	31.42	39.00	1.26	0.00	0.93	1.25	1.31					
HOUSTON AA	29	17.79	3.24	0.00	28.19	13.79	37.20	41.38	31.38	44.83	0.05	0.00	0.09	0.06	0.03					
<b>Limited Review:</b>																				
AUSTIN SAN MARCOS AA	3	1.84	0.00	0.00	2.77	0.00	54.67	66.67	42.56	33.33	0.00	0.00	0.00	0.00	0.00					
BRAZORIA AA	0	0.00	0.00	0.00	10.95	0.00	50.09	0.00	38.97	0.00	0.00	0.00	0.00	0.00	0.00					
BRYAN COLLEGE STATION AA	1	0.61	0.27	0.00	23.66	0.00	48.49	0.00	27.58	100.00	0.00	0.00	0.00	0.00	0.00					
CORPUS CHRISTI AA	0	0.00	6.53	0.00	25.81	0.00	31.27	0.00	36.40	0.00	0.00	0.00	0.00	0.00	0.00					
DALLAS AA	19	11.66	3.23	0.00	18.53	0.00	42.18	15.79	36.05	84.21	0.00	0.00	0.00	0.00	0.00					
EL PASO AA	1	0.61	0.00	0.00	14.19	0.00	35.90	0.00	49.92	100.00	0.00	0.00	0.00	0.00	0.00					
FORT WORTH- ARLINGTON AA	9	5.52	0.09	0.00	9.34	0.00	50.94	22.22	39.63	77.78	0.00	0.00	0.00	0.00	0.00					
GALVESTON AA	0	0.00	14.94	0.00	41.38	0.00	34.56	0.00	9.12	0.00	0.00	0.00	0.00	0.00	0.00					
LUBBOCK AA	0	0.00	3.34	0.00	13.44	0.00	45.56	0.00	37.66	0.00	0.00	0.00	0.00	0.00	0.00					
NON AA	1	0.61	0.00	0.00	7.73	0.00	59.81	0.00	32.46	100.00	0.05	0.00	0.00	0.00	0.16					
ODESSA-MIDLAND AA	0	0.00	5.59	0.00	23.06	0.00	31.02	0.00	40.33	0.00	0.00	0.00	0.00	0.00	0.00					
SAN ANGELO AA	0	0.00	2.15	0.00	21.48	0.00	54.35	0.00	22.03	0.00	0.00	0.00	0.00	0.00	0.00					
SHERMAN-DENISON AA	0	0.00	0.29	0.00	26.72	0.00	33.24	0.00	39.75	0.00	0.00	0.00	0.00	0.00	0.00					
VICTORIA AA	0	0.00	0.00	0.00	28.97	0.00	27.24	0.00	43.80	0.00	0.00	0.00	0.00	0.00	0.00					
WACO AA	0	0.00	0.00	0.00	20.52	0.00	40.89	0.00	38.59	0.00	0.00	0.00	0.00	0.00	0.00					
WICHITA FALLS AA	0	0.00	5.77	0.00	19.78	0.00	41.32	0.00	33.13	0.00	0.00	0.00	0.00	0.00	0.00					

<sup>\*</sup> Based on 2001 Peer Mortgage Data: Southwest Region.

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

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

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

Geographic Distribution: MULTIFAMILY		Geography: FNBT 2000 TO 2002					Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002					Market Share (%) by Geography <sup>*</sup>				
MA/Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total <sup>**</sup>	% of MF Units <sup>***</sup>	% BANK Loans	% MF Units <sup>***</sup>	% BANK Loans	% MF Units <sup>***</sup>	% BANK Loans	% MF Units <sup>***</sup>	% BANK Loans						
<b>Full Review:</b>																
HOUSTON AA	0	0.00	7.57	0.00	42.42	0.00	37.59	0.00	12.42	0.00	0.00	0.00	0.00	0.00	0.00	
- KILLEEN TEMPLE AA	2	100.00	0.55	0.00	35.85	0.00	40.01	0.00	23.59	100.00	4.00	0.00	0.00	6.67	0.00	
<b>Limited Review:</b>																
GALVESTON AA	0	0.00	21.31	0.00	16.98	0.00	60.85	0.00	0.86	0.00	0.00	0.00	0.00	0.00	0.00	
AUSTIN SAN MARCOS AA	0	0.00	0.00	0.00	6.35	0.00	64.23	0.00	29.42	0.00	0.00	0.00	0.00	0.00	0.00	
BRAZORIA AA	0	0.00	0.00	0.00	6.07	0.00	61.20	0.00	32.73	0.00	0.00	0.00	0.00	0.00	0.00	
BRYAN COLLEGE STATION AA	0	0.00	9.41	0.00	20.71	0.00	58.92	0.00	10.95	0.00	0.00	0.00	0.00	0.00	0.00	
CORPUS CHRISTI AA	0	0.00	13.95	0.00	7.80	0.00	24.32	0.00	53.92	0.00	0.00	0.00	0.00	0.00	0.00	
DALLAS AA	0	0.00	13.87	0.00	24.84	0.00	41.21	0.00	20.07	0.00	0.00	0.00	0.00	0.00	0.00	
FORT WORTH- ARLINGTON AA	0	0.00	4.11	0.00	17.34	0.00	56.86	0.00	21.68	0.00	0.00	0.00	0.00	0.00	0.00	
WICHITA FALLS AA	0	0.00	6.49	0.00	13.88	0.00	32.66	0.00	46.97	0.00	0.00	0.00	0.00	0.00	0.00	
LUBBOCK AA	0	0.00	19.36	0.00	14.44	0.00	40.82	0.00	25.38	0.00	0.00	0.00	0.00	0.00	0.00	
NON AA	0	0.00	0.00	0.00	12.09	0.00	59.63	0.00	28.28	0.00	0.00	0.00	0.00	0.00	0.00	
ODESSA-MIDLAND AA	0	0.00	1.83	0.00	10.70	0.00	29.15	0.00	58.31	0.00	0.00	0.00	0.00	0.00	0.00	
SAN ANGELO AA	0	0.00	7.31	0.00	21.61	0.00	48.48	0.00	22.60	0.00	0.00	0.00	0.00	0.00	0.00	
SHERMAN-DENISON AA	0	0.00	1.54	0.00	19.75	0.00	26.31	0.00	52.41	0.00	0.00	0.00	0.00	0.00	0.00	
VICTORIA AA	0	0.00	0.00	0.00	58.30	0.00	23.25	0.00	18.45	0.00	0.00	0.00	0.00	0.00	0.00	
WACO AA	0	0.00	0.00	0.00	18.98	0.00	63.64	0.00	17.39	0.00	0.00	0.00	0.00	0.00	0.00	
EL PASO AA	0	0.00	0.00	0.00	5.48	0.00	38.38	0.00	56.14	0.00	0.00	0.00	0.00	0.00	0.00	

<sup>\*</sup> Based on 2001 Peer Mortgage Data: Southwest Region.

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

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



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

Geographic Distribution: SMALL LOANS TO BUSINESSES															Geography: FNBT 2001 TO 2002		Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002				
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography <sup>*</sup>										
	#	% of Total <sup>**</sup>	% of Businesses <sup>***</sup>	% BANK Loans	% of Businesses <sup>***</sup>	% BANK Loans	% of Businesses <sup>***</sup>	% BANK Loans	% of Businesses <sup>***</sup>	% BANK Loans	Overall	Low	Mod	Mid	Upp						
<b>Full Review:</b>																					
- KILLEEN TEMPLE AA	117	65.00	3.73	4.27	26.64	18.80	45.21	51.28	24.41	25.64	0.69	6.78	0.29	0.95	0.39						
HOUSTON AA	60	33.33	3.58	5.00	29.12	43.33	36.35	40.00	30.81	11.67	0.03	0.07	0.05	0.04	0.01						
<b>Limited Review:</b>																					
AUSTIN SAN MARCOS AA	2	1.11	0.00	0.00	4.88	0.00	60.94	100.00	34.18	0.00	0.00	0.00	0.00	0.00	0.00						
BRAZORIA AA	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00						
BRYAN COLLEGE STATION AA	1	0.56	6.18	0.00	23.42	0.00	42.63	0.00	27.11	100.00	0.00	0.00	0.00	0.00	0.00						
CORPUS CHRISTI AA	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00						
DALLAS AA	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00						
EL PASO AA	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00						
FORT WORTH- ARLINGTON AA	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00						
GALVESTON AA	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00						
LUBBOCK AA	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00						
NON AA	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00						
ODESSA-MIDLAND AA	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00						
SAN ANGELO AA	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00						
SHERMAN-DENISON AA	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00						
VICTORIA AA	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00						
WACO AA	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00						
WICHITA FALLS AA	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00						

<sup>\*</sup> Based on 2001 Peer Small Business Data: US&PR.

<sup>\*\*</sup> 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.

<sup>\*\*\*</sup> Source Data - Dun and Bradstreet (2002).

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS															
Geography: FNB T 2001 TO 2002							Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002								
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>															
- KILLEEN TEMPLE AA	0	0.00	1.00	0.00	18.41	0.00	52.24	0.00	28.36	0.00	0.00	0.00	0.00	0.00	0.00
HOUSTON AA	0	0.00	1.61	0.00	22.22	0.00	44.49	0.00	31.68	0.00	0.00	0.00	0.00	0.00	0.00
<b>Limited Review:</b>															
AUSTIN SAN MARCOS AA	0	0.00	0.00	0.00	4.58	0.00	63.40	0.00	32.03	0.00	0.00	0.00	0.00	0.00	0.00
BRAZORIA AA	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BRYAN COLLEGE STATION AA	0	0.00	2.94	0.00	22.06	0.00	47.79	0.00	27.21	0.00	0.00	0.00	0.00	0.00	0.00
CORPUS CHRISTI AA	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DALLAS AA	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
EL PASO AA	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FORT WORTH- ARLINGTON AA	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
GALVESTON AA	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
LUBBOCK AA	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
NON AA	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ODESSA-MIDLAND AA	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
SAN ANGELO AA	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
SHERMAN-DENISON AA	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
VICTORIA AA	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
WACO AA	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
WICHITA FALLS AA	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

\* Based on 2001 Peer Small Business Data: US&PR.

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

\*\*\* Source Data - Dun and Bradstreet (2002).

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

Borrower Distribution: HOME PURCHASE		Geography: FNBT 2000 TO 2002					Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002					Market Share <sup>*</sup>				
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp	
	#	% of Total <sup>**</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>						
<b>Full Review:</b>																
- KILLEEN TEMPLE AA	1,575	90.41	17.68	2.16	22.16	18.73	23.42	38.35	36.74	40.76	9.40	4.07	6.89	11.54	9.28	
HOUSTON AA	96	5.51	23.42	5.36	17.74	8.93	20.99	17.86	37.86	67.86	0.04	0.00	0.01	0.02	0.07	
<b>Limited Review:</b>																
AUSTIN SAN MARCOS AA	13	0.75	12.82	0.00	16.03	50.00	24.83	0.00	46.32	50.00	0.01	0.00	0.00	0.00	0.03	
BRAZORIA AA	5	0.29	14.04	0.00	17.40	50.00	23.96	0.00	44.59	50.00	0.10	0.00	0.33	0.00	0.10	
BRYAN COLLEGE STATION	3	0.17	27.20	0.00	16.71	0.00	19.08	100.00	37.01	0.00	0.00	0.00	0.00	0.00	0.00	
CORPUS CHRISTI AA	0	0.00	25.11	0.00	15.89	0.00	18.89	0.00	40.11	0.00	0.00	0.00	0.00	0.00	0.00	
DALLAS AA	36	2.07	19.00	0.00	17.57	33.33	23.32	66.67	40.11	0.00	0.00	0.00	0.00	0.01	0.00	
EL PASO AA	1	0.06	17.74	0.00	13.57	0.00	19.00	0.00	49.69	100.00	0.00	0.00	0.00	0.00	0.00	
FORT WORTH- ARLINGTON	6	0.34	13.76	0.00	15.51	0.00	24.55	0.00	46.18	100.00	0.00	0.00	0.00	0.00	0.00	
GALVESTON AA	0	0.00	36.18	0.00	19.16	0.00	17.59	0.00	27.06	0.00	0.00	0.00	0.00	0.00	0.00	
LUBBOCK AA	0	0.00	18.92	0.00	17.41	0.00	20.92	0.00	42.75	0.00	0.00	0.00	0.00	0.00	0.00	
NON AA	6	0.34	19.60	0.00	15.82	33.33	19.63	16.67	44.94	50.00	0.04	0.00	0.00	0.00	0.06	
ODESSA-MIDLAND AA	0	0.00	21.70	0.00	16.75	0.00	20.27	0.00	41.28	0.00	0.00	0.00	0.00	0.00	0.00	
SAN ANGELO AA	0	0.00	21.26	0.00	19.24	0.00	22.28	0.00	37.21	0.00	0.00	0.00	0.00	0.00	0.00	
SHERMAN-DENISON AA	0	0.00	21.64	0.00	17.06	0.00	21.30	0.00	40.00	0.00	0.00	0.00	0.00	0.00	0.00	
VICTORIA AA	1	0.06	21.06	0.00	15.59	0.00	19.81	0.00	43.53	0.00	0.00	0.00	0.00	0.00	0.00	
WACO AA	0	0.00	17.97	0.00	17.88	0.00	23.04	0.00	41.11	0.00	0.00	0.00	0.00	0.00	0.00	
WICHITA FALLS AA	0	0.00	20.23	0.00	17.73	0.00	21.87	0.00	40.17	0.00	0.00	0.00	0.00	0.00	0.00	

<sup>\*</sup> Based on 2001 Peer Mortgage Data: Southwest Region.

<sup>\*\*</sup> As a percentage of loans with borrower income information available. No information was available for 5.45% of loans originated and purchased by BANK.

<sup>\*\*\*</sup> Percentage of Families is based on the 1990 Census information.

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

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

Borrower Distribution: HOME IMPROVEMENT		Geography: FNBT 2000 TO 2002					Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002					Market Share <sup>*</sup>				
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***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****						
<b>Full Review:</b>																
- KILLEEN TEMPLE AA	57	32.20	17.68	10.87	22.16	19.57	23.42	30.43	36.74	39.13	4.12	3.13	12.00	4.44	1.79	
HOUSTON AA	118	66.67	23.42	29.20	17.74	19.47	20.99	25.66	37.86	25.66	0.86	1.03	0.25	0.21	1.34	
<b>Limited Review:</b>																
AUSTIN SAN MARCOS AA	0	0.00	12.82	0.00	16.03	0.00	24.83	0.00	46.32	0.00	0.00	0.00	0.00	0.00	0.00	
BRAZORIA AA	0	0.00	14.04	0.00	17.40	0.00	23.96	0.00	44.59	0.00	0.00	0.00	0.00	0.00	0.00	
BRYAN COLLEGE STATION AA	0	0.00	27.20	0.00	16.71	0.00	19.08	0.00	37.01	0.00	0.00	0.00	0.00	0.00	0.00	
CORPUS CHRISTI AA	0	0.00	25.11	0.00	15.89	0.00	18.89	0.00	40.11	0.00	0.00	0.00	0.00	0.00	0.00	
DALLAS AA	1	0.56	19.00	0.00	17.57	0.00	23.32	100.00	40.11	0.00	0.02	0.00	0.00	0.10	0.00	
EL PASO AA	0	0.00	17.74	0.00	13.57	0.00	19.00	0.00	49.69	0.00	0.00	0.00	0.00	0.00	0.00	
FORT WORTH- ARLINGTON	0	0.00	13.76	0.00	15.51	0.00	24.55	0.00	46.18	0.00	0.00	0.00	0.00	0.00	0.00	
GALVESTON AA	0	0.00	36.18	0.00	19.16	0.00	17.59	0.00	27.06	0.00	0.00	0.00	0.00	0.00	0.00	
LUBBOCK AA	0	0.00	18.92	0.00	17.41	0.00	20.92	0.00	42.75	0.00	0.00	0.00	0.00	0.00	0.00	
NON AA	1	0.56	19.60	100.00	15.82	0.00	19.63	0.00	44.94	0.00	0.35	4.76	0.00	0.00	0.00	
ODESSA-MIDLAND AA	0	0.00	21.70	0.00	16.75	0.00	20.27	0.00	41.28	0.00	0.00	0.00	0.00	0.00	0.00	
SAN ANGELO AA	0	0.00	21.26	0.00	19.24	0.00	22.28	0.00	37.21	0.00	0.00	0.00	0.00	0.00	0.00	
SHERMAN-DENISON AA	0	0.00	21.64	0.00	17.06	0.00	21.30	0.00	40.00	0.00	0.00	0.00	0.00	0.00	0.00	
VICTORIA AA	0	0.00	21.06	0.00	15.59	0.00	19.81	0.00	43.53	0.00	0.00	0.00	0.00	0.00	0.00	
WACO AA	0	0.00	17.97	0.00	17.88	0.00	23.04	0.00	41.11	0.00	0.00	0.00	0.00	0.00	0.00	
WICHITA FALLS AA	0	0.00	20.23	0.00	17.73	0.00	21.87	0.00	40.17	0.00	0.00	0.00	0.00	0.00	0.00	

\* Based on 2001 Peer Mortgage Data: Southwest Region.

\*\* As a percentage of loans with borrower income information available. No information was available for 9.04% of loans originated and purchased by BANK.

\*\*\* Percentage of Families is based on the 1990 Census information.

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

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

Borrower Distribution: HOME MORTGAGE REFINANCE			Geography: FNBT 2000 TO 2002				Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002					Market Share <sup>*</sup>				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp	
	#	% of Total <sup>**</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>						
<b>Full Review:</b>																
- KILLEEN TEMPLE AA	100	61.35	17.68	8.33	22.16	12.50	23.42	18.75	36.74	60.42	1.74	2.70	0.85	1.73	1.85	
HOUSTON AA	29	17.79	23.42	0.00	17.74	10.53	20.99	21.05	37.86	68.42	0.06	0.00	0.05	0.00	0.10	
<b>Limited Review:</b>																
AUSTIN SAN MARCOS AA	3	1.84	12.82	0.00	16.03	0.00	24.83	0.00	46.32	0.00	0.00	0.00	0.00	0.00	0.00	
BRAZORIA AA	0	0.00	14.04	0.00	17.40	0.00	23.96	0.00	44.59	0.00	0.00	0.00	0.00	0.00	0.00	
BRYAN COLLEGE STATION	1	0.61	27.20	0.00	16.71	0.00	19.08	0.00	37.01	100.00	0.00	0.00	0.00	0.00	0.00	
CORPUS CHRISTI AA	0	0.00	25.11	0.00	15.89	0.00	18.89	0.00	40.11	0.00	0.00	0.00	0.00	0.00	0.00	
DALLAS AA	19	11.66	19.00	0.00	17.57	0.00	23.32	0.00	40.11	0.00	0.00	0.00	0.00	0.00	0.00	
EL PASO AA	1	0.61	17.74	0.00	13.57	0.00	19.00	0.00	49.69	0.00	0.00	0.00	0.00	0.00	0.00	
FORT WORTH- ARLINGTON	9	5.52	13.76	0.00	15.51	0.00	24.55	100.00	46.18	0.00	0.00	0.00	0.00	0.00	0.00	
GALVESTON AA	0	0.00	36.18	0.00	19.16	0.00	17.59	0.00	27.06	0.00	0.00	0.00	0.00	0.00	0.00	
LUBBOCK AA	0	0.00	18.92	0.00	17.41	0.00	20.92	0.00	42.75	0.00	0.00	0.00	0.00	0.00	0.00	
NON AA	1	0.61	19.60	0.00	15.82	0.00	19.63	0.00	44.94	100.00	0.07	0.00	0.00	0.00	0.09	
ODESSA-MIDLAND AA	0	0.00	21.70	0.00	16.75	0.00	20.27	0.00	41.28	0.00	0.00	0.00	0.00	0.00	0.00	
SAN ANGELO AA	0	0.00	21.26	0.00	19.24	0.00	22.28	0.00	37.21	0.00	0.00	0.00	0.00	0.00	0.00	
SHERMAN-DENISON AA	0	0.00	21.64	0.00	17.06	0.00	21.30	0.00	40.00	0.00	0.00	0.00	0.00	0.00	0.00	
VICTORIA AA	0	0.00	21.06	0.00	15.59	0.00	19.81	0.00	43.53	0.00	0.00	0.00	0.00	0.00	0.00	
WACO AA	0	0.00	17.97	0.00	17.88	0.00	23.04	0.00	41.11	0.00	0.00	0.00	0.00	0.00	0.00	
WICHITA FALLS AA	0	0.00	20.23	0.00	17.73	0.00	21.87	0.00	40.17	0.00	0.00	0.00	0.00	0.00	0.00	

<sup>\*</sup> Based on 2001 Peer Mortgage Data: Southwest Region.

<sup>\*\*</sup> As a percentage of loans with borrower income information available. No information was available for 57.06% of loans originated and purchased by BANK.

<sup>\*\*\*</sup> Percentage of Families is based on the 1990 Census information.

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

**Table 11. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: FNBT 2001 TO 2002			Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002				
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 <sup>1</sup>	
	#	% of Total <sup>2</sup>	% of Businesses <sup>3</sup>	% BANK Loans <sup>4</sup>	\$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>									
- KILLEEN TEMPLE AA	117	65.00	75.77	70.09	71.79	17.95	10.26	0.69	1.09
HOUSTON AA	60	33.33	68.08	70.00	83.33	6.67	10.00	0.03	0.06
<b>Limited Review:</b>									
AUSTIN SAN MARCOS AA	2	1.11	71.40	50.00	100.00	0.00	0.00	0.00	0.00
BRAZORIA AA	0	0.00	73.39	0.00	0.00	0.00	0.00	0.00	0.00
BRYAN COLLEGE STATION	1	0.56	72.12	100.00	0.00	100.00	0.00	0.00	0.00
CORPUS CHRISTI AA	0	0.00	73.65	0.00	0.00	0.00	0.00	0.00	0.00
DALLAS AA	0	0.00	68.65	0.00	0.00	0.00	0.00	0.00	0.00
EL PASO AA	0	0.00	71.46	0.00	0.00	0.00	0.00	0.00	0.00
FORT WORTH- ARLINGTON	0	0.00	70.10	0.00	0.00	0.00	0.00	0.00	0.00
GALVESTON AA	0	0.00	74.53	0.00	0.00	0.00	0.00	0.00	0.00
LUBBOCK AA	0	0.00	73.45	0.00	0.00	0.00	0.00	0.00	0.00
NON AA	0	0.00	74.64	0.00	0.00	0.00	0.00	0.00	0.00
ODESSA-MIDLAND AA	0	0.00	73.58	0.00	0.00	0.00	0.00	0.00	0.00
SAN ANGELO AA	0	0.00	77.42	0.00	0.00	0.00	0.00	0.00	0.00
SHERMAN-DENISON AA	0	0.00	74.54	0.00	0.00	0.00	0.00	0.00	0.00
VICTORIA AA	0	0.00	77.87	0.00	0.00	0.00	0.00	0.00	0.00
WACO AA	0	0.00	69.15	0.00	0.00	0.00	0.00	0.03	0.06
WICHITA FALLS AA	0	0.00	76.81	0.00	0.00	0.00	0.00	0.00	0.00

<sup>1</sup> Based on 2001 Peer Small Business Data: US&PR.

<sup>2</sup> 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.

<sup>3</sup> Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2002).

<sup>4</sup> 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 6.67% 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: FNBT 2001 TO 2002			Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002				
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 <sup>*</sup>	
	#	% of Total <sup>**</sup>	% of Farms <sup>***</sup>	% BANK Loans <sup>****</sup>	\$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>									
- KILLEEN TEMPLE AA	0	0.00	90.05	0.00	0.00	0.00	0.00	0.00	0.00
HOUSTON AA	0	0.00	91.78	0.00	0.00	0.00	0.00	0.00	0.00
<b>Limited Review:</b>									
AUSTIN SAN MARCOS AA	0	0.00	93.46	0.00	0.00	0.00	0.00	0.00	0.00
BRAZORIA AA	0	0.00	94.68	0.00	0.00	0.00	0.00	0.00	0.00
BRYAN COLLEGE STATION	0	0.00	93.38	0.00	0.00	0.00	0.00	0.00	0.00
CORPUS CHRISTI AA	0	0.00	93.69	0.00	0.00	0.00	0.00	0.00	0.00
DALLAS AA	0	0.00	91.36	0.00	0.00	0.00	0.00	0.00	0.00
EL PASO AA	0	0.00	89.17	0.00	0.00	0.00	0.00	0.00	0.00
FORT WORTH- ARLINGTON	0	0.00	93.81	0.00	0.00	0.00	0.00	0.00	0.00
GALVESTON AA	0	0.00	91.67	0.00	0.00	0.00	0.00	0.00	0.00
LUBBOCK AA	0	0.00	92.04	0.00	0.00	0.00	0.00	0.00	0.00
NON AA	0	0.00	92.86	0.00	0.00	0.00	0.00	0.00	0.00
ODESSA-MIDLAND AA	0	0.00	95.32	0.00	0.00	0.00	0.00	0.00	0.00
SAN ANGELO AA	0	0.00	93.94	0.00	0.00	0.00	0.00	0.00	0.00
SHERMAN-DENISON AA	0	0.00	93.62	0.00	0.00	0.00	0.00	0.00	0.00
VICTORIA AA	0	0.00	94.07	0.00	0.00	0.00	0.00	0.00	0.00
WACO AA	0	0.00	93.75	0.00	0.00	0.00	0.00	0.00	0.00
WICHITA FALLS AA	0	0.00	94.29	0.00	0.00	0.00	0.00	0.00	0.00

<sup>\*</sup> Based on 2001 Peer Small Business Data: US&PR.

<sup>\*\*</sup> 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.

<sup>\*\*\*</sup> Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2002).

<sup>\*\*\*\*</sup> Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 0.00% of small loans to farms originated and purchased by the bank.

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

Geographic and Borrower Distribution: CONSUMER LOANS			Geography: FNBT 2001 TO 2002								Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002							
MA/Assessment Area:	Geographic Distribution										Borrower Distribution							
	Total Consumer Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers	
	#	% of Total*	% of Hhlds**	% of BANK Loans	% of Hhlds*	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds*	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans
<b>Full Review:</b>																		
KILLEEN TEMPLE AA	4,833	77.80	0.24	0.00	27.27	3.29	48.60	88.72	23.88	7.99	19.11	68.47	19.57	23.63	22.69	6.46	38.63	1.44
HOUSTON AA	398	6.41	5.09	5.03	33.51	21.36	37.60	36.93	23.80	36.43	23.58	0.00	17.22	0.00	19.99	0.00	39.21	0.00
<b>Limited Review:</b>																		
AUSTIN SAN MARCO	13	0.21	0.00	0.00	3.96	0.00	60.54	38.46	35.49	61.54	13.25	0.00	14.82	0.00	19.96	0.00	51.97	0.00
BRAZORIA AA	22	0.35	0.00	0.00	11.18	0.00	52.56	45.45	36.26	54.55	16.21	0.00	16.35	0.00	20.89	0.00	46.55	0.00
BRYAN COLLEGE STA	235	3.78	4.81	4.26	22.69	18.30	53.00	52.34	19.47	25.11	30.82	0.00	15.41	0.00	14.11	0.00	39.66	0.00
CORPUS CHRISTI AA	21	0.34	10.56	0.00	22.80	0.00	29.65	52.38	37.00	47.62	27.47	0.00	14.76	0.00	16.86	0.00	40.91	0.00
DALLAS AA	249	4.01	6.68	3.21	21.39	7.63	42.01	34.14	29.92	55.02	20.91	0.00	16.11	0.00	20.41	0.00	42.57	0.00
EL PASO AA	69	1.11	0.00	0.00	13.14	17.39	35.83	33.33	51.03	49.28	17.22	0.00	13.64	0.00	18.78	0.00	50.36	0.00
FORT WORTH- ARLIN	66	1.06	0.86	0.00	10.61	15.15	53.65	34.85	34.88	50.00	16.49	0.00	14.65	0.00	20.34	0.00	48.52	0.00
GALVESTON AA	7	0.11	19.45	0.00	38.60	28.57	36.88	71.43	5.07	0.00	38.17	0.00	17.06	0.00	17.24	0.00	27.53	0.00
LUBBOCK AA	30	0.48	7.71	0.00	14.44	10.00	46.96	43.33	30.89	46.67	24.87	0.00	14.65	0.00	17.59	0.00	42.90	0.00
NON AA	167	2.69	0.00	0.00	10.00	7.78	59.95	43.71	30.05	48.50	25.00	0.00	14.35	0.00	16.43	0.00	44.23	0.00
ODESSA-MIDLAND	8	0.13	5.19	0.00	22.35	12.50	30.69	62.50	41.76	25.00	24.05	0.00	15.45	0.00	18.73	0.00	41.78	0.00
SAN ANGELO AA	3	0.05	3.59	0.00	22.93	33.33	52.35	0.00	21.12	66.67	25.46	0.00	16.38	0.00	20.00	0.00	38.16	0.00
SHERMAN-DENISON	3	0.05	0.69	0.00	29.33	66.67	30.39	33.33	39.59	0.00	26.57	0.00	14.74	0.00	19.10	0.00	39.59	0.00
VICTORIA AA	15	0.24	0.00	0.00	35.90	46.67	29.07	26.67	35.03	26.67	23.34	0.00	15.09	0.00	17.42	0.00	44.14	0.00
WACO AA	59	0.95	0.00	0.00	23.38	11.86	47.22	25.42	29.38	62.71	20.17	0.00	16.20	0.00	17.85	0.00	45.77	0.00
WICHITA FALLS AA	14	0.23	6.79	0.00	22.12	0.00	39.86	71.43	31.23	28.57	24.19	0.00	15.47	0.00	19.14	0.00	41.20	0.00

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

\*\* Percentage of Households is based on the 1990 Census Information.



Table 14. Qualified Investments

QUALIFIED INVESTMENTS									
Geography: FNBT 2000 TO 2002									
Evaluation Period: JANUARY 31, 2000 TO October 14, 2003									
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>									
- KILLEEN TEMPLE AA	0	0	80	1,274	80	1,274	54.30	0	0
HOUSTON AA	0	0	3	499	3	499	21.30	1	100
<b>Limited Review:</b>									
AUSTIN SAN MARCOS AA	0	0	0	0	0	0	0.00	0	0
BRAZORIA AA	0	0	0	0	0	0	0.00	0	0
BRYAN COLLEGE STATION AA	0	0	0	0	0	0	0.00	0	0
CORPUS CHRISTI AA	0	0	0	0	0	0	0.00	0	0
DALLAS AA	0	0	1	98	1	98	4.20	0	0
EL PASO AA	0	0	1	227	1	227	9.60	0	0
FORT WORTH- ARLINGTON AA	0	0	0	0	0	0	0.00	0	0
GALVESTON AA	0	0	0	0	0	0	0.00	0	0
LUBBOCK AA	0	0	0	0	0	0	0.00	0	0
NON AA	0	0	1	150	1	150	6.40	0	0
ODESSA-MIDLAND AA	0	0	0	0	0	0	0.00	0	0
SAN ANGELO AA	0	0	0	0	0	0	0.00	0	0
SHERMAN-DENISON AA	0	0	0	0	0	0	0.00	0	0
VICTORIA AA	0	0	1	100	1	100	4.20	0	0
WACO AA	0	0	0	0	0	0	0.00	0	0
WICHITA FALLS AA	0	0	0	0	0	0	0.00	0	0

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

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

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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS																	
Geography: FNB T 2000 TO 2002																	
Evaluation Period: JANUARY 31, 2000 To October 14, 2003																	
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>																	
- KILLEEN TEMPLE AA	57.58	14	0	7.14	7.14	35.72	50.00	2	2	0	-1	0	+1	0.17	33.88	44.52	21.43
HOUSTON AA	25.17	19	0	0	47.37	42.11	10.53	8	0	0	+3	+4	+1	5.01	34.69	36.72	23.59
<b>Limited Review:</b>																	
AUSTIN SAN MARCOS AA	0.63	1	0	0.00	0.00	100.00	0.00	0	0	0	0	0	0	0.00	4.30	59.37	36.33
BRAZORIA AA	0.44	2	0	0.00	50.00	0.00	50.00	1	0	0	0	0	+1	0.00	10.55	52.78	36.67
BRYAN COLLEGE STATION AA	0.28	1	0	0.00	0.00	0.00	100.00	0	0	0	0	0	0	4.43	22.49	44.91	17.66
CORPUS CHRISTI AA	0.77	2	0	0.00	0.00	100.00	0.00	0	0	0	0	0	0	10.97	26.45	28.79	33.78
DALLAS AA	3.11	13	0	0.00	30.77	38.46	30.77	4	0	0	+3	0	+1	6.92	22.00	41.54	29.55
EL PASO AA	1.29	5	0	0.00	0.00	100.00	0.00	4	0	0	0	+4	0	0.00	16.21	38.92	44.88
FORT WORTH- ARLINGTON AA	2.56	9	0	0.00	0.00	77.78	22.22	4	0	0	0	+2	+2	0.76	10.11	53.22	35.91
GALVESTON AA	0.36	1	0	0.00	0.00	100.00	0.00	0	0	0	0	0	0	22.69	38.10	33.94	5.14
LUBBOCK AA	0.57	2	0	0.00	0.00	50.00	50.00	2	0	0	0	+1	+1	7.93	15.47	43.83	29.62
NON AA	4.69	8	0	0.00	12.50	50.00	37.50	0	0	0	0	0	0	0.00	11.65	57.19	31.15
ODESSA-MIDLAND AA	0.64	3	0	0.00	0.00	60.00	40.00	3	0	0	0	+2	+1	6.27	24.55	30.70	38.49
SAN ANGELO AA	0.28	1	0	0.00	0.00	0.00	100.00	1	0	0	0	0	+1	3.36	24.93	53.03	18.68
SHERMAN-DENISON AA	0.43	1	0	0.00	0.00	0.00	100.00	0	0	0	0	0	0	1.04	31.67	29.97	37.32
VICTORIA AA	0.26	1	0	0.00	0.00	0.00	100.00	0	0	0	0	0	0	0.00	32.78	29.80	37.42
WACO AA	0.35	1	0	0.00	0.00	100.00	0.00	0	0	0	0	0	0	0.00	25.88	44.16	28.91
WICHITA FALLS AA	0.59	2	0	0.00	0.00	50.00	50.00	0	0	0	0	0	0	6.73	24.43	40.09	28.74

**Distribution of Branch and ATM Delivery System**

DISTRIBUTION OF BRANCH AND ATM DELIVERY SYSTEM				Geography: FNB 2000 TO 2002				Evaluation Period: JANUARY 31, 2000 TO October 14, 2003									
MA/Assessment Area:	Deposits	Branches						ATMs						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of 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>																	
- KILLEEN TEMPLE AA	57.58	0	0	0.00	0.00	0.00	0.00	65	38.00	11%	9%	45%	35%	0.00	0.00	0.00	0.00
HOUSTON AA	25.17	0	0	0.00	0.00	0.00	0.00	29	17.00	4%	52%	34%	10%	0.00	0.00	0.00	0.00
<b>Limited Review:</b>																	
AUSTIN SAN MARCOS AA	0.63	0	0	0.00	0.00	0.00	0.00	1	0.60	0	0	100%	0	0.00	0.00	0.00	0.00
BRAZORIA AA	0.44	0	0	0.00	0.00	0.00	0.00	2	1.20	0	50%	50%	0	0.00	0.00	0.00	0.00
BRYAN COLLEGE STATION AA	0.28	0	0	0.00	0.00	0.00	0.00	1	0.60	0	0	0	100%	0.00	0.00	0.00	0.00
CORPUS CHRISTI AA	0.77	0	0	0.00	0.00	0.00	0.00	3	1.70	0	34%	33%	33%	0.00	0.00	0.00	0.00
DALLAS AA	3.11	0	0	0.00	0.00	0.00	0.00	15	8.80	0	33%	27%	40%	0.00	0.00	0.00	0.00
EL PASO AA	1.29	0	0	0.00	0.00	0.00	0.00	10	5.80	10%	0	80%	10%	0.00	0.00	0.00	0.00
FORT WORTH- ARLINGTON	2.56	0	0	0.00	0.00	0.00	0.00	11	6.40	0	0	82%	18%	0.00	0.00	0.00	0.00
GALVESTON AA	0.36	0	0	0.00	0.00	0.00	0.00	1	0.60	0	0	100%	0	0.00	0.00	0.00	0.00
LUBBOCK AA	0.57	0	0	0.00	0.00	0.00	0.00	4	2.30	0	0	75%	25%	0.00	0.00	0.00	0.00
NON AA	4.69	0	0	0.00	0.00	0.00	0.00	15	8.80	0	7%	60%	33%	0.00	0.00	0.00	0.00
ODESSA-MIDLAND AA	0.64	0	0	0.00	0.00	0.00	0.00	5	2.90	0	0	40%	60%	0.00	0.00	0.00	0.00
SAN ANGELO AA	0.28	0	0	0.00	0.00	0.00	0.00	1	0.60	0	0	0	100%	0.00	0.00	0.00	0.00
SHERMAN-DENISON AA	0.43	0	0	0.00	0.00	0.00	0.00	1	0.60	0	0	100%	0	0.00	0.00	0.00	0.00
VICTORIA AA	0.26	0	0	0.00	0.00	0.00	0.00	3	1.70	0	34%	0	66%	0.00	0.00	0.00	0.00
WACO AA	0.35	0	0	0.00	0.00	0.00	0.00	2	1.20	0	0	50%	50%	0.00	0.00	0.00	0.00
WICHITA FALLS AA	0.59	0	0	0.00	0.00	0.00	0.00	2	1.20	0	0	50%	50%	0.00	0.00	0.00	0.00

## **Description of Institution**

First National Bank Texas (FNBT) is an intrastate bank headquartered in Killeen, Texas. All of FNBT's 7 stand-alone and 79 HEB, Wal-Mart, and Kroger supermarket in-store branches, and automated teller machines (ATMs) are located in the bank's assessment areas (AAs). These areas consist of 40 census tracts (CTs) in the Killeen-Temple Metropolitan Statistical Area (MSA), 335 CTs in the Houston MSA, and 714 CTs in 16 other MSAs located throughout the State of Texas. The in-store branches do not have lenders present, but offer immediate telephone connections to allow an individual or small business customer to apply for credit.

The AAs meet the requirements of the regulation and do not arbitrarily exclude any low- or moderate-income (LMI) areas. FNBT defines its geographic boundaries of its effective lending areas as AAs. The Killeen-Temple MSA includes those CTs encompassing the Fort Hood Army base. This military installation is under an exclusive contract with an affiliate bank, Fort Hood National Bank (FHNB), to also provide loans and services to military personnel. The AAs are typically defined as all CTs that fall within a five-mile radius around each branch. In addition, any CT that is 15% or more within this area will be considered as part of the market. Finally, nearby CTs may be included if they are identified as LMI tracts. For additional information on FNBT's Killeen-Temple and Houston MSAs, see *MARKET PROFILE – DEMOGRAPHIC INFORMATION TABLES* in Appendix B herein.

At June 30, 2003, FNBT had total assets of \$442 million. Tier 1 capital of \$31 million represents 7% of total assets. The bank's primary focus is to individuals for mortgage and consumer credit and to a lesser extent loans to small business customers. FNBT faces strong competition from area banks, savings and loans, investment brokerage firms, credit unions, pawnshops, finance companies, and quasi-governmental agencies such as the Army and Air Force Exchange Service. For additional information on the products and services offered by FNBT, please refer to the bank's Community Reinvestment Act (CRA) Public File.

Since the last performance evaluation, the bank has undertaken a significant expansion by adding 29 in-store branches throughout the state. Recently, FNBT entered into an agreement to open an additional 63 in-store branches in early 2004 in various Texas markets.

FNBT's performance was rated "Outstanding" at the CRA examination in January 2000.

## **Evaluation Period**

We evaluated FNBT's mortgage lending using data for the period January 1, 2000 through December 31, 2002, and consumer credit and small business lending using data for the period beginning January 1, 2001 through December 31, 2002. For community development (CD) loans, investments, and services, our evaluation period runs from the ending date of the last CRA examination, which is January 31, 2000, through October 14, 2003, the starting date of this evaluation.

## Overall CRA Rating

**Institution’s CRA Rating:** This institution is rated “Satisfactory.”

The following table indicates the performance level of FNBT with respect to the lending, investment, and service tests.

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

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

Due to FNBT’s lending focus, we gave the greatest weight to home mortgage lending within the two full-scope AAs. Small business loans were weighted less heavily because there is reduced demand for commercial loans in the Killeen-Temple AA and the market for commercial loan customers in the Houston AA is highly competitive.

FNBT also considers its niche product to be small dollar consumer loan programs directed towards personal, family, or household use. At the bank’s option, two categories of unsecured consumer loans were included in this evaluation. However, due to the lack of complete loan data, the geographic distribution of consumer lending focused only on the bank’s performance in student loans, and the borrower distribution of consumer loans was limited to an assessment of performance in the Pocket Money loan program. The geographic distribution of multi-family loans and the geographic and borrower distribution of small loans to farms are not relevant due to the small volume of loans originated/purchased during the evaluation period.

A full-scope review of the Killeen-Temple and Houston MSAs was performed since these areas represent 83% of the bank’s deposits and 95% of lending activity during the evaluation period. Only limited-scope reviews were performed on the other 16 MSAs.

Community contacts were initiated with affordable housing coordinators within the cities of Killeen and Temple. One community contact recently performed by this Office in the Houston AA was also used in this analysis. These contacts indicated that the local economies are considered stable with an overall low unemployment rate. City government, city- and federally-funded non-profit organizations, and private groups are considered the primary vehicles for addressing credit needs such as home ownership counseling, construction, and financing of affordable housing. Banking products are considered adequate and easily available. One community contact mentioned that mortgage loans to

qualified borrowers for loans of \$50 thousand or less are needed but are not always available through the lending institutions in the Killeen area. Our review of loan originations in 2001 and 2002 indicates that FNBT does make a number of mortgage loans of \$50 thousand or less to borrowers located in the Killeen-Temple MSA.

The major factors that support this overall rating and conclusions with respect to performance tests are detailed below.

## **LENDING**

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

Refer to Tables 1 – 12 in Appendix C for facts and data used to evaluate FNBT’s lending activity.

The bank’s performance under the Lending Test is rated **“High Satisfactory.”**

FNBT’s rating is based primarily on its good lending performance in making home purchase loans in the Killeen-Temple AA and home improvement loans in the Houston AA. This performance was enhanced by strong community development lending addressing the needs for affordable housing and adequate consumer lending addressing the need for small dollar loans. The use of innovative and flexible loan products positively enhanced the bank’s performance under the Lending Test. Refinance loans were given minimal weight. Small business loans were also weighted less heavily because there is little demand for commercial loans in the Killeen-Temple AA and because FNBT is not a leading competitor in the highly aggressive commercial loan market in the Houston AA.

### **Lending Activity**

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

The bank’s primary market is the Killeen-Temple AA, which represents approximately 16% of the bank’s branch network, 58% of the bank’s deposit base, and 82% of the CRA reportable loan volume for this evaluation period. The Houston AA is the next largest market and represents approximately 22% of the bank’s branch network, 25% of the bank’s deposit base, and 13% of the CRA reportable loan volume for this evaluation period.

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

Refer to Tables 2 – 6 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank’s lending activities. We placed greater emphasis on the geographic distribution within the Houston AA because of the number of LMI geographies that are located within this AA.

## Killeen-Temple AA

The overall geographic distribution of FNBT's mortgage-related loan originations in this AA is good.

- The percentage of home purchase loans made in the low-income geographies is greater than the percentage of owner-occupied housing but is significantly below the percentage of owner-occupied housing units in the moderate-income geographies. FNBT's share of home purchase loans originated in low-income geographies exceeds the overall market share but is less than the market share for moderate-income geographies.
- The percentage of home improvement loans made in low-income geographies is below the percentage of owner-occupied housing units. However, the percentage of home improvement loans made in the moderate-income geographies in the Killeen-Temple AA is slightly above the percentage of owner-occupied housing units. FNBT's share of home improvement loans originated in the LMI geographies exceeds the overall market share.
- The percentage of refinance loans originated in low-income geographies is below the percentage of owner-occupied units, and is significantly below the percentage for moderate-income geographies. FNBT's share of refinance loans originated in low-income geographies is below the overall market share and near the overall market share in moderate-income geographies.

The percentage distribution of the number of small loans to businesses in LMI geographies is good. The bank's market share for small loans to businesses located in low-income geographies is substantially higher than the percentage of businesses and the bank's market share in moderate-income geographies is near the area demographics.

Our assessment of the geographic distribution of consumer loans was limited to the student loan portfolio. Consumer loan performance reflects a poor distribution of lending in that the geographic distribution in the moderate-income CTs is substantially lower than the percentage of households located in these geographies.

## Houston AA

The overall geographic distribution of FNBT's market share of mortgage-related loans in the Houston AA LMI geographies is adequate.

- The percentage of home purchase loans made in LMI geographies is less than the percentage of owner-occupied housing units that are located in these areas. However, FNBT's share of home purchase loans originated in LMI geographies exceeds the overall market share.
- The percentage of home improvement loans made in low-income geographies is below the percentage of owner-occupied housing units that are located in these geographies. However, the percentage of loans made in moderate-income geographies substantially exceeds the percentage of units located in these geographies. FNBT's share of home improvement loans is less in the low-income geographies but substantially exceeds the overall market share in the moderate-income geographies.

- The percentage of refinanced loans made in LMI geographies is below the percentage of owner-occupied housing units in this area. FNBT's share of refinanced loans originated in low-income geographies is less, but exceeds the bank's overall market share in moderate-income geographies.

The percentage distribution of small loans to businesses is excellent as the percentage of small loans to businesses in LMI geographies exceeds the percentage of businesses located in these areas. Similarly, the bank's market share for small loans to businesses located in LMI geographies exceeds its overall market share.

The percentage distribution of the number of consumer loans originated in the LMI geographies is excellent. The geographic distribution of consumer lending in the low-income tracts meets the percentage of households and is near the demographics in the moderate-income tracts.

### **Lending Gap Analysis**

Reports detailing FNBT's lending activity over the evaluation period for home mortgage loans, small loans to businesses, and consumer loans were reviewed to identify gaps in the geographic distribution of those loans. No unexplained gaps were identified in either the Killeen-Temple or Houston MSAs.

### **Inside/Outside Ratio**

#### Killeen-Temple AA

A majority of FNBT's home purchase loan (76%) and small loans to businesses (55%) were made inside this AA, while less than a majority of refinance (41%), home improvement (29%), and consumer (49%) loans occurred in this AA.

#### Houston AA

A majority of home improvement loans (61%) were made inside the AA, while less than a majority of home purchase (5%), refinance (12%), small business (28%) and consumer (4%) loans occurred in this AA. This performance was given less weight in the overall analysis as the geographic distribution of lending with more weight attributed to performance in the bank's primary market, the Killeen-Temple AA.

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

The borrower distribution of FNBT's home mortgage, small loans to businesses, and consumer loans reflects an overall good dispersion among borrowers of different income levels throughout the full-scope AAs. In the evaluation of borrower distribution, we gave consideration to the poverty levels within the AAs. The poverty level in both the Killeen-Temple and Houston AAs is 13%. Due to reasons of affordability, it is unlikely that those with incomes below the poverty level would be eligible for home mortgage financing. Accordingly, we considered this in evaluating the bank's lending distribution to low-income borrowers.



Additionally, due to the dynamics of the AAs, we placed a little more emphasis on the market share analysis of consumer loans to arrive at our performance conclusions. FNBT has adopted the consumer borrower as its niche market, focusing on loan products directed towards the personal, family, or household use. In the full-scope AAs, there is greater demand for consumer loans than commercial loans. In the Killeen market, in particular, there is little demand for commercial loans as members of the military are discouraged from starting small businesses because of their required mobility. Further, although management views growth in the commercial market as a desirable objective, the market for commercial loans in the Houston AA is very aggressive and FNBT is not a strong competitor.

### Killeen-Temple AA

The overall percentage distribution of mortgage-related loans originated and purchased to LMI borrowers is good.

- Although the percentage of home purchase loans to low-income borrowers is well below the percentage of low-income families, the distribution is excellent considering that 13% of the families live below the poverty level. The percentage of home purchase loans to moderate-income borrowers is near the percentage of families in this area. FNBT's share for loans made to LMI borrowers is below the overall market share.
- The percentage of home improvement loans to low-income borrowers is adequate even though it is below area demographics. It is considered good performance given the percentage of families living below the poverty level. The percentage of home improvement loans to moderate-income borrowers is slightly below the percentage of families defined as such. FNBT's share for home improvement loans to low-income borrowers is slightly below but significantly exceeds the overall market share for loans to moderate-income borrowers.
- The percentage of refinance loans to low-income borrowers is below the percentage of low-income families but is good overall when considering the level of households living below the poverty level. The percentage of home refinance loans to moderate-income borrowers is below the percentage of families defined as such. FNBT's share for loans made in low-income families exceeds, but is below the overall market share for loans to moderate-income borrowers in the AA.

The percentage of loans to small businesses (businesses with revenues of \$1 million or less) is good and near the percentage of businesses that are defined as such. FNBT's share of small loans to small businesses exceeds the overall market share.

The percentage of consumer loans to low-income borrowers is excellent and substantially exceeds the percentage of low-income households. The percentage of consumer loans to moderate-income borrowers also exceeds the percentage of moderate-income households.

### Houston AA

The overall percentage distribution of mortgage-related loans originated and purchased to LMI borrowers is adequate.

- The percentage of home purchase loans to low-income borrowers is below the percentage of low-income families but is good considering the number of families living below the poverty level. The percentage of home purchase loans to moderate-income borrowers is below the percentage of families defined as such in the AA. FNBT's share for loans made to LMI borrowers is well below the overall market share in the AA.
- The percentage of home improvement loans to low-income borrowers exceeds the percentage of low-income families. The percentage of home improvement loans to moderate-income borrowers exceeds the percentage of families defined as such. FNBT's share for home improvement loans made to low-income borrowers exceeds the market share average but is below the market share on loans to moderate-income borrowers.
- The percentage of refinance loans to low-income borrowers is significantly below the percentage of low-income families. The percentage of home refinance loans to moderate-income borrowers is near to the percentage of families defined as such. FNBT's share for loans made to low-income borrowers is below the market share average but is in line with the market share for loans to moderate-income borrowers.

The percentage distribution of loans to small businesses is good and slightly exceeds the percentage of businesses that are defined as such. FNBT's share of small loans to small businesses exceeds the overall market share in this AA.

Our evaluation of consumer loans by borrower income level was limited to the bank's Pocket Money program. Consumer loan performance in this AA is poor, as FNBT did not originate any Pocket Money consumer loans during this evaluation period.

### **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 (CD) lending.

FNBT has a good level of CD loans that demonstrates a strong responsiveness to credit and CD needs in both the Killeen and Houston AA's. During this evaluation period, FNBT either originated or purchased 13 CD loans totaling \$2.8 million in the Killeen-Temple AA and 2 CD loans totaling \$2.7 million in the Houston AA. This level of lending had a material impact on these communities, addressing the needs for affordable housing, community services targeted to LMI households, and activities that revitalize or stabilize depressed areas.

### **Product Innovation and Flexibility**

Innovative and flexible underwriting positively impacted the bank's performance, although greater flexibility and innovativeness in product offerings was evident in the Killeen-Temple AA. A description of the bank's innovative and flexible loan products follows.

- In addition to conventional mortgages, FNBT through its mortgage division, offers FHA and VA home loan financing, in which low or no down payment mortgage loans are offered. This division also participates in several programs specifically benefiting LMI borrowers in the Killeen-Temple AA. These affordable housing programs provide down payment assistance, closing cost assistance, and financing at reduced interest rates. Both assisted and non-assisted loans are offered, with assisted programs affording very low-income borrowers down payment assistance. During the evaluation period, the bank originated \$2.6 million under these various special loan programs.
- FNBT participates in the City of Temple Housing Authority’s Homeownership Program, which provides down payment and closing cost assistance specifically targeted to LMI first-time homebuyers, by providing funds for the interim construction of affordable housing. During this evaluation period, the bank originated 11 loans totaling \$1 million under this program.
- The bank participates in both the City of Killeen’s first-time Homebuyer Assistance Program and the USDA Rural Housing Service Guaranteed Rural Housing Loan Program, which specifically benefits LMI borrowers. However, there have been no loan originations under these programs during the evaluation period.
- FNBT is an originating student loan lender in the Federal Family Education Loan Program (FFELP). In an effort to encourage students to build a positive credit history, the bank offers borrowers the option to participate in the “Most Valuable Payer” program. Participation in this program allows the borrower to receive an immediate 25 basis point reduction in their interest rate, and the ability to receive a waiver of up to five monthly payments over a ten-year amortization period. Under the FFELP program, the bank has originated 7,476 loans totaling \$25.3 million.
- FNBT has developed two small dollar unsecured loan products that benefit LMI borrowers in the Killeen area. One program called the “Pocket Money” program provides a borrower with the ability to start or re-start their credit. This bank loan will allow the borrower to graduate to larger loan amounts with satisfactory performance. The “Fresh Start” program provides borrowers with an unsecured loan to repay overdrawn account balances on a short-term monthly repayment program. During 2001 and 2002, FNBT originated 3,635 and 14,890 loans, respectively, totaling \$1.6 million and \$8.0 million, respectively.

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

Based on limited-scope reviews, the bank’s performance under the Lending Test in the 16 limited-scope AAs is not consistent with the bank’s overall “High Satisfactory” Lending Test performance. Overall, these limited-scope reviews indicate that there are some portions of the Lending Test that are weaker than the full-scope AA performance. In particular, in the Corpus Christi, Galveston, Lubbock, Odessa-Midland, San Angelo, Sherman-Denison, Waco, and Wichita Falls AAs, the bank’s performance is weaker than the bank’s performance in the full-scope AAs. This is because of the lack of mortgage-related lending and loans to small businesses in these AAs. This is due primarily to the fact that FNBT’s operations in these AA’s are more limited in-store branches.

## INVESTMENTS

In evaluating the bank's volume of investments, we considered CD opportunities in the AA's, as well as the capacity for the local infrastructure to create qualified investments. Opportunities for qualified investments are not limited given the size, demographics, and economic conditions with the AAs. FNBT has the expertise to create and participate in these opportunities. FNBT's volume of CD investments was also taken into consideration because these loans funded local projects addressing affordable housing issues.

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

The bank's performance under the Investment Test is rated "**High Satisfactory.**" Based on the full scope reviews, the bank's performance in the Killeen-Temple and Houston AAs has a positive impact on community needs. During the evaluation period, FNBT funded CD investments and qualified donations totaling \$2,348M, and 1 pending investment for \$100M.

Primary investments made during the evaluation period, by AA, include:

### Killeen-Temple Assessment Area

- A \$1,000M FNMA Multifamily Delegated Underwriting and Servicing Bond. This investment is identified by FNMA as "Targeting Affordable Housing." This bond provides funding for an apartment complex in the City of Killeen that provides affordable rental housing for LMI families. Of all rental units in this complex, 60% have rent restrictions that increase rental opportunities for LMI persons.

### Houston Assessment Area

- A \$99M certificate of deposit invested with Unity National Bank (UNB) in Houston, Texas. This certificate of deposit has been designated by this Office as a qualified investment. UNB uses these funds to make loans that address the needs of LMI persons and small businesses in the AA.
- A CRA Qualified Investment Fund – FNMA Pool for \$100M. This pool was underwritten under FNMA's Delegated Underwriting and Servicing program for financing multifamily housing units. The bank's particular portion of this FNMA pool is allocated to an apartment complex in Pasadena, Texas. Owners of this rental housing project are required to maintain at least 20% of the units for very low-income, and at least 15% for low-income households for at least 40 years.

## Conclusions for Areas Receiving Limited Scope-Reviews

Based on a limited scope review, the bank's performance in all other designated AAs is consistent with the bank's overall "High Satisfactory" performance under the Investment Test. The FNMA qualified investment pool mentioned above is part of a total investment of \$1,250M, which also has been invested in a number of the bank's limited-scope AAs and other areas within the State of Texas.

Refer to Table 14 in Appendix C for the facts and data that support these conclusions.

## SERVICES

In evaluating FNBT's services, we considered its size, branch distribution, and distribution of ATM facilities, in relation to the size of the bank's AAs.

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

The bank's performance under the Services Test is rated "**High Satisfactory.**"

FNB operates 86 banking offices. A total of 29 branches were opened during the evaluation period. Two in-store branches were closed during the evaluation period, which is the result of the entire supermarket store being closed.

A wide range of services is provided at each banking location and is consistent throughout the bank's branch network. To augment its expanded branch system, FNBT owns/operates 171 ATMs with no transaction costs to customers. Nine ATMs are located in low-income CTs and 30 are in moderate-income CTs. In addition, services are accessible through telephone banking, Internet banking, as well as banking by mail.

### Retail Banking Services

#### Killeen-Temple AA

FNBT's offices and retail services provide good accessibility to geographies and individuals of all income levels in this area. FNBT has one branch (7.14%) in the LMI areas. While this distribution significantly exceeds the benchmark for low-income geographies, the bank's penetration for the moderate geographies was low. However, the bank's low penetration into moderate-income geographies is reasonably explained by the demographics of the AA. Some of the moderate CTs are located on the Fort Hood Army Base, which by decree of the Department of Defense, permits only one bank and one credit union on the post. This area is serviced by Fort Hood NB, which is FNBT's affiliate bank. However, these tracts are included in the AA as soldiers may conduct transactions and use FNBT's ATMs throughout the community (off-post). Overall, an analysis of ATM placement indicates that FNBT provides good accessibility to geographies and individuals of various incomes. FNBT has placed 11% of its ATMs in low-income and 9% in moderate-income geographies.

#### Houston AA

FNBT's offices and retail services provide good accessibility to geographies and individuals of all income levels. Although there are no branches located in low-income areas, the distribution of branches in moderate-income areas exceeds the demographic information. The low penetration to low-income CTs is mitigated by the fact that only 5% of the population resides in low-income areas in the Houston AA. The bank and its services are accessible through alternate delivery channels, including ATMs, Internet banking, and telephone banking. An analysis of ATM placements indicates that FNBT provides good accessibility to geographies and individuals of various incomes. FNBT has placed 4% and 52% of its ATMs in low- and moderate-income geographies, respectively.

## **Community Development Services**

FNB has demonstrated good performance in providing CD services within the Killeen-Temple and Houston AAs. This assessment is based on the number of organizations served and the impact of these organizations on identified CD needs in the community. FNBT provided CD services that promoted economic development within the community, increased homeownership opportunities for LMI individuals and families, and sponsored the delivery of community services targeted to LMI people. Examples of these CD services include the following.

- In the Killeen-Temple AA, bank officers provided financially related assistance to organizations that directly benefited LMI persons. Examples include serving on the Boards or Committees of The Central Texas Economic Development District, The City of Killeen Community Development Advisory Council, and The Salvation Army.
- Bank officers in the Houston AA also provided financially related assistance to organizations that directly benefit LMI persons. Examples include serving on the Boards or Committees of The Community Partners of Montgomery County and The Texas Cooperative Extension Family and Consumer Science Committee.
- Within its AAs, the bank provides education and/or technical assistance to many area organizations including local Chambers of Commerce, school districts, and other civic organizations. Bank officers regularly provide leadership to these and other organizations within the AAs.

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

Based on a Limited Scope review, the bank's performance in all other designated AAs is similar to the bank's overall "High Satisfactory" performance under the Service Test.

Refer to Table 15 in Appendix D for the facts and data that support these conclusions.

## **Fair Lending Review**

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

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

### Killeen Temple MSA

<b>Demographic Information for Killeen-Temple MSA, Texas</b>						
<i><b>Demographic Characteristics</b></i>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (CTs/BNAs)	40	3%	28%	44%	25%	0%
Population by Geography	192,670	0%	34%	45%	21%	0%
Owner-Occupied Housing by Geography	28,334	0%	13%	56%	31%	0%
Businesses by Geography	9,736	4%	27%	45%	24%	0%
Farms by Geography	201	1%	18%	52%	29%	0%
Family Distribution by Income Level	48,733	18%	22%	23%	37%	0%
Distribution of LMI Families throughout AA Geographies	19,419	0%	40%	46%	14%	0%
MFI	\$26,430	Median Housing Value Unemployment Rate				\$55,715
HUD Adjusted MFI for 2002	\$39,800					3.64%
Households Below the Poverty Level	13.59%					

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 1990 U.S. Census, and 2002 HUD updated MFI.

### Houston MSA

<b>Demographic Information for Houston MSA, Texas</b>						
<i><b>Demographic Characteristics</b></i>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (CTs/BNAs)	335	6%	36%	33%	22%	3%
Population by Geography	1,703,091	5%	35%	37%	23%	0%
Owner-Occupied Housing by Geography	324,217	3%	28%	37%	32%	0%
Businesses by Geography	135,175	4%	29%	36%	31%	0%
Farms by Geography	2,178	2%	22%	44%	32%	0%
Family Distribution by Income Level	437,627	23%	18%	21%	38%	0%
Distribution of LMI Families throughout AA Geographies	180,108	8%	47%	34%	11%	0%
MFI	\$36,886	Median Housing Value Unemployment Rate				\$69,177
HUD Adjusted MFI for 2002	\$59,600					3.61%
Households Below the Poverty Level	13.36%					

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 1990 U.S. Census, and 2002 HUD updated MFI.

## Appendix C: Tables of Performance Data

---

### Content of Standardized Tables

References to the “bank” include activities of any affiliates that the bank provided for consideration. For purposes of reviewing the Lending Test tables, the following are applicable: purchased loans are treated as originations/purchases and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/AA. Tables without data are not included in this Performance Evaluation.

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

**Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MA/AA. Community development loans to statewide or regional entities or made outside the bank’s AA may receive positive CRA consideration. Refer to Interagency Q&As — 12(i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans. When such loans exist, insert a line item with the appropriate caption, such as “Statewide/Regional” or “Out of Assessment Area,” in the MA/AA column and record the corresponding numbers and amounts in the “Community Development Loans” column.

**Table 1. Other Products** - Presents the number and dollar amount of any unreported category of loans originated and purchased by the bank over the evaluation period by MA/AA. Examples include consumer loans or other data that a bank may provide, at its option, concerning its lending performance. This is a two-page table that lists specific categories.

**Table 2. Geographic Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.

**Table 3. Geographic Distribution of Home Improvement Loans** - See Table 2.

**Table 4. Geographic Distribution of Home Mortgage Refinance Loans** - See Table 2.

**Table 5. Geographic Distribution of Multi-Family Loans** – See Table 2.

**Table 6. Geographic Distribution of Small Loans to Businesses** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small business data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank’s AA.



- Table 7. Geographic Distribution of Small Loans to Farms** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's AA.
- Table 8. Borrower Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MA/AA. The table also presents market share information based on the most recent aggregate market data available.
- Table 9. Borrower Distribution of Home Improvement Loans** - See Table 8.
- Table 10. Borrower Distribution of Refinance Loans** - See Table 8.
- Table 11. Borrower Distribution of Small Loans to Businesses** - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.
- Table 12. Borrower Distribution of Small Loans to Farms** - Compares the percentage distribution of the number of small loans (less than or equal to \$500,000) originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm. Market share information is presented based on the most recent aggregate market data available.
- Table 13. Geographic and Borrower Distribution of Consumer Loans** – Compares the percentage distribution of the consumer loans originated in the bank's AAs as a percentage of all consumer loans originated and purchased in the rated area. The table also compares number of optional consumer 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.

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

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

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

**Table 16. Distribution of Branch and ATM Delivery System** - Compares the percentage distribution of the number of the bank's ATM locations in low-, moderate-, middle-, and upper-income geographies to the percentage of the population within each geography in each MA/AA.