



Comptroller of the Currency
Administrator of National Banks

Bank Organization and Structure
250 E Street, SW
Washington, DC 20219

CRA Decision #79
February 1998

December 3, 1997

Mr. Steven J. Pritchard
President and CEO
Intercontinental National Bank
200 Concord Plaza Drive, Suite 201
San Antonio, Texas 78216

Re: Application by Intercontinental National Bank to Establish a Domestic Branch;
Application Control Number: 97-SW-05-0179

Dear Mr. Pritchard:

This is to inform you that the Comptroller of the Currency (OCC) has conditionally approved your proposal to establish a branch at 5631 Broadway, San Antonio, Bexar County, Texas 78209.

As previously communicated, the OCC removed this application from our expedited review procedures in accordance with 12 CFR 5.13. The OCC took this action in light of our concerns with Intercontinental National Bank's (INB's) performance in meeting the requirements of the Community Reinvestment Act (CRA) and its past earnings performance.

Our evaluation of your branch proposal did not reveal any significant concerns with respect to its impact on INB earnings. However, our evaluation of your success in correcting the CRA performance weakness identified at the most recent CRA examination revealed little progress is evident. INB's geographic distribution of lending throughout its assessment area demonstrates that lending is still disproportionately concentrated in middle and upper income census tracts.

Accordingly, the OCC approves INB's application to establish the new branch subject to the following condition:

- Within 90 days of the date of this letter, INB must deliver to the Deputy Comptroller for the Southwestern District a comprehensive CRA plan, deemed acceptable to the OCC, that specifically details the actions to be taken by INB to improve the geographic distribution of loans in low- and moderate-income census tracts residing within INB's CRA assessment

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area. This CRA plan shall include, at a minimum, a description of lending-oriented initiatives directed to residents of low- and moderate-income census tracts, loan volume objectives, and a description of the system which will enable INB's Board of Directors and the OCC to monitor the progress in expanding lending to the targeted areas.

The above condition is considered "a condition imposed in writing by the agency in connection with the granting of any application or other request" within the meaning of 12 U.S.C. 1818. As such, the condition is enforceable under 12 U.S.C. 1818.

If the branch is not opened within 18 months from this date, the approval shall automatically terminate unless the OCC has granted an extension of the time period. The District Office must be advised in writing at least 10 days in advance of the effective date desired for the branch opening so that the OCC may issue the necessary approval letter authorizing the branch.

If you have any questions, please contact me at (202) 874-5060 or Licensing Manager Michael K. Hughes in our Southwestern District Office at (214) 720-7052. Please include the application control number in all correspondence.

Sincerely,

/s/

John W. Graetz
Senior Bank Structure Analyst
Bank Organization and Structure