

PUBLIC DISCLOSURE

May 5, 2008

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

First Bank
RSSD #239659

300 East Third Street
Burkburnett, Texas 76354

Federal Reserve Bank of Dallas
2200 North Pearl Street
Dallas, Texas 75201

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, nor should it 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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INSTITUTION'S CRA RATING: This institution is rated Satisfactory.

The performance of First Bank in originating loans to meet the credit needs of all segments of its community is rated Satisfactory for the period covered by this evaluation. The factors supporting this rating include:

- A more than reasonable loan-to-deposit ratio of 94% as of December 31, 2007, with a quarterly average of 88% since the previous CRA evaluation.
- A majority of loans originated inside the bank's assessment area, including 83% of the number and 80% of the dollar volume of loans reviewed;
- A reasonable penetration of loans among individuals of different income levels and businesses of different sizes, as demonstrated by over 25% of HMDA-reportable loans to low- and moderate-income borrowers.
- A reasonable dispersion of loans throughout the assessment area.

SCOPE OF EXAMINATION

First Bank's loan performance was evaluated based upon the residential real estate loans (home purchase, refinance, and home improvement loans) reported on the bank's Home Mortgage Disclosure Act Loan Application Registers (HMDA LAR) for the years 2006 and 2007. First Bank originated a total of 891 HMDA-reportable loans for \$78.9 million during the two-year period. In addition to the HMDA lending, a total of 61 commercial loans for \$3.5 million were also reviewed.

The evaluation was conducted using the CRA small bank performance standards. Small Bank CRA performance standards evaluate:

- average loan-to-deposit ratio since the last CRA evaluation;
- the overall level of lending within the assessment area (AA);
- the bank's lending to borrowers of different income levels and businesses and farms of different sizes;
- the bank's geographic distribution of loans within its assessment area; and,
- the bank's response to written complaints with respect to CRA performance in the assessment area.

Each standard is viewed as part of an overall picture of the bank's performance in meeting the credit needs of its delineated assessment area. The regulation provides that, if a bank meets each of the standards for a satisfactory rating under the various criteria, and exceeds some or all of those standards, then the bank may warrant consideration for a rating of outstanding. First Bank requested an evaluation of its qualified investment, community development loans and services to determine the extent to which they enhance credit availability, economic revitalization and stabilization of the AA.

DESCRIPTION OF INSTITUTION

First Bank is a full-service retail institution operating five banking offices in the Wichita Falls, Texas Metropolitan Statistical Area (MSA). First Bank’s main bank facility is located in Burkburnett, Wichita County, Texas. The bank also operates three branches in Wichita Falls and one branch in Iowa Park. A mortgage department is housed in the Wichita Falls Plaza branch. The following is a list of First Bank's current banking locations and automatic teller machines (ATMs):

FIRST BANK BRANCHES	ADDRESS	CENSUS TRACT/ INCOME LEVEL
Main Office	300 East Third Street Burkburnett, TX 76354	135.01/Middle (940) 569-2221
Branch/Kell Office	4110 Kell Boulevard Wichita Falls, TX 76309	126.00/Upper (940) 691-0000
*Branch/Plaza Office	2801 Midwestern Pkwy., Suite 200 Wichita Falls, TX 76308	120.00/Upper (940) 696-0000
*Branch/Downtown Office	907 Holliday Wichita Falls, Texas 76301	102.00/Moderate (940) 687-2265
*Branch/Iowa Park Office	318 W. Park Iowa Park, TX 76367	136.00/Middle (940) 592-4619

*New branches for Wichita Falls and the Iowa Park location were LPOs

ATMs	ADDRESS	CENSUS TRACT/ INCOME LEVEL
Wichita Falls Kell Branch (Drive-up facility)	4110 Kell Blvd. Wichita Falls, TX 76309	126.00 Upper
United Supermarket (Parking Lot)	311 South Avenue D Burkburnett, TX 76354	135.01 Middle
Wichita Falls Plaza Branch (Drive-up facility)	2801 Midwestern Pkwy., Suite 200 Wichita Falls, TX 76308	120.00 Upper
Iowa Park Branch (Drive-up facility)	318 W. Park Iowa Park, TX 76367	136.00 Middle

All First Bank ATMs are non-depository.

First Bank is a full-service retail bank offering agricultural, commercial, interim construction, home mortgage, automobile, and unsecured loans. Deposit products offered include certificates of deposit and checking, money market, savings, and NOW accounts. Electronic funds transfer services include direct deposit and preauthorized withdrawal of funds. Other services include: cashiers and traveler's checks, money orders, collections, bank drafts and safe deposit boxes.

At December 31, 2007, First Bank reported total assets of approximately \$200 million, total loans of \$167 million, and total equity capital of \$16 million. The following table reflects the loan portfolio mix:

LOAN TYPE	12/31/2007 \$(000s)	% OF GROSS LOANS
Real Estate		
Construction/Land Development	23,993	14.32
1-4 Family	44,577	26.61
Commercial	24,494	14.62
Multifamily	2,442	1.46
Agricultural	2,353	1.40
Total Real Estate	97,859	58.42
Commercial and Industrial	49,074	29.30
Consumer	15,069	9.00
Depository Institutions	4,836	2.89
State and Political	514	0.31
Other	141	0.08
GROSS LOANS	167,493	*100.0

*Percentage might not equal 100 because of rounding.

In addition to its portfolio lending, First Bank originates a substantial volume of 1-4 family residential loans for sale on the secondary market. The bank is an active participant in Fannie Mae Community Home Buyer Programs and the Nortex Housing Finance Corporation's Single Family Bond Program which provides down payment assistance and low interest rate mortgages generally to low- and moderate-income (LMI) first-time home buyers. The bank has also participated in the Texas Department of Housing and Community Affairs' Tax Exempt Mortgage Revenue Bond Program, which provides mortgage loans to LMI borrowers and targeted areas.

There are no financial, legal, or economic impediments impacting First Bank's ability to meet the credit needs of the community. The bank received a Satisfactory rating on its April 5, 2004, performance evaluation conducted by this Reserve Bank.

DESCRIPTION OF WICHITA COUNTY

First Bank has defined its AA as Wichita County, Texas, the larger of two counties which comprise the Wichita Falls, Texas MSA. Wichita County is located in north-central Texas, bordering Oklahoma. The 2006 estimated population for the county was 125,158. Wichita Falls, population 99,846, is the largest city in the AA. The town of Burkburnett, population 10,927, lies 14 miles north of Wichita Falls and is primarily a bedroom community for the larger city. Other towns in the county include Electra and Iowa Park.

As of June 30, 2006, 14 insured institutions operated 41 banking offices in Wichita County. First Bank ranked fifth with 10.4% market share of total county deposits. Competitors included JP Morgan Chase Bank, American National Bank, First American Bank, Wells Fargo Bank, Fidelity Bank, and First National Bank of Wichita Falls.

Information was obtained from publicly available sources including the U.S. Department of Commerce's Bureau of the Census, 2000; the U.S. Department of Labor; the U.S. Department of Housing and Urban Development (HUD); Dun & Bradstreet; and the Texas Workforce Commission.

The following table shows demographic information that was used in analyzing the bank's CRA performance. Certain components of the data in the table are discussed in the evaluation as they apply to particular parts of the analysis.

Assessment Area Demographics Wichita County

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	1	2.8	630	1.9	226	35.9	6,090	18.4
Moderate-income	13	36.1	7,745	23.4	1,388	17.9	6,339	19.2
Middle-income	13	36.1	14,271	43.1	1,222	8.6	7,922	24.0
Upper-income	9	25.0	10,429	31.5	564	5.4	12,724	38.5
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	36	100.0	33,075	100.0	3,400	10.3	33,075	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied		Rental		Vacant		
		#	%	#	%	#	%	
Low-income	1,330	553	1.8	41.6	515	38.7	262	19.7
Moderate-income	13,920	6,088	20.2	43.7	5,908	42.4	1,924	13.8
Middle-income	21,492	13,184	43.7	61.3	6,635	30.9	1,673	7.8
Upper-income	16,562	10,367	34.3	62.6	5,191	31.3	1,004	6.1
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	53,304	30,192	100.0	56.6	18,249	34.2	4,863	9.1
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
	#	%	#	%	#	%	#	%
Low-income	66	1.3	61	1.3	4	1.0	1	0.9
Moderate-income	1,888	36.9	1,641	35.6	208	53.2	39	34.2
Middle-income	1,477	28.9	1,368	29.7	74	18.9	35	30.7
Upper-income	1,684	32.9	1,540	33.4	105	26.9	39	34.2
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	5,115	100.0	4,610	100.0	391	100.0	114	100.0
	Percentage of Total Businesses:			90.1		7.6		2.2

Based on 2000 Census Information.

Population Information - The assessment area population decreased approximately 5% since the 2000 census. The population was 125,158 according to the 2006 estimate for Wichita County.

Income Characteristics - As of Census 2000, the Wichita County assessment area consists of 36 census tracts: one low-income, 13 moderate-income, 13 middle-income, and nine upper-income. There were 33,075 families in the AA in 2000 and 18% of families are low-income, 19% moderate-income, 24% middle-income, and 39% are upper-income families. Families below the poverty level in the assessment area are at 10%, which is below the state average of 12%.

Housing Characteristics - Total housing units in the AA was 53,304 in 2000 and the median value of owner-occupied housing units was \$59,663. The median value of homes in 2007 increased to \$97,200. Fifty-seven percent of housing units are owner-occupied, 34% are rental properties, and 9% are vacant. Seventy-five percent of AA housing units are single-family, 12% are multifamily dwellings with five or more units, 7% are 2-4 family units, and 5% are mobile homes. Three percent of housing units are located in low-income tracts, 26% in moderate-income, 40% in middle-income and 31% in upper-income census tracts. The distribution of owner-occupied housing units by tract is 2% low, 20% moderate, 44% middle, and 34% upper.

Labor, Employment, and Economic Characteristics – Along with more typical North Texas industries of agriculture and oil and gas production, Wichita Falls has diversified its economy to include new manufacturing, government, medical services, retail and service related commerce. During 2006, wage and salary employment grew by almost 1,500 new jobs. Most of this growth took place in the manufacturing and service sectors. There are several companies new to the area within the last three years; giving Wichita County 688 new jobs include the following: N.E.W. Corporation, Affiliated Energy, Transland L.L.C., and ATCO Manufacturing. Many other companies already in the assessment area have expanded or built new facilities adding close to 500 new jobs. However, two companies, Angelica Textiles and Delphi, have downsized within the last two years, losing over 250 jobs in the local economy. Also, Certainteed announced they are closing their operations in October of 2008, losing over 700 additional jobs.

The economic base of Wichita Falls is centered on Sheppard Air Force Base, the area's largest employer which is home to the 82nd Training Wing and the 80th Flying Training Wing. The base serves as headquarters for the Euro-NATO joint jet pilot training program, providing basic jet pilot training for 12 NATO countries. Sheppard AFB is one of the nation's five largest technical training centers, with approximately 12,000 personnel including permanent military personnel, civilian employees, and students.

The service industry is the largest employment sector, representing 27% of Wichita Falls' area employment. Wichita Falls has five hospitals, two surgical centers and 27 clinics that contribute to the area's employment. Trade is the second largest employment category, making up 24% of employment, followed by government and manufacturing representing 23% and 14%, respectively. The James B. Allred Unit of the Texas prison system opened in 1995 and employs almost 1,000. Educational facilities include Midwestern State University and a primary facility of Vernon Regional Junior College. Annual average unemployment, although remaining slightly lower than state averages, decreased from 4.4% in 2006 to 4.2% in 2007.

CONCLUSIONS WITH RESPECT TO PERFORMANCE

LOAN-TO-DEPOSIT (LTD) RATIO

The general purpose of the CRA is to encourage banks to meet the credit needs in their assessment areas while operating in a safe and sound manner. To gain an understanding of the bank’s lending activity, the net loan-to-deposit ratio is reviewed to approximate the credit demand of the AA and assess the bank’s willingness to meet the community’s demand for credit.

First Bank’s net loan-to-deposit ratio is considered more than reasonable given the bank’s size, financial condition and the credit needs of the assessment area. First Bank’s December 31, 2007 LTD ratio is 94% and the quarterly average is 88%. The quarterly average is based on the sixteen quarters since First Bank’s prior performance evaluation in April 2004.

To better understand the bank’s performance in relation to its AA, a comparison of similarly situated banks was performed. These banks were chosen for analysis based on their proximity and similar size and structure. As noted in the chart below, First Bank exceeded the quarterly average LTD ratios for similarly situated banks, which ranged from a low of 55% to a high of 87%.

BANK	COUNTY	TOTAL ASSETS IN THOUSANDS 12/31/2007	LTD RATIO 12/31/2007	QTRLY.* AVG. LTD RATIO
First Bank Burkburnett, Texas	Wichita	200,147	94.27	87.70
American National Bank Wichita Falls, Texas	Wichita	333,374	87.40	81.30
First National Bank Wichita Falls, Texas	Wichita	192,568	91.22	86.90
Fidelity Bank Wichita Falls, Texas	Wichita	175,312	80.88	75.83
State National Bank Iowa Park, Texas	Wichita	161,469	53.13	54.94

*Based on 16 quarters since the last CRA performance evaluation.

LENDING IN ASSESSMENT AREA

The bank’s loan performance was evaluated based upon the residential real estate loans (home purchase, refinance, and home improvement loans) reported on the bank’s Home Mortgage Disclosure Act Loan Application Registers (HMDA LAR) for the years 2006 and 2007. First Bank originated a total of 891 HMDA-reportable loans for \$78.9 million during the two-year period. In addition to the HMDA lending, a total of 61 commercial loans for \$3.5 million were also reviewed.

This analysis revealed that a majority of loans are originated within the bank’s designated assessment area. The table below shows the number and dollar volume of loans extended within

the designated AA during the review period. As indicated, 83% of the number and 80% of the total dollar volume of loans reviewed were originated to borrowers living or operating inside Wichita County.

Lending Inside and Outside the Assessment Area

Loan Type	Inside				Outside			
	#	%	\$(000s)	%	#	%	\$(000s)	%
Home Improvement	29	82.9	\$756	79.2	6	17.1	\$199	20.8
Home Purchase - Conventional	488	81.3	\$42,581	77.2	112	18.7	\$12,582	22.8
Home Purchase - FHA	71	89.9	\$5,486	91.8	8	10.1	\$489	8.2
Home Purchase - VA	38	95.0	\$4,906	95.7	2	5.0	\$219	4.3
Multi-Family Housing	2	100.0	\$131	100.0	0	0.0	\$0	0.0
Refinancing	113	83.7	\$9,247	80.1	22	16.3	\$2,297	19.9
Total HMDA related	741	83.2	\$63,107	80.0	150	16.8	\$15,786	20.0
Commercial/Ag Loans	50	82.0	\$3,102	88.2	11	18.0	\$415	11.8
Total Small Bus./Farm related	50	82.0	\$3,102	88.2	11	18.0	\$415	11.8
TOTAL LOANS	791	83.1	\$66,209	80.3	161	16.9	\$16,201	19.7

Note: Affiliate loans not included

First Bank ranked first in loan originations among all HMDA-reporting lenders in Wichita County in 2006. Aggregate data for 2007 is not yet available. The remaining analysis will be based on loans made inside the bank's assessment area.

LENDING TO BORROWERS OF DIFFERENT INCOME AND TO BUSINESSES OF DIFFERENT SIZES

The focus of this assessment factor is to determine the bank's performance of lending to borrowers of various income levels and businesses of different sizes. The distribution of First Bank's lending based on income levels of the borrowers reflects a reasonable penetration among individuals of different income levels. The income level of the borrowers was compared to the HUD-adjusted median family income (MFI) for the Wichita Falls MSA. The following table depicts the relevant income level ranges:

Wichita Falls MSA Median Family Income	
INCOME LEVEL	2007
Median Income	\$49,200
Low-income	\$0 < \$24,600
Moderate-income	\$24,600 < 39,360
Middle-income	\$39,360 < \$59,040
Upper-income	\$59,040 and up

The performance context indicates that 18% of AA families are low-income, 19% moderate-income, 24% middle-income, and 39% are upper-income. As depicted in Appendix A, First Bank's overall HMDA lending to LMI borrowers exceeded the aggregate banks' performance in 2006. Over 23% of First Bank borrowers were low- and moderate-income, compared to 19% for

the aggregate. Although the distribution of loans to low-income borrowers appears low at 9% compared to the 18% of low-income families in the assessment area, it is well over the percentage of aggregate loans to low-income borrowers (5.1%).

The bank’s HMDA lending performance under this category is satisfactory. First Bank outperformed the aggregate in lending to LMI borrowers in 2006, and increased its percentage of HMDA loans to moderate-income borrowers from 14.5% in 2006 to 19% in 2007. The distribution of the bank’s HMDA home purchase loans in 2007 is particularly notable, with almost 8% to low-income and 20% to moderate-income individuals.

First Bank’s lower volume of lending to low-income individuals is mitigated to some degree by the 10% of families with incomes below the poverty level. These families may find it difficult to qualify for a mortgage loan. To help meet the mortgage needs of LMI families, the bank participates in both the Nortex Regional Planning Commission and the City of Wichita Falls affordable housing programs.

For purposes of determining the distribution of the bank’s lending to businesses of different sizes, a sample of the 50 commercial loans located within the AA was reviewed. The bank’s performance meets the standards for a satisfactory rating. Information on the gross annual revenues of the commercial loans was available for 26 of the 50 loans in the assessment area. Thirty-four percent of the sampled loans were made to small businesses with revenues of \$1 million or less, compared to the 90% of area businesses which are considered small businesses. The following table reflects the distribution of the commercial loans in the assessment area by gross annual revenues:

DISTRIBUTION OF COMMERCIAL LOANS BY GROSS ANNUAL REVENUES		
Gross Annual Revenues	Number of Loans	Percent of Loans
Less than \$100,000	3	6.0%
\$100,001 - \$250,000	7	14.0%
\$250,001 - \$500,000	3	6.0%
\$500,001 - \$750,000	3	6.0%
\$750,001 - \$1 million	1	2.0%
Greater than \$1 million	9	18.0%
Revenue not available	24	48.0%
TOTAL	50	100.0%

As gross annual review was unavailable for a majority of the sampled loans, loan size was used as a proxy. Almost 87% of the sampled loans extended in 2007 were for loan amounts of \$100,000 or less. Further, 51% of the sampled loans were made for amounts of \$25,000 or less. Community contacts indicated start-up capital was an area credit need and that small dollar business loans are difficult to obtain. The volume of smaller dollar commercial loans bolsters the overall performance of meeting the commercial credit needs of the community. The following table reflects the distribution of commercial loans in the assessment area by loan amount:

DISTRIBUTION OF COMMERCIAL LOANS BY LOAN AMOUNT		
Loan Amount	Number of Loans	Percent of Loans
Less than \$25,000	11	51.2%
\$25,001 - \$50,000	6	24.4%
\$50,001 - \$100,000	3	11.1%
\$100,001 - \$250,000	3	8.9%
\$250,001 - \$1,000,000	3	4.4%
Over \$1,000,000	0	0.0%
TOTAL	50	100.0%

GEOGRAPHIC DISTRIBUTION OF LOANS

The focus of this assessment factor is to determine the bank’s performance in providing credit throughout all geographies, including those tracts that are designated as low- and moderate-income (LMI) areas. The bank’s lending distribution is compared to performance context factors including the distribution of AA families, housing units, and businesses by geographic income level, as well as aggregate HMDA lending data.

The overall geographic distribution of the bank’s loans reflects a reasonable dispersion of loans throughout the assessment area given the performance context. There is room for improvement in the geographic distribution of the bank’s loans. Detailed in the tables below are the distribution of the tracts, families and businesses in Wichita County by census tract income level, followed by the distribution of the sampled commercial and HMDA loans originated by the bank.

Distribution by Census Tract Income Level for Wichita County						
Census Tract Income Level	Total Families		Total Businesses		Total Tracts	
	#	%	#	%	#	%
Low-income	630	1.9%	66	1.3%	1	2.8%
Moderate-income	7,745	23.4%	1,888	36.9%	13	36.1%
Middle-income	14,271	43.1%	1,477	28.9%	13	36.1%
Upper-income	10,429	31.5%	1,684	32.9%	9	25.0%
TOTAL	33,075	100.0%	5,115	100.0%	36	100.0%

Distribution of Lending by Census Tract Income Level for First Bank						
Census Tract Income Level	HMDA		Commercial		Total	
	#	%	#	%	#	%
Low-income	5	0.7%	0	0.0%	5	0.6%
Moderate-income	107	14.4%	12	24.0%	119	15.0%
Middle-income	370	49.9%	24	48.0%	394	49.8%
Upper-income	259	35.0%	14	28.0%	273	34.5%
TOTAL	741	100.0%	50	100.0%	791	100.0%

The geographic distribution of First Bank's commercial loans reflects a reasonable dispersion throughout the moderate-, middle-, and upper-income geographies in the AA. Loans were made in eight of 13 moderate-income tracts, eight of 13 middle-income tracts, and five of nine upper-income tracts. As previously noted, no loans were extended in the low-income tract; however, only 1% of the county's business establishments are located in this census tract.

The geographic distribution of First Bank's HMDA loans continues to reflect an improved dispersion throughout the assessment area. In 2006 First Bank originated one HMDA loan in the low-income tracts and also had loans in every census tract except three moderate-income tracts. The excluded tracts, two located on the east side of Wichita Falls are tracts 113 and 134, and the last tract located in Electra is tract 137. In 2007, HMDA loans were made in every LMI tract except the moderate-income tracts 113 and 134. The CRA does not require banks to lend in every census tract in its delineated assessment area. However, expectations for more reasonably distributed lending patterns are heightened for First Bank given its volume of HMDA lending in comparison to the aggregate.

The geographic distribution of loans is adequate. Only two percent of families in Wichita County live in low-income census tracts. Therefore, limited lending is expected in the low-income portions of the assessment area. Thirty-six percent of families in the low-income tract live below the poverty level, and in moderate-income tracts it is 18%. The high level of families living below the poverty level in the LMI tracts negatively impacts the bank's ability to make loans in those areas without significant subsidies or other types of assistance. As noted, First Bank made five HMDA loans in the low-income tract and 119 loans in moderate-income census tracts in 2006 and 2007 combined. Greater opportunities exist in moderate-income tracts which contain 23.4% of area families.

First Bank's HMDA lending in moderate-income tracts improved from 11.5% of total loans in 2006 to 17.4% in 2007. When compared to aggregate, the bank's lending performance in low-income and moderate-income census tracts fell just below peer in 2006. Aggregate lenders made 0.5% of 2006 loans in low-income tracts and 12.6% in moderate tracts, compared to First Bank's 0.3% and 11.5%, respectively.

Following the 2004 CRA evaluation, First Bank began a number of initiatives designed to improve its record in this area. In an attempt to reach all segments of the community, the bank increased its marketing, sponsored homebuyers' seminars, added a new branch in a moderate tract, and served as a major sponsor and volunteer for Wichita Falls Habitat for Humanity's Corporate Challenge. It is anticipated that the recent initiation of other lending-related projects will enhance the bank's lending dispersion to LMI areas going forward.

COMMUNITY DEVELOPMENT SERVICES AND QUALIFIED INVESTMENTS

The regulation provides that, if a bank meets each of the standards for a satisfactory rating under the various criteria, and exceeds some or all of those standards, then the bank may warrant consideration for a rating of outstanding. First Bank requested an evaluation of its qualified

investment, community development loans and services to determine the extent to which they enhance credit availability, economic revitalization and stabilization of the AA.

While the bank's performance does not generally exceed the standards in some or all of the categories for consideration of an outstanding rating, its participation in service opportunities is commendable. Bank management and staff are active throughout their AA. Many of the staff participates in leadership capacities for numerous charitable, civic and economic development focused organizations which have a community development purpose. The bank makes contributions to several local charities, including, financial literacy campaigns, participation in the North Texas Sirolli Initiative, Habitat for Humanity (including building and donating the money for a house in the 113 census tract and servicing the Habitat Mortgages), United Way, Lions Club, Southside Youth Center, YMCA, Kiwanis Club, Boys and Girls Club, and Care Program. Additionally, the bank built an additional branch in a low-mod area and participation in the revitalization of downtown effort.

The bank's participation in organizations and its contributions to those organizations are noted and the efforts to meet the needs of low- and moderate-income members of its AA are commendable.

RESPONSE TO COMPLAINTS

Neither the bank nor this Reserve Bank has received any CRA-related complaints since the previous evaluation.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

No evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified during the concurrent Consumer Affairs Examination.

Appendix A
HMDA Loan Distribution Table
For Loan Year 2006
Wichita County

Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	#	%	\$(000s)	%	#	%	\$(000s)	%
Home Purchase								
Low	1	0.3%	15	0.1%	29	9.5%	1,616	5.9%
Moderate	35	11.4%	1,540	5.6%	46	15.0%	2,815	10.3%
<i>Low/Moderate Total</i>	36	11.8%	1,555	5.7%	75	24.5%	4,431	16.2%
Middle	163	53.3%	13,744	50.3%	59	19.3%	5,129	18.8%
Upper	107	35.0%	12,020	44.0%	143	46.7%	16,114	59.0%
Unknown	0	0.0%	0	0.0%	29	9.5%	1,645	6.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<i>Total</i>	306	100.0%	27,319	100.0%	306	100.0%	27,319	100.0%
Refinance								
Low	0	0.0%	0	0.0%	4	8.5%	147	3.7%
Moderate	4	8.5%	425	10.7%	5	10.6%	189	4.7%
<i>Low/Moderate Total</i>	4	8.5%	425	10.7%	9	19.1%	336	8.4%
Middle	25	53.2%	2,010	50.4%	9	19.1%	441	11.1%
Upper	18	38.3%	1,554	39.0%	25	53.2%	2,731	68.5%
Unknown	0	0.0%	0	0.0%	4	8.5%	481	12.1%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<i>Total</i>	47	100.0%	3,989	100.0%	47	100.0%	3,989	100.0%
Home Improvement								
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	4	21.1%	63	13.0%	3	15.8%	41	8.4%
<i>Low/Moderate Total</i>	4	21.1%	63	13.0%	3	15.8%	41	8.4%
Middle	6	31.6%	83	17.1%	6	31.6%	61	12.6%
Upper	9	47.4%	340	70.0%	10	52.6%	384	79.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<i>Total</i>	19	100.0%	486	100.0%	19	100.0%	486	100.0%
Multi-Family								
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<i>Low/Moderate Total</i>	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	1	100.0%	99	100.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	1	100.0%	99	100.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<i>Total</i>	1	100.0%	99	100.0%	1	100.0%	99	100.0%
HMDA Totals								
Low	1	0.3%	15	0.0%	33	8.8%	1,763	5.5%
Moderate	43	11.5%	2,028	6.4%	54	14.5%	3,045	9.5%
<i>Low/Moderate Total</i>	44	11.8%	2,043	6.4%	87	23.3%	4,808	15.1%
Middle	195	52.3%	15,936	50.0%	74	19.8%	5,631	17.7%
Upper	134	35.9%	13,914	43.6%	178	47.7%	19,229	60.3%
Unknown	0	0.0%	0	0.0%	34	9.1%	2,225	7.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<i>Total</i>	373	100.0%	31,893	100.0%	373	100.0%	31,893	100.0%

Originations and Purchases

HMDA Loan Distribution Table
For Loan Year 2007

Wichita County

Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	#	%	\$ (000s)	%	#	%	\$ (000s)	%
Home Purchase								
Low	3	1.0%	40	0.2%	24	8.2%	1,207	4.7%
Moderate	50	17.2%	3,358	13.1%	57	19.6%	3,270	12.7%
<i>Low/Moderate Total</i>	53	18.2%	3,398	13.2%	81	27.8%	4,477	17.5%
Middle	144	49.5%	12,141	47.3%	58	19.9%	4,652	18.1%
Upper	94	32.3%	10,115	39.4%	132	45.4%	14,578	56.8%
Unknown	0	0.0%	0	0.0%	20	6.9%	1,947	7.6%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<i>Total</i>	291	100.0%	25,654	100.0%	291	100.0%	25,654	100.0%
Refinance								
Low	1	1.5%	20	0.4%	6	9.1%	189	3.6%
Moderate	10	15.2%	455	8.7%	12	18.2%	665	12.6%
<i>Low/Moderate Total</i>	11	16.7%	475	9.0%	18	27.3%	854	16.2%
Middle	27	40.9%	1,731	32.9%	14	21.2%	1,014	19.3%
Upper	28	42.4%	3,052	58.0%	32	48.5%	3,291	62.6%
Unknown	0	0.0%	0	0.0%	2	3.0%	99	1.9%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<i>Total</i>	66	100.0%	5,258	100.0%	66	100.0%	5,258	100.0%
Home Improvement								
Low	0	0.0%	0	0.0%	1	10.0%	4	1.5%
Moderate	3	30.0%	78	28.9%	1	10.0%	6	2.2%
<i>Low/Moderate Total</i>	3	30.0%	78	28.9%	2	20.0%	10	3.7%
Middle	4	40.0%	137	50.7%	4	40.0%	104	38.5%
Upper	3	30.0%	55	20.4%	4	40.0%	156	57.8%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<i>Total</i>	10	100.0%	270	100.0%	10	100.0%	270	100.0%
Multi-Family								
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	1	100.0%	32	100.0%	0	0.0%	0	0.0%
<i>Low/Moderate Total</i>	1	100.0%	32	100.0%	0	0.0%	0	0.0%
Middle	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	1	100.0%	32	100.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<i>Total</i>	1	100.0%	32	100.0%	1	100.0%	32	100.0%
HMDA Totals								
Low	4	1.1%	60	0.2%	31	8.4%	1,400	4.5%
Moderate	64	17.4%	3,923	12.6%	70	19.0%	3,941	12.6%
<i>Low/Moderate Total</i>	68	18.5%	3,983	12.8%	101	27.4%	5,341	17.1%
Middle	175	47.6%	14,009	44.9%	76	20.7%	5,770	18.5%
Upper	125	34.0%	13,222	42.4%	168	45.7%	18,025	57.7%
Unknown	0	0.0%	0	0.0%	23	6.3%	2,078	6.7%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<i>Total</i>	368	100.0%	31,214	100.0%	368	100.0%	31,214	100.0%

Originations and Purchases

HMDA Loan Distribution Table

For Loan Years 2006 and 2007
Wichita County

Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	#	%	\$(000s)	%	#	%	\$(000s)	%
Home Purchase								
Low	4	0.7%	55	0.1%	53	8.9%	2,823	5.3%
Moderate	85	14.2%	4,898	9.2%	103	17.3%	6,085	11.5%
<i>Low/Moderate Total</i>	89	14.9%	4,953	9.4%	156	26.1%	8,908	16.8%
Middle	307	51.4%	25,885	48.9%	117	19.6%	9,781	18.5%
Upper	201	33.7%	22,135	41.8%	275	46.1%	30,692	57.9%
Unknown	0	0.0%	0	0.0%	49	8.2%	3,592	6.8%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<i>Total</i>	597	100.0%	52,973	100.0%	597	100.0%	52,973	100.0%
Refinance								
Low	1	0.9%	20	0.2%	10	8.8%	336	3.6%
Moderate	14	12.4%	880	9.5%	17	15.0%	854	9.2%
<i>Low/Moderate Total</i>	15	13.3%	900	9.7%	27	23.9%	1,190	12.9%
Middle	52	46.0%	3,741	40.5%	23	20.4%	1,455	15.7%
Upper	46	40.7%	4,606	49.8%	57	50.4%	6,022	65.1%
Unknown	0	0.0%	0	0.0%	6	5.3%	580	6.3%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<i>Total</i>	113	100.0%	9,247	100.0%	113	100.0%	9,247	100.0%
Home Improvement								
Low	0	0.0%	0	0.0%	1	3.4%	4	0.5%
Moderate	7	24.1%	141	18.7%	4	13.8%	47	6.2%
<i>Low/Moderate Total</i>	7	24.1%	141	18.7%	5	17.2%	51	6.7%
Middle	10	34.5%	220	29.1%	10	34.5%	165	21.8%
Upper	12	41.4%	395	52.2%	14	48.3%	540	71.4%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<i>Total</i>	29	100.0%	756	100.0%	29	100.0%	756	100.0%
Multi-Family								
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	1	50.0%	32	24.4%	0	0.0%	0	0.0%
<i>Low/Moderate Total</i>	1	50.0%	32	24.4%	0	0.0%	0	0.0%
Middle	1	50.0%	99	75.6%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	2	100.0%	131	100.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<i>Total</i>	2	100.0%	131	100.0%	2	100.0%	131	100.0%
HMDA Totals								
Low	5	0.7%	75	0.1%	64	8.6%	3,163	5.0%
Moderate	107	14.4%	5,951	9.4%	124	16.7%	6,986	11.1%
<i>Low/Moderate Total</i>	112	15.1%	6,026	9.5%	188	25.4%	10,149	16.1%
Middle	370	49.9%	29,945	47.5%	150	20.2%	11,401	18.1%
Upper	259	35.0%	27,136	43.0%	346	46.7%	37,254	59.0%
Unknown	0	0.0%	0	0.0%	57	7.7%	4,303	6.8%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<i>Total</i>	741	100.0%	63,107	100.0%	741	100.0%	63,107	100.0%

Originations and Purchases

Peer Group HMDA Loan Distribution Table

For Loan Year 2006

Wichita County

	By Tract Income			HMDA		By Borrower Income		
	#	%	\$(000s)	%	#	%	\$(000s)	%
	Home Purchase							
Low	18	0.6%	1,167	0.4%	140	4.4%	6,747	2.3%
Moderate	385	12.0%	25,709	8.6%	443	13.8%	29,447	9.9%
<i>Low/Moderate Total</i>	<i>403</i>	<i>12.5%</i>	<i>26,876</i>	<i>9.0%</i>	<i>583</i>	<i>18.1%</i>	<i>36,194</i>	<i>12.2%</i>
Middle	1,637	50.9%	144,074	48.4%	779	24.2%	67,200	22.6%
Upper	1,173	36.5%	126,518	42.5%	1,221	38.0%	139,905	47.0%
Unknown	0	0.0%	0	0.0%	630	19.6%	54,169	18.2%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<i>Total</i>	<i>3,213</i>	<i>100.0%</i>	<i>297,468</i>	<i>100.0%</i>	<i>3,213</i>	<i>100.0%</i>	<i>297,468</i>	<i>100.0%</i>
	Refinance							
Low	3	0.3%	106	0.1%	54	6.3%	2,355	3.2%
Moderate	109	12.6%	6,154	8.3%	113	13.1%	5,953	8.0%
<i>Low/Moderate Total</i>	<i>112</i>	<i>13.0%</i>	<i>6,260</i>	<i>8.5%</i>	<i>167</i>	<i>19.4%</i>	<i>8,308</i>	<i>11.2%</i>
Middle	437	50.7%	32,664	44.2%	186	21.6%	12,223	16.5%
Upper	313	36.3%	35,055	47.4%	364	42.2%	38,497	52.0%
Unknown	0	0.0%	0	0.0%	145	16.8%	14,951	20.2%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<i>Total</i>	<i>862</i>	<i>100.0%</i>	<i>73,979</i>	<i>100.0%</i>	<i>862</i>	<i>100.0%</i>	<i>73,979</i>	<i>100.0%</i>
	Home Improvement							
Low	2	0.8%	41	0.5%	27	11.2%	663	8.7%
Moderate	50	20.7%	1,175	15.3%	40	16.5%	940	12.3%
<i>Low/Moderate Total</i>	<i>52</i>	<i>21.5%</i>	<i>1,216</i>	<i>15.9%</i>	<i>67</i>	<i>27.7%</i>	<i>1,603</i>	<i>20.9%</i>
Middle	109	45.0%	2,680	35.0%	60	24.8%	1,520	19.9%
Upper	81	33.5%	3,760	49.1%	111	45.9%	4,363	57.0%
Unknown	0	0.0%	0	0.0%	4	1.7%	170	2.2%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<i>Total</i>	<i>242</i>	<i>100.0%</i>	<i>7,656</i>	<i>100.0%</i>	<i>242</i>	<i>100.0%</i>	<i>7,656</i>	<i>100.0%</i>
	Multi-Family							
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	1	14.3%	200	1.0%	0	0.0%	0	0.0%
<i>Low/Moderate Total</i>	<i>1</i>	<i>14.3%</i>	<i>200</i>	<i>1.0%</i>	<i>0</i>	<i>0.0%</i>	<i>0</i>	<i>0.0%</i>
Middle	5	71.4%	14,370	72.6%	0	0.0%	0	0.0%
Upper	1	14.3%	5,210	26.3%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	7	100.0%	19,780	100.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<i>Total</i>	<i>7</i>	<i>100.0%</i>	<i>19,780</i>	<i>100.0%</i>	<i>7</i>	<i>100.0%</i>	<i>19,780</i>	<i>100.0%</i>
	HMDA Totals							
Low	23	0.5%	1,314	0.3%	221	5.1%	9,765	2.4%
Moderate	545	12.6%	33,238	8.3%	596	13.8%	36,340	9.1%
<i>Low/Moderate Total</i>	<i>568</i>	<i>13.1%</i>	<i>34,552</i>	<i>8.7%</i>	<i>817</i>	<i>18.9%</i>	<i>46,105</i>	<i>11.6%</i>
Middle	2,188	50.6%	193,788	48.6%	1,025	23.7%	80,943	20.3%
Upper	1,568	36.3%	170,543	42.8%	1,696	39.2%	182,765	45.8%
Unknown	0	0.0%	0	0.0%	786	18.2%	89,070	22.3%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<i>Total</i>	<i>4,324</i>	<i>100.0%</i>	<i>398,883</i>	<i>100.0%</i>	<i>4,324</i>	<i>100.0%</i>	<i>398,883</i>	<i>100.0%</i>

Originations and Purchases

GLOSSARY

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 metropolitan area/assessment area.

Census tract: 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 statistical 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 the population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community development: All agencies have adopted the following language. 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.

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).

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 (for example, approved, denied, and withdrawn).

Home mortgage loans: Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans, loans for the purchase of manufactured homes and refinancing of home improvement and home purchase loans.

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Low-income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, 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 metropolitan area/assessment area.

Metropolitan area (MA): A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. A MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. A MD is a division of a MSA based on specific criteria including commuting patterns. Only a MSA that has a population of at least 2.5 million may be divided into MDs.

Middle-income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of a geography.

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

Multifamily: Refers to a residential structure that contains five or more units.

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 multistate 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 multistate metropolitan area, the institution will receive a rating for the multistate 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. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial 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.

Upper-income: Individual income that is more than 120 percent of the area median income, or a median family income that is more than 120 percent, in the case of a geography.