



LARGE BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

PUBLIC DISCLOSURE

March 17, 2008

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Broadway National Bank
Charter Number: 14447

1177 N.E. Loop 410
San Antonio, TX 78209-4133

Office of the Comptroller of the Currency
Southern District
San Antonio - North
10001 Reunion Place, Suite 250
San Antonio, TX 78216

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.

Overall CRA Rating

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

The following table indicates the performance level of **Broadway National Bank (BNB)** with respect to the Lending, Investment, and Service Tests:

Performance Levels	Broadway National Bank, San Antonio, Texas Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding		X	
High Satisfactory	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.

The major factors that support this rating include:

- Lending activity reflects good responsiveness to credit needs in the bank’s assessment areas (AAs), given the bank’s business strategy and performance context.
- A substantial majority (92 percent) of the number of Home Mortgage Disclosure Act (HMDA) and small business/small farm loans, originated by BNB during the evaluation period, were within its AAs.
- The overall distribution of loans by income level of the geographies and among borrowers of different income levels is good in the San Antonio Metropolitan Area (MA).
- Community development lending had a positive impact on the Lending Test performance.
- The level of community development investments is excellent, based on the quantity and quality of the investments.
- The accessibility of BNB’s offices to geographies and individuals of different income levels and the responsiveness of BNB’s services to the needs of its AAs are adequate.
- The bank’s level of community development services is excellent.

- Mortgage-Backed Securities - BNB invested in eight mortgage-backed securities totaling \$19 million. The securities are comprised of pools of mortgages to borrowers in the San Antonio MA who are either residing in a LMI geography or earn less than 80 percent of the MFI.
- Senior Housing Crime Prevention Foundation – BNB invested \$1 million in the Senior Housing Crime Prevention Foundation (SHCPF), a 501(c)3 non-profit organization. The mission of SHCPF is to reduce all aspects of crime in senior housing venues and to provide ongoing, effective crime prevention programs that ensure safe, secure, and high quality of life environments for residents of these facilities. The bank’s investment goes to benefit a nursing facility in the San Antonio MA located in a moderate-income CT.
- Lone Star Capital Markets Fund – BNB invested \$800 thousand of a \$1 million total commitment in the Lone Star Capital Markets Fund (LSCMF). LSCMF is a Certified Development (CDE) formed to make \$1 million to \$10 million equity-oriented investments in middle market U.S. companies. Lone Star Capital applies for Treasury New Markets Tax Credits. Funds committed are invested in companies located in LMI areas in Texas. This is a complex state-wide investment with the potential to benefit the bank’s AA.

BNB also made charitable contributions during the evaluation period totaling \$813 thousand. Prior period investments include three mortgage-backed securities with a remaining book value as of month-end February 2008 of \$1.8 million and an investment in the Independent Bankers Capital Fund (IBCF) of \$579 thousand. IBCF is a state-wide small business investment company (SBIC) that has the potential to benefit the bank’s AA.

Conclusions for Area Receiving Limited-Scope Reviews

Based on limited-scope reviews, BNB’s performance under the Investment Test in the San Angelo MSA, Killeen-Temple-Fort Hood MSA, Austin-Round Rock MSA, Kerr County AA, and Gillespie County AA is weaker than BNB’s overall outstanding performance under the Lending Test. The bank did make material investments directly benefiting these areas. Refer to Table 14 in Appendix C for the facts and data that support these conclusions.

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

BNB’s performance under the Service Test is “High Satisfactory.” Based on a full-scope review, the bank’s performance in the San Antonio MA is good.

Retail Banking Services

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