

PUBLIC DISCLOSURE

February 10, 2015

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Tolleson Private Bank
Certificate Number: 57522

5550 Preston Road, Suite B
Dallas, Texas 75205

Federal Deposit Insurance Corporation
Division of Depositor and Consumer Protection
Dallas Regional Office

1601 Bryan Street, Suite 1410
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.

INSTITUTION RATING

INSTITUTION'S CRA RATING: This institution is rated **Needs to Improve**.

The Lending Test is rated: Needs to Improve.

The Community Development Test is rated: Satisfactory.

The 'Needs to Improve' Lending Test rating primarily contributed to the overall rating. In order for an Intermediate Small Bank to receive an overall 'Satisfactory' rating, the bank must receive a rating of at least 'Satisfactory' on both the Lending Test and the Community Development Test. Examiners did not identify any discriminatory or other illegal credit practices; therefore, this consideration did not affect the overall rating. The discussions below summarize the findings for the Lending and Community Development Tests, discussed in detail elsewhere.

Lending Test

Tolleson Private Bank (TPB)'s performance relative to the Lending Test needs to improve. Poor performance regarding the lending distribution tests, both by borrower profile and geographic distribution, support this conclusion. Examiners focused on the bank's home mortgage lending and, to a lesser extent, its small business lending within the bank's single assessment area to arrive at applicable conclusions. The following points summarize the bank's Lending Test record.

- The institution exhibited reasonable performance relative to its loan-to-deposit ratio. Reasonable records regarding the ratio's overall level and comparable level support this conclusion. Examiners considered the institution's size, financial condition, and assessment area credit needs when arriving at this conclusion.
- The bank originated a majority of their lending inside the designated assessment area. A majority of home mortgage and small business loans, both by number and dollar volume, originated within the bank's designated assessment area supports this conclusion.
- TPB established a poor record regarding its borrower profile loan distribution. A poor record relative to both home mortgage and small business lending supports this conclusion.
- The institution demonstrated a poor record regarding its geographic loan distribution. A poor record relative to both home mortgage and small business lending supports this conclusion.
- The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this performance factor did not affect the Lending Test rating.

Community Development Test

TPB displayed a satisfactory record regarding the Community Development Test. A reasonable record relative to its community development lending, which represents 68 percent of the dollar volume of the bank's community development activities, primarily supports this conclusion. The bank also exhibited a reasonable level of community development investments and an excellent level of community development services.

satisfactorily addressed community development needs in the bank’s assessment area, particularly the affordable housing needs noted by a contact in the business community.

The table below illustrates the breakdown of the community development loans by year and category.

Community Development Loans				
Qualifying Category	Activity Year			Totals Per Category
	*2012	2013	2014	
Affordable Housing:				
Number	0	1	1	2
Dollar Amount (000s)	0	\$3,500	\$1,100	\$4,600
CD Organizations:				
Number	0	0	2	2
Dollar Amount (000s)	0	0	\$2,000	\$2,000
Economic Development:				
Number	0	0	0	0
Dollar Amount (000s)	0	0	0	0
Revitalize or Stabilize:				
Number	0	0	0	0
Dollar Amount (000s)	0	0	0	0
Abandoned/Foreclosed Homes:				
Number	0	0	0	0
Dollar Amount (000s)	0	0	0	0
Totals Per Year:				
Number	0	1	3	4
Dollar Amount (000s)	0	\$3,500	\$3,100	\$6,600

Source: Bank Records. *August 2, 2012, through December 31, 2012

Affordable Housing: The bank originated two loans totaling \$4.6 million to Dallas Area Habitat for Humanity (DAHH). DAHH is a non-profit organization dedicated to providing affordable housing to low- and moderate-income persons.

Community Development: The bank extended two loans totaling \$2 million to the Senior Housing Crime Prevention Foundation, Inc. (SHCPF), an organization that provides safe and secure housing to low- and moderate-income senior citizens and veterans living in nursing homes. SHCPF used the funds to purchase investments in a CRA Qualified Investment Fund (CRAIX) issued by Community Capital Management.

Qualified Investments and Donations

The institution demonstrated an adequate record of making qualified investments. An adequate number of qualified investments and donations and an adequate dollar volume support this conclusion.

The following table summarizes the qualified investments and donations over the last nine quarters. TPB purchased 11 qualified investments totaling over \$4.5 million, a significant increase over the nearly \$877 thousand noted at the previous evaluation. A significant portion of the investments address affordable housing, which a contact indicated was a chronic need in the