



INTERMEDIATE SMALL BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

PUBLIC DISCLOSURE

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COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Century Bank, National Association
Charter Number 5636

2900 St. Michael Drive
Texarkana, TX 75503-2388

Office of the Comptroller of the Currency

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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 Lending Test is rated: Satisfactory.

The Community Development Test is rated: Satisfactory.

The major factors that support this rating include:

- ◆ Century Bank, N.A. demonstrates good responsiveness to the credit needs of its assessment areas. The bank's loan-to-deposit ratio is strong and a majority of the bank's loans were within its designated assessment areas. The distribution of these loans by geography and by borrower income level reflects a reasonable penetration throughout each assessment area.
- ◆ The level of qualified community development services, investments, and loans represents satisfactory responsiveness to identified community development needs. Century Bank provides community development services through organizations which meet the needs of the local citizens and its delivery systems are reasonably accessible to geographies and individuals of different income levels in its assessment areas. The bank had qualified investments totaling \$577M or 0.51% of Tier 1 Capital for this evaluation period.

Scope of Examination

Conclusions regarding the bank's lending performance are based on residential purchase and business loans for the years 2006 and 2007. For the community development test, the evaluation period runs from the ending date of the last CRA evaluation period to the stated date of the current CRA examination. This test includes a review of the investments, services, and loans provided in the bank's assessment areas that meet the definition of community development.

The bank's primary assessment area (AA) includes the Texarkana MSA, which consists of Bowie County, Texas, and Miller County, Arkansas. This area was selected for a full scope review due to the location of the bank's headquarters, the number of branch locations and the percentage of loans and deposits in this assessment area. The bank's designated census tracts (CTs) in the Dallas MSA were also selected for review and are referred to as the Dallas AA. Specific tracts surrounding the bank's branch locations in Dallas, Collin and Denton Counties are located in the Dallas MSA and include a significant number of the bank's branch locations with a high level of lending activity. Additionally, a full scope review of the Little River County AA was performed and an Arkansas rating was provided. While this location does not constitute a large percentage of the bank's total assets or branch locations, it is considered a non-metropolitan area and represents the bank's activity in the state of Arkansas not located in a MSA. Overall performance ratings are based primarily on results of these areas with the Texarkana AA receiving the most weight.

Our review included an evaluation of Century Bank's lending throughout each assessment area including any low and moderate-income tracts. This was done using maps and reports showing the bank's lending in each tract to identify any gaps in the geographic distribution of residential purchase loans and loans to businesses. No unexplained or conspicuous gaps were identified.

Our review also included contacting local business groups in each of the assessment areas receiving a full scope examination. These contacts stated the primary need in each area is residential and commercial loans. Contacts also noted the lack of available housing stock, particularly affordable housing for low and moderate-income individuals. Each contact also stated the local financial institutions offer products that help meet these needs.

We verified the accuracy of data used in the evaluation of the bank's performance by reviewing samples of the loan products reported during the evaluation period. Our review revealed the integrity of the bank's data is sound and considered to be a reliable source of information when reviewing CRA performance. We found no significant exceptions or weaknesses that would affect the bank's performance or ratings.

Description of Institution

Century Bank, N.A., headquartered in Texarkana, Texas, is an interstate financial institution with \$1.42 billion in assets and is wholly owned by Century Bancshares, Inc., a one bank holding company. Century Bank has 33 full service branches and automatic teller machines located throughout northeast Texas, southwest Arkansas, and north Dallas. The bank's offices are located in the Texas metropolitan counties of Bowie, Dallas, Denton and Collin, as well as the Arkansas metropolitan county of Miller. Banking offices are also located in the non-metropolitan counties of Cass County, Texas and Little River County, Arkansas. Century Bank has continued an aggressive growth strategy with 17 branches opened during this evaluation period. These branches were located in north Dallas where the bank has focused its expansion.

Century Bank's philosophy is to be a full service institution by providing a wide array of financial services to consumers and commercial businesses. Century Bank is primarily commercial oriented but also offers a wide variety of retail deposit and loan products. As of March 31, 2008, the bank's loans represented 86% of total assets. The following chart reflects the distribution of the bank's loan portfolio:

Loan Category	\$ (000)	%
Commercial Real Estate Loans	667,263	55.23
Commercial Loans	295,923	24.49
Residential Real Estate Loans	155,242	12.85
Consumer Loans	35,973	2.98
Agriculture	53,824	4.45
Total	1,208,225	100.00%

There are no legal, financial or other factors impeding the bank's ability to help meet the credit needs in its assessment areas. Century Bank's Tier 1 Capital totaled \$112 million representing 8.24% of adjusted average assets as of March 31, 2008. The bank's CRA performance was last evaluated as of June 28, 2004, with the overall level of performance rated "Satisfactory."

Selection of Areas for Full-Scope Review

In each state and multi-state metropolitan area where the bank has an office, a sample of assessment areas within that state/multi-state metropolitan area was selected for full-scope reviews. The bank is headquartered in the multi-state Texarkana MSA where the majority of the bank's loans and deposits are located. The bank has also experienced significant loan growth and branch expansions in the Dallas AA since 2004. Therefore, a full scope review was performed in these assessment areas. Additionally, a full scope review of the Little River County AA was performed and an Arkansas rating was provided.

Ratings

The bank's overall rating is a blend of the multi-state metropolitan area rating and the state ratings where the bank operates. The Texarkana AA and the Dallas AA were more heavily weighted based on the number of branches and the amount of activity in these areas, with the Texarkana AA receiving the most weight. While a full scope review was performed in the Little River County AA, this area received less consideration in the bank's overall rating due to the lower volume of lending and deposit activity. To determine a rating for the bank's lending performance in each assessment area, we reviewed residential purchase loans and loans to small businesses. No consideration was given to consumer or farm products due to the low volume of these loan types.

Conclusions with Respect to Performance Criteria

The bank's performance under the lending test is Satisfactory. The bank's overall loan-to-deposit ratio is good and a majority of the bank's loans are within its assessment areas. The loan-to-deposit ratio and the in/out ratio are based on bank-wide data. Additional information obtained from the full scope reviews of the bank's lending in the assessment areas was also used to determine the overall lending test rating.

Loan-to-Deposit Ratio

The loan-to-deposit ratio of Century Bank is good given the bank's size, financial condition and assessment area credit needs. The bank's quarterly average loan-to-deposit ratio was 84.09% since the prior CRA examination in June of 2004. The average loan-to-deposit ratio of comparable banks within the assessment area, for the same time period, was 79.42%.

Institution	Assets (000s) (as of 3/31/08)	Average LTD Ratio
Century Bank, N.A., Texarkana	1,424,013	84.09
Commercial National Bank of Texarkana	161,464	80.61
First National Bank, Texarkana	204,869	67.81
Bank of Texas, N.A., Dallas	4,424,463	71.56
Inwood National Bank, Dallas	1,394,594	79.67
Legacytexas Bank, Plano	1,557,069	83.47
North Dallas Bank and Trust, Dallas	934,337	40.24
Park Cities Bank, Dallas	665,925	100.73
Texas Capital Bank, N.A., Dallas	4,347,814	96.18
Town North Bank, N.A., Dallas	1,414,291	89.82
Average Loan to Deposit Ratio		79.42

Lending in Assessment Area

A majority of the bank's lending activity is located within its assessment areas. We reviewed residential purchase loans and business loans which originated during 2006 and 2007. The breakdown by loan category is illustrated in the following table.

Lending in Assessment Area									
Loan Type	Number of Loans				Dollars of Loans (000s)				
	Inside		Outside		Total	Inside		Outside	
	#	%	#	%		\$	%	\$	%
Home Purchase	973	52.85	868	47.15	1,841	121,748	45.17	147,792	54.83
Commercial	1,105	71.80	434	28.20	1,539	117,403	65.01	63,180	34.99
Totals	2,078	61.48	1,302	38.52	3,380	239,151	53.13	210,972	46.87
									450,123

Source: Data reported under HMDA; Data collected by the bank.

Fair Lending or Other Illegal Credit Practices Review

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

Multistate Metropolitan Area Rating

Texarkana Multistate Metropolitan Area

CRA Rating for the Texarkana MSA (Texas and Arkansas States): Satisfactory.

The Lending test is rated: Satisfactory.

The Community development test is rated: Satisfactory.

The major factors that support this rating include:

- ◆ Century Bank demonstrates satisfactory responsiveness to the credit needs of the Texarkana MSA assessment area. The distribution of loans by geography is satisfactory based upon the demographics of the area. Additionally, the distribution of these loans by borrower income level also reflects a satisfactory penetration of all income levels.
- ◆ The level of qualified community development investments, grants and donations represents satisfactory responsiveness to identified community development needs. Additionally, the bank provides a reasonable level of community development services to meet the needs of low and moderate income individuals. The bank had qualified investments in the Texarkana MSA assessment area totaling \$553M for this assessment period.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN TEXARKANA MSA

The Texarkana MSA is a multi-state MSA that consists of Bowie County, Texas and Miller County, Arkansas. The following chart reflects updated demographic information based upon 2000 census information. The Texarkana MSA includes 3 low income CTs, 4 moderate income CTs, 16 middle income CTs, and 3 upper income CTs. Twelve of the bank's branches are located in this assessment area. Numerous other institutions compete in this market with Century Bank having the largest market share of deposits with 34% of the deposits. Century Bank is a commercial-oriented bank with a focus on commercial lending. The area's economy is considered stable. Major employers include the Red River Army Depot, Cooper Tire and Rubber, Christus St. Michael Health System and Wadley Regional Medical.

DEMOGRAPHIC AND ECONOMIC CHARACTERISTICS OF THE TEXARKANA MSA AA	
Population	
Number of Families	34,686
Number of Households	48,743
Geographies	
Number of Census Tracts/BNA	26
% Low-Income Census Tracts/BNA	11.54
% Moderate-Income Census Tracts/BNA	15.38
% Middle-Income Census Tracts/BNA	61.54
% Upper-Income Census Tracts/BNA	11.54
<i>Median Family Income (MFI)</i>	
2000 MFI for AA	39,684
2007 HUD-Adjusted MFI	46,600
Economic Indicators	
Unemployment Rate	3.01
2007 Median Housing Value	60,701
% of Households Below Poverty Level	17.41

Source: 2000 US Census and 2007 HUD updated MFI

SCOPE OF EVALUATION IN THE TEXARKANA MSA

The Texarkana AA includes all of the Texarkana MSA. Conclusions regarding the bank's lending performance are based on residential purchase and small business loans for the years 2006 and 2007. For the Community Development Test, the evaluation period runs from the ending date of the last CRA evaluation period to the start date of the current CRA examination. This evaluation period runs from June 28, 2004 to May 27, 2008. The Community Development test included a review of loans, investments, grants and donations made in the bank's AA that meet the definition of community development as well as community development services provided in the bank's AA.

During this examination, we contacted a local business organization to obtain information related to the Texarkana MSA. This contact noted a lack of affordable housing and stated most houses sold were valued greater than \$100M. They also noted that the area had numerous financial institutions which provided products and services to assist low and moderate income individuals with residential financing as well as other financial services.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE TEXARKANA MSA

Century Bank's overall performance in the Texarkana assessment area is satisfactory. The bank made 1,677 residential purchase and business loans for a total of \$158 million. These loans are distributed throughout the bank's assessment area and are reasonably divided among mortgage and small business. Additionally, the bank's community development loans, services and investments are satisfactory.

LENDING TEST

The bank's performance under the lending test in the Texarkana AA is rated Satisfactory.

Lending to Borrowers of Different Incomes and to Businesses of Different Sizes

Century Bank's overall distribution of loans by income level of borrowers and to businesses of different sizes is satisfactory.

Century Bank's distribution of residential purchase loans is satisfactory in the Texarkana AA. While the percentage of loans to low income borrowers is lower than the reported percentage of families in this income level, this is mitigated by information identified in the performance context. Approximately 23% of the families in this AA are low income and approximately 18% of the families are below poverty level. Additionally, the lack of affordable homes was identified by the community contacts. The bank's lending to moderate-income families for residential purchases is near to the percentage of families in this income level. Century Bank has attempted to overcome barriers which prevent low and moderate-income families from obtaining credit by partnering with local organizations to provide financial assistance and educational information to low and moderate income borrowers.

Borrower Distribution of Residential Real Estate Loans in Texarkana AA								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Home Purchase	23.23	5.24	16.47	14.72	19.47	21.98	40.83	58.06

Source: Data reported under HMDA; U.S. Census data.

The bank's distribution of loans to small businesses is good. The percentage of loans to businesses with reported revenues of \$1 million or less exceeds the percentage of businesses with reported revenues of \$1 million or less with 41% of businesses not reporting revenues earned.

Borrower Distribution of Loans to Businesses in Texarkana AA				
Business Revenues	≤\$1,000,000	>\$1,000,000	Unavailable	Total
% of AA Businesses	54.86	4.09	41.05	100.00%
% of Bank Loans in AA #	90.20	9.80	0.00	100.00%
% of Bank Loans in AA \$	81.01	18.99	0.00	100.00%

Source: Data collected by bank; Dun and Bradstreet data.

Geographic Distribution of Loans

The geographic distribution of residential purchase loans is adequate. The percentage of loans in the low-income tracts is less than the percentage of owner occupied units in the low-income tracts. The percentage of loans in the moderate-income tracts is also less than the percentage of owner occupied units in the moderate-income tracts. However, due to the low percentage of owner occupied units in the low and moderate income tracts, opportunities to originate loans in these areas are limited. Additionally, the geographic location of the low and moderate-income tracts in relation to the bank's branch locations as well as the factors discussed above, limit the bank's lending opportunities in these areas.

Geographic Distribution of Residential Real Estate Loans in Texarkana AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan type	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans
Home Purchase	3.51	1.49	8.79	4.46	72.42	71.56	15.28	22.49

Source: Data reported under HMDA; U.S. Census data.

The geographic distribution of loans to businesses is good. While the distribution of loans to businesses in the low-income tracts is less than the percentage of businesses located in low-income tracts, the percentage of businesses is low with fewer opportunities to originate loans in these areas. However, the percentage of business loans made in the moderate-income tracts exceeds the percentage of businesses located in these tracts.

Geographic Distribution of Loans to Businesses in Texarkana AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses /Farms	% of Number of Loans	% of AA Businesses/Farms	% of Number of Loans	% of AA Businesses /Farms	% of Number of Loans	% of AA Businesses /Farms	% of Number of Loans
Business Loans	7.35	4.02	13.32	14.57	62.06	63.07	17.27	18.34

Source: Data collected by bank; U.S. Census data.

Responses to Complaints

There were no CRA related complaints received during this evaluation period.

COMMUNITY DEVELOPMENT TEST

The bank's performance under the community development test in the Texarkana AA is rated Satisfactory. The bank has provided a satisfactory level of community development services, investments and loans in the Texarkana assessment area.

Number and Amount of Community Development Loans

The bank has a satisfactory level of community development loans in the Texarkana AA. During this evaluation period, the bank originated two loans totaling \$7 million that qualified as community development. The bank also provides loans to cities, communities, and school districts in the assessment area to provide city services, repairs and equipment.

Number and Amount of Qualified Investments

Century Bank has provided 100 community development investments totaling \$553M in the Texarkana AA. The largest investment is the continued interest of \$500,000 in a mutual fund from Community Capital Management. This fund is used to support low-income housing, affordable health care, and job training. Although community development investments remain limited in the Texarkana assessment area, the Board continues to support local organizations that provide community services through donations totaling \$53 thousand.

Extent to Which the Bank Provides Community Development Services

Century Bank has provided a good level of community development services throughout the Texarkana AA. The delivery systems of the bank are reasonably accessible to geographies and individuals of different income levels in the assessment area. The bank operates 14 banking offices that are conveniently located throughout the Texarkana AA with two locations in moderate-income tracts and one in a low-income tract. Additionally, a wide range of financial services are provided at each branch and are consistent throughout the bank's branch network. The bank offers extended hours, ATMs at each branch location as well as offering telephone and Internet banking services, ACH deposits, and low cost checking accounts. Also, customers do not pay a usage fee at any ATM worldwide. In addition to retail banking services, the bank provides a good level of community services. The bank actively seeks opportunities and provides services to a large number of community organizations. Century Bank provided educational information or technical assistance to organizations that promote affordable housing and economic development. Bank employees and directors actively serve as officers and on committees of the New Boston Chamber of Commerce, the New Boston Housing Authority and the Texarkana Housing Authority. Century Bank provides financial services workshops and seminars throughout the communities in the assessment area. Century Bank has also partnered with organizations that provide down payment and closing costs assistance to low- and moderate-income home buyers. Bank management also helped form and continues to participate in the Liberty Eylau Independent School District Banking and Finance Group to provide general financial information and bank training for high school students.

Responsiveness to Community Development Needs

The bank has demonstrated a satisfactory responsiveness to community development needs in the Texarkana AA. Century Bank has established itself as the primary lender and depository bank by offering products and services which meet the needs of all individuals and geographies, regardless of income levels. Programs have been developed and presented to community organizations to provide information regarding bank products which benefit low and moderate income individuals. Additionally, Century Bank officers and employees are actively involved in community organizations as well as organizations designed to retain and establish businesses in the area that are vital in providing jobs and stability to the local economy.

State Rating

State of Texas

CRA Rating for Texas: Satisfactory.

The Lending test is rated: Satisfactory.

The Community development test is rated: Satisfactory.

The major factors that support this rating include:

- ◆ Century Bank demonstrates a satisfactory responsiveness to the credit needs in the Texas assessment areas. The distribution of loans by geography is satisfactory based upon the demographics of the area. Additionally, the distribution of these loans by borrower income level reflects a satisfactory penetration to all income levels.
- ◆ The level of qualified community development investments, grants and donations represents adequate responsiveness to identified community development needs. Additionally, the bank provides a reasonable level of community development services to meet the needs of low and moderate income individuals. The bank made qualified investments in the Texas assessment areas during the evaluation period totaling \$24M.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN TEXAS

The bank's assessment areas in Texas include designated census tracts in the Dallas MSA and a portion of Cass County which is located in rural Northeast Texas. Based upon the number of branch locations and the level of activity, a full scope review was performed in the Dallas AA. A limited scope review was performed in the Cass County AA, which includes one branch office with a lower percentage of the bank's loans and deposits. Therefore, the full scope review of the Dallas AA received the most weight when arriving at a rating for the bank's performance in the state of Texas.

The Dallas AA consists of 89 census tracts located in Dallas, Collin and Denton Counties and is a part of the Dallas MSA. The following chart reflects updated demographic information based upon 2000 census information. The Dallas AA includes no low income CTs, 6 moderate income CTs, 29 middle income CTs and 51 upper income CTs plus 3 tracts with no income level designation. Century Bank has implemented an aggressive growth strategy in north Dallas since 2004 and now operates 18 branches in this area, including two branches located in moderate income census tracts. Numerous other institutions also compete in this market with Century Bank having only a 0.27% market share of deposits. Century Bank is a commercial-oriented bank with a focus on commercial lending. The area's economy is considered stable, although the housing market has declined. Major industries include the medical industry, technology related companies, and educational facilities.

DEMOGRAPHIC AND ECONOMIC CHARACTERISTICS OF THE DALLAS AA	
Population	
Number of Families	101,466
Number of Households	181,200
Geographies	
Number of Census Tracts/BNA	89
% Low-Income Census Tracts/BNA	0.00
% Moderate-Income Census Tracts/BNA	6.74
% Middle-Income Census Tracts/BNA	32.58
% Upper-Income Census Tracts/BNA	57.30
<i>Median Family Income (MFI)</i>	
2000 MFI for AA	56,313
2007 HUD-Adjusted MFI	66,700
Economic Indicators	
Unemployment Rate	1.88%
2000 Median Housing Value	198,673
% of Households Below Poverty Level	5.45%

Source: 2000 US Census and 2007 HUD updated MFI

SCOPE OF EVALUATION IN TEXAS

A full scope review was performed for the Dallas AA. This AA includes portions of Dallas, Denton, and Collin Counties which are a part of the Dallas MSA. Conclusions regarding the bank's lending performance are based on residential purchase loans and loans to small business for the years 2006 and 2007. For the Community Development Test, the evaluation period runs from the ending date of the last CRA evaluation period to the start date of the current CRA examination. This evaluation period runs from June 28, 2004 to May 27, 2008. The Community Development Test included a review of loans, investments, grants and donations made in the bank's AA that meet the definition of community development as well as community development services provided in the bank's AA.

During this examination, we contacted a local government organization. This contact noted a lack of affordable housing but stated the financial institutions provide products and services to assist low and moderate income individuals with residential financing, including first time home buyers programs.

A limited scope review was performed in the Cass County AA. Due to the low percentage of loans and deposits located in this assessment area, little weight was given this assessment area when arriving at the Texas State ratings.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN TEXAS

Century Bank's overall performance in Texas is satisfactory based on a full scope review of the Dallas AA and a limited scope review of the Cass County AA. The bank made 334 residential purchase and business loans for a total of \$90 million in the Dallas AA. These loans are distributed throughout the bank's assessment area and are reasonably divided between the loan products. Additionally, the bank's community development loans, services and investments are adequate. Based upon the limited scope review, the bank's performance in Cass County is consistent with the bank's overall performance in Texas.

LENDING TEST

The bank's performance under the lending test in Texas is rated Satisfactory.

Lending to Borrowers of Different Incomes and to Businesses of Different Sizes

The distribution of home purchase loans by borrower income level is adequate in the Dallas AA. The percentage of home purchase loans to low-income borrowers is below the percentage of low-income families. The percentage of home purchase loans to moderate-income borrowers is near to the percentage of moderate-income families in the assessment area. In the Dallas MSA, the median cost of housing is \$199M with a low-income person earning less than \$34,000. Approximately 6% of the households in this assessment area live below the poverty level with a need in the area for affordable housing. Furthermore, competition for home mortgage products is strong with numerous bank, mortgage companies and financial institutions vying for these products. We considered these mitigating factors in our residential mortgage lending analysis to low and moderate-income borrowers.

Based on a limited scope review, the bank's distribution of residential purchase loans by borrower income level in the Cass County assessment area is above the bank's performance in the Dallas AA.

Borrower Distribution of Residential Real Estate Loans in Dallas AA								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Home Purchase	11.56	0.64	13.30	10.96	18.17	13.70	56.97	74.66

Source: Data reported under HMDA; U.S. Census data.

The bank's distribution of loans to small businesses is satisfactory. The percentage of loans to businesses with reported revenues of \$1 million or less is near to the percentage of businesses with reported revenues of \$1 million or less with 27% of businesses not reporting revenues earned.

Based on a limited scope review, the bank's distribution of loans to businesses of different sizes in the Cass County assessment area is above the bank's performance in the Dallas AA.

Borrower Distribution of Loans to Businesses in Dallas AA				
Business Revenues	≤\$1,000,000	>\$1,000,000	Unavailable	Total
% of AA Businesses	66.24	6.91	26.85	100.00%
% of Bank Loans in AA #	86.29	13.71	0.00	100.00%
% of Bank Loans in AA \$	79.01	20.99	0.00	100.00%

Source: Data collected by bank; Dun and Bradstreet data.

Geographic Distribution of Loans

The geographic distribution of home purchase loans in the Dallas AA is satisfactory. The distribution of loans in moderate-income tracts is equal to the percentage of owner-occupied housing units in the moderate-income tracts.

The Cass County AA includes no low or moderate income tracts. Therefore a geographic analysis does not provide any meaningful information and was not performed in this AA.

Geographic Distribution of Residential Real Estate Loans in Dallas AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan type	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans
Home Purchase	0.00	0.00	2.50	2.48	27.24	14.91	70.26	82.61

Source: Data reported under HMDA; U.S. Census data.

The geographic distribution of loans to businesses is adequate. While the distribution of loans to businesses in the moderate-income tracts is less than the percentage of businesses located in moderate-income tracts, the percentage of businesses is low with limited opportunities to originate loans in these areas. Additionally, the strong competition for commercial loans in this market and the recent addition of the bank's branches in these areas during this assessment period mitigates the bank's level of lending in the moderate income tracts.

Geographic Distribution of Loans to Businesses in Dallas AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses /Farms	% of Number of Loans	% of AA Businesses/Farms	% of Number of Loans	% of AA Businesses /Farms	% of Number of Loans	% of AA Businesses /Farms	% of Number of Loans
Business Loans	0.00	0.00	9.10	1.61	33.07	33.87	53.53	64.52

Source: Data collected by bank; U.S. Census data.

Responses to Complaints

There were no CRA related complaints received during this evaluation period.

COMMUNITY DEVELOPMENT TEST

The bank's performance under the community development test in Texas is rated Satisfactory. The bank has provided a satisfactory level of community development services, investments and loans in the Texas assessment areas.

Number and Amount of Community Development Loans

Century Bank has not made any community development loans in the Dallas AA. However, the bank's presence in the Dallas area is relatively new and competition for community development loans is strong.

There are no community development loans in the Cass County AA where limited opportunities exist.

Number and Amount of Qualified Investments

Qualified investments in the Dallas AA for the current evaluation period are limited to donations to community organizations. There were 23 community development donations totaling \$24M and included organizations such as the North Texas Food Bank, Ennis United Way, Frisco Family Services Center, and the Scottish Rites Hospital. These organizations provide food and medical services to low income families in the area.

There were 3 community development donations totaling \$325 in the Cass County AA.

Extent to Which the Bank Provides Community Development Services

Century Bank has provided a good level of community development services throughout the Dallas AA. The delivery systems of the bank are reasonably accessible to geographies and individuals of different income levels in its assessment areas. The bank now operates 18 banking offices in the Dallas AA that are conveniently located in the North Dallas area, with two locations in moderate-income tracts. Additionally, a wide range of financial services are provided at each branch and are consistent throughout the bank's branch network. The bank offers extended hours, ATMs at each branch location as well as telephone and Internet banking services, ACH deposits, and low cost checking accounts. Also, customers do not pay a usage fee at any ATM worldwide. In addition to retail banking services, the bank provides a good level of community services. The bank actively seeks opportunities and provides services to a large number of groups. Century Bank provides technical assistance or information to organizations which provide education on general financial information such as credit counseling, financial services education, and first time homebuyers seminars. Century Bank has also partnered with organizations that provide down payment and closing costs assistance to low- and moderate-income home buyers.

The bank's community development services in the Cass County AA are consistent with those provided in each of the bank's assessment areas.

Responsiveness to Community Development Needs

The bank has demonstrated an adequate responsiveness to community development needs in the Dallas AA. Century Bank has targeted the north Dallas area for expansion and growth. The first branch location was opened in 2004 with 17 new branches opened since the previous CRA examination. These branches are considered de novo branches and were located in areas determined by market research to have fewer banking offices. The Dallas AA locations offer products and services consistent with bank wide offerings. Programs have been developed and presented to community organizations to provide information regarding bank products which benefit low and moderate income individuals. Additionally, Century Bank officers and employees are actively involved in community organizations.

State Rating

State of Arkansas

CRA Rating for Arkansas: Satisfactory.

The Lending test is rated: Satisfactory.

The Community development test is rated: Satisfactory.

The major factors that support this rating include:

- ♦ Century Bank demonstrates a satisfactory responsiveness to the credit needs in the Arkansas assessment area. The distribution of loans by borrower income level reflects an adequate penetration to all income levels.
- ♦ The level of qualified community development investments, grants and donations represents adequate responsiveness to identified community development needs. Additionally, the bank provides a reasonable level of community development services to meet the needs of low and moderate income individuals. The bank made qualified investments in the Arkansas assessment areas during the evaluation period totaling \$1 thousand.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN ARKANSAS

The bank's primary operations in Arkansas are centralized in Little River County with one branch located in the community of Ashdown. The county is a non-metropolitan area located adjacent to the Texarkana MSA where much of the job market is located. The following chart reflects updated demographic information based upon 2000 census information. The Little River County AA includes no census tracts designated as low or moderate income with 3 middle income CTs and 1 upper income CT. The area's economy is considered stable. Major employers include Domtar Industries Inc. and Ash Grove Cement. Refer to the following chart for details of the demographics for the Little River County AA.

DEMOGRAPHIC AND ECONOMIC CHARACTERISTICS OF THE LITTLE RIVER COUNTY AA	
Population	
Number of Families	3,928
Number of Households	5,482
Geographies	
Number of Census Tracts/BNA	4
% Low-Income Census Tracts/BNA	0.00
% Moderate-Income Census Tracts/BNA	0.00
% Middle-Income Census Tracts/BNA	75.00
% Upper-Income Census Tracts/BNA	25.00
<i>Median Family Income (MFI)</i>	
2000 MFI for AA	34,263
2007 HUD-Adjusted MFI	38,000
Economic Indicators	
Unemployment Rate	3.04%
2000 Median Housing Value	50,510
% of Households Below Poverty Level	17.29%

Source: 2000 US Census and 2007 HUD updated MFI

SCOPE OF EVALUATION IN ARKANSAS

The Arkansas State rating is based upon a full scope review of the bank's performance in the Little River County AA. Conclusions regarding the bank's lending performance are based on residential purchase and small business loans for the years 2006 and 2007. For the Community Development Test, the evaluation period runs from the ending date of the last CRA evaluation period to the start date of the current CRA examination. This evaluation period runs from June 28, 2004 to May 27, 2008. The Community Development Test included a review of loans, investments, grants and donations made in the bank's AA that meet the definition of community development as well as community development services provided in the bank's AA.

During this examination, we contacted a local business organization to obtain information related to the Little River County area. This contact noted a lack of affordable housing and stated there were a limited number of houses sold valued less than \$100M. They also noted the area financial institutions provide products and services to assist low and moderate income individuals.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN ARKANSAS

Century Bank's performance in the Little River County AA is satisfactory. The bank made 189 residential purchase and business loans for a total of \$8 million. These loans are distributed throughout the bank's assessment area and are reasonably divided among the loan product types. Additionally, the bank's community development loans, services and investments are adequate.

LENDING TEST

The bank's performance under the lending test in Arkansas is rated Satisfactory.

Lending to Borrowers of Different Incomes and to Businesses of Different Sizes

The distribution of residential purchase loans by borrower income level is adequate in the Little River County AA. The percentage of loans to low-income borrowers is below the percentage of low-income families in the AA. However, the poverty level is high at 17% and low-income individuals earn less than \$19,000. Furthermore, there is limited availability of affordable housing in this assessment area. The percentage of loans to moderate-income borrowers is below the percentage of moderate-income families in the AA. The limited availability of affordable housing also impacts this percentage. We considered these mitigating factors in our home mortgage lending analysis to low and moderate-income borrowers.

Borrower Distribution of Residential Real Estate Loans in Little River County AA								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Home Purchase	17.57	3.28	18.51	8.20	19.45	19.67	44.48	68.85

Source: Data reported by bank; U.S. Census data.

The bank's distribution of loans to small businesses is excellent. The percentage of loans to businesses with reported revenues of \$1 million or less exceeds the percentage of businesses with reported revenues of \$1 million or less with 58% of businesses not reporting revenues earned.

Borrower Distribution of Loans to Businesses in Little River County AA				
Business Revenues	≤\$1,000,000	>\$1,000,000	Unavailable	Total
% of AA Businesses ³	40.09	2.15	57.76	100.00%
% of Bank Loans in AA #	100.00	0.00	0.00	100.00%
% of Bank Loans in AA \$	100.00	0.00	0.00	100.00%

Source: Data collected by bank; Dun and Bradstreet data.

Geographic Distribution of Loans

The Little River County AA does not include any designated low or moderate income census tracts. Therefore, a geographic analysis of the distribution of loans in Little River County AA was not performed.

Responses to Complaints

There were no CRA related complaints received during this evaluation period.

COMMUNITY DEVELOPMENT TEST

The bank's performance under the community development test in Arkansas is rated Satisfactory. The bank has provided an adequate level of community development services, investments and loans in the Little River County AA.

Number and Amount of Community Development Loans

Century Bank has not made any community development loans in the Little River AA. However, the availability of loans that would qualify as community development is very limited in the area.

Number and Amount of Qualified Investments

Qualified investments in the Little River County assessment area for the current evaluation period are limited to donations to community organizations. There were 3 donations which qualified as community development totaling \$625.

Extent to Which the Bank Provides Community Development Services

Century Bank has provided a satisfactory level of community development services throughout the Little River County AA. The delivery systems of the bank are reasonably accessible to geographies and individuals of different income levels in the assessment area. The bank operates one banking office conveniently located in Ashdown which is the largest community in Little River County. Additionally, a wide range of financial services are provided at the branch. The branch offers extended hours, an ATM as well as telephone and Internet banking services, ACH deposits, and low cost checking accounts. Also, customers do not pay a usage fee at any ATM worldwide. In addition to retail banking services, the bank provides a good level of community services. The bank actively seeks opportunities and provides services to a large number of groups. Century Bank provided technical assistance or information to organizations which provide education on general financial information such as credit counseling, financial services education, and first time homebuyers seminars. Bank employees actively serve on committees of the Little River Chamber of Commerce. Century Bank has also partnered with organizations that provide down payment and closing costs assistance to low- and moderate-income home buyers.

Responsiveness to Community Development Needs

The bank has demonstrated an adequate responsiveness to community development needs in the Little River County AA. The branch located in this AA offers products and services consistent with bank wide offerings. Programs have been developed and presented to community organizations to provide information regarding bank products which benefit low and moderate income individuals. Additionally, Century Bank officers and employees are actively involved in community organizations.

Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the metropolitan and nonmetropolitan areas that received comprehensive examination review (designated by the term "full-scope") and those that received a less comprehensive review (designated by the term "limited-scope").

Time Period Reviewed	Lending Test: 1/1/2006 to 12/31/2007 Community Development Test: 6/28/2004 to 5/27/2008	
Financial Institution	Products Reviewed	
Century Bank, N.A. Texarkana, Texas	Residential and Commercial Loans	
Affiliate(s)	Affiliate Relationship	Products Reviewed
None		
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Texarkana MSA #45500 Texas Dallas MSA #19124	Full Scope Full Scope	Multistate MSA (including Bowie County, Texas, and Miller County, Arkansas) 89 Specific tracts surrounding branch locations in Dallas, Collin and Denton Counties CT #9501, 9503, 9504 and 9505
Cass County Arkansas Little River County	Limited-Scope Full Scope	Whole County

Appendix B: Summary of Multistate Metropolitan Area and State Ratings

Overall Bank:	Lending Test Rating	Community Development Test Rating	Overall Bank/State/Multistate Rating
Century Bank, N.A.	Satisfactory	Satisfactory	Satisfactory
State and MSA:			
Texarkana MSA (Multistate)	Satisfactory	Satisfactory	Satisfactory
Texas	Satisfactory	Satisfactory	Satisfactory
Arkansas	Satisfactory	Satisfactory	Satisfactory