



PUBLIC DISCLOSURE

June 12, 2017

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

The MINT National Bank
Charter Number 24827

1213 Kingwood Drive
Kingwood, TX 77339

Office of the Comptroller of the Currency

1301 McKinney Street
Suite 1410
Houston, TX 77010-3031

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'S CRA RATING: This institution is rated Satisfactory

The MINT National Bank (MNB) has a Satisfactory record of meeting community credit needs. This is based on the following:

- The loan-to-deposit ratio (LTD) is more than reasonable, and the quarterly average was 91.8 percent for this evaluation period. This ratio is higher than competing banks in the Assessment Area (AA).
- A majority number of the bank's loans were originated outside the AA.
- Loan originations reflect an excellent penetration among businesses of different sizes within the bank's AA.
- The geographic distribution of loans reflects an excellent dispersion throughout the AAs.

SCOPE OF EXAMINATION

We conducted an evaluation of MNB to ensure compliance with the Community Reinvestment Act (CRA) within the bank's AA. MNB was evaluated under the Small Bank examination procedures, which includes the Lending Test. The Lending Test evaluates the bank's record of meeting the credit needs of its AA through its lending activities. This examination evaluated the bank's lending performance from January 1, 2015 through December 31, 2016.

We identified and focused our review on the bank's primary loan product, which is business loans. Business loans make up the majority share of the bank's loan portfolio by both number and dollar amount of loans. As of March 31, 2017, business loans represented 65 percent of the dollar amount of the portfolio and 52 percent of the total number of loans. The concentration of business lending is a part of the bank's overall business strategy.

MNB is not required to collect and report business loan data under the CRA. We selected a statistically valid sample of the bank's business loans to analyze the bank's lending practices for this product. We sampled a total of 99 loans.

DESCRIPTION OF INSTITUTION

MNB is a community bank chartered in January 2009 and headquartered in Kingwood, Texas. In August 2016, MNB became a wholly-owned subsidiary of The MINT Holdings, Inc. Kingwood is a community within the city of Houston, Texas and is mostly located in Harris County, with some areas located in Montgomery County. Kingwood is located approximately 23 miles northeast of downtown Houston.

As of March 31, 2017, MB had \$132 million in total assets. During the evaluation period, the bank's headquarters was the only full service location, also known as a Commercial Banking Office. The bank also offers full-service online banking as a convenience to its customers. The bank's headquarters is located in an upper-income census tract (CT). In addition to its Commercial Banking Office, the bank also has four Loan Production Offices (LPOs) located in Houston, Spring, Sugar Land, Texas, as well as in Iselin, New Jersey. These offices are not considered branch locations. The LPOs offer commercial equipment purchase loans, commercial real estate mortgage loans, Small Business Administration (SBA) commercial loans, and commercial construction loans. The majority of the bank's loan portfolio, 60 percent based on dollar volume, consists of commercial real estate loans. The LPO in Iselin, New Jersey was declared the bank's SBA Loan Division in December 2015. MNB has an established presence in the community primarily as a commercial lender, while providing limited retail lending products. There is an effort by management to meet the small business needs within its AA. This coincides with the bank's overall business strategy of focusing on small business term loans used for the acquisition, refinancing and improvement of business facilities.

The bank does not have any Automated Teller Machines (ATMs), drive-through facilities, or teller counters. Because of this, the bank reimburses customer's ATM fees when accessing cash through another institution's ATM. The bank offers an array of standard deposit products, loan products, and services to help meet the credit needs of its community. Banking hours are reasonable with lobby hours of 9:00 AM to 4:00 PM Monday through Friday. We did not identify any legal or financial impediments to the bank's ability to meet the credit needs of its AA.

The bank was rated "Satisfactory" at its last CRA evaluation dated November 7, 2011.

Please refer to the bank's Public File for additional information.

DESCRIPTION OF ASSESSMENT AREA

MNB has designated the entire Houston-The Woodlands-Sugar Land Metropolitan Statistical Area (Houston MSA) as the bank's primary AA. The Houston MSA encompasses nine counties and includes all of Harris, Fort Bend, Montgomery, Brazoria, Galveston, Liberty, Waller, Chambers, and Austin counties. The Houston MSA has a total of 1069 census tracts (CT) and includes 131 low-income CTs (12 percent), 306 moderate-income CTs (29 percent), 289 middle-income CTs (27 percent), 337 upper-income CTs (31 percent), and six CTs with no income designation (1 percent). According to the 2016 U.S. Census Bureau information, the Houston MSA has an estimated population of 6.7 million and is considered the fifth largest MSA in the United States. Of the population within the Houston MSA, approximately 13 percent of households are below the poverty level, 19 percent receive social security, and 11 percent are retired. The Bureau of Labor Statistics reports the unemployment rate as of April 2017 was 5.3 percent for the Houston MSA. The Housing and Urban Development (HUD) updated MSA median family income for 2016 was \$68,000.

The Houston MSA has a diversified economy with top industries centered in oil and gas exploration, medical research, and technology. Major employers in the Houston MSA include Shell Oil, Exxon Oil, CenterPoint Energy, United Airlines, and local and government offices. In addition, the Houston MSA is home to The Texas Medical Center, the largest medical center of hospitals in the world.

MNB's main office and three loan production offices (LPO) are located within the Houston MSA. In Harris County, MNB has a main office location and one LPO. There is one LPO in Montgomery County and one LPO located in Fort Bend County. According to the FDIC Market Share Report, as of June 30, 2016, local banking competition in the Houston AA is intense and includes branches of large national banks, regional banks, small community banks, and non-bank institutions. MNB has a .05 percent market share and is ranked 72nd in deposit market share out of a total of 99 financial institutions within the Houston MSA. The largest deposit competitors are JP Morgan Chase Bank, N.A., Wells Fargo Bank, N.A., Bank of America, N.A., and Compass Bank.

Harris County

Harris County is the largest county located in the Houston MSA and is the home to MNB's main office location. The county contains 786 CTs. CTs within the county include 121 low-income CTs (15 percent), 251 moderate-income CTs (32 percent), 183 middle-income CTs (23 percent), 228 upper-income CTs (29 percent), and three CTs with no income designation (1 percent). According to 2016 U.S. Census Bureau estimates, the county had a population of 4.6 million with a growth rate of 11 percent since the year 2010. The county seat is Houston, which is the largest city in Texas and the fourth largest city in the nation. The 2016 estimated population of Houston is 2.3 million, which is approximately half of the total population of the entire Harris County. The city of Houston is known as the Energy Capital of the United States. Other large cities in the county include Pasadena, Baytown, and Deer Park.

The economy of Harris County is stable despite the recent oil and gas downturn. As previously mentioned, Houston has the largest medical center in the world, the Texas Medical Center. The Port of Houston is the tenth largest port in the world and there are more than 5,000 energy related firms in the county. In addition, Harris County has many Independent School Districts (ISDs) that employ many people throughout the county. As of April 2017, the Bureau of Labor Statistics reported a 5.8 percent unemployment rate for the county.

During the evaluation period, the District Community Affairs Officer for the OCC made a contact with an organization in the Houston MSA. The contact was made with an organization in Harris County, the largest county in the Houston MSA. The organization is a minority owned company that provides strategic guidance to companies and individuals involved in business development as well as provides consulting on policy/regulatory issues. The representative stated that there is a credit need for small businesses in the area, specifically lending to start-up businesses as initial funding can be difficult. MNB's primary product is business loans, primarily small business lending. During the review period, MNB provided loans to small businesses in the AA.

Fort Bend County

Fort Bend County is located southwest of the Houston metropolitan area, within the Houston MSA. The county has 76 CTs, which includes eight moderate-income CTs (11 percent), 27 middle-income CTs (35 percent), 40 upper-income CTs (53 percent), and one CT with no income designation (1 percent). There are no low-income CTs in the county. Fort Bend County is considered the fastest-growing county in the U.S. and the 2016 U.S. Census population estimated the county to have a population of 741 thousand. The county seat is Richmond with 12 thousand residents. The largest city in Fort Bend County is Sugar Land with a population of 88 thousand. The economy in Fort Bend is stable with industries centered in food manufacturing, energy, education, and health care. Per the Greater Fort Bend Economic Development Council, the largest employers in the county include Flour Corporation, Methodist Hospital, and Schlumberger Technology Corporation. The Bureau of Labor Statistics reports an unemployment rate for Fort Bend County of 5 percent as of April 2017.

Galveston County

The County of Galveston is positioned along the Gulf Coast of Texas, southwest of the state of Louisiana. Galveston County includes the areas of the mainland Galveston, Galveston Bay, and Galveston Island. There are 66 CTs in the county, which include eight low-income CTs (12 percent), 17 moderate-income CTs (26 percent), 20 middle-income CTs (30 percent), 21 upper-income CTs (32 percent). As per the 2016 U.S. Census population estimates the county has a population of 329 thousand. The city of Galveston is the county seat and has approximately 50 thousand residents as of 2016. The largest city in the county is League City with approximately 96 thousand residents. Galveston is a major tourist destination and is a port of entry for cruise and cargo ships. Other industries include health care, higher education, and technology research.

Major employers are University of Texas Medical Branch, Landry's Inc., Galveston County, Galveston ISD, and Moody Gardens. Per the Bureau of Labor Statistics, the April 2017 unemployment for the county was 5.4 percent.

Montgomery County

Montgomery County is located 40 miles north of downtown Houston along Interstate 45. The county has a total of 59 CTs, which includes one low-income CTs (2 percent), nine moderate-income CTs (15 percent), 21 middle-income CTs (36 percent), and 28 upper-income CTs (47 percent). The U.S. Census Bureau estimates a 2016 population of 556 thousand for Montgomery County.

The city of Conroe is the county seat and has approximately 83 thousand residents. Montgomery County is home to Lake Conroe, a popular recreation area for local residents. Other large cities in the county include Willis and Oak Ridge North. The Montgomery County economy is stable. Major employers in the county include Conroe ISD, Hewitt Associates and Conroe Regional Medical Center. The economy of Montgomery County is stable. According to the Bureau of Labor Statistics reports the unemployment rate for the county of 4.7 percent as of April 2017.

Brazoria County

Brazoria County is in southeast Texas and has 50 CTs. The county has ten moderate-income CTs (20 percent), 23 middle-income CTs (45 percent), and 17 upper-income CTs (33 percent). The 2016 population estimates by the U.S. Census estimated the county to have a population of 354 thousand. The county seat is Angleton with 19 thousand residents. The largest city is Pearland with a population of 114 thousand. The economy of Brazoria is driven by the manufacturing, construction, and retail trade industries. The largest employers in Brazoria County are The Dow Chemical Company, Fluor Corporation, Zachary Group, and Alvin ISD. The Bureau of Labor Statistics reports that the unemployment rate was 5.5 percent as of April 2017.

Liberty County

Liberty County is situated between the cities of Houston and Beaumont along U.S. Highway 90. The county is within the eastern portion of the Houston MSA, which is known as the coastal prairie of Texas. The county is comprised of 14 CTs and includes one low-income CT (7 percent), five moderate-income CTs (36 percent), and eight middle-income CTs (57 percent). There are no upper-income CTs in the county. As of 2016, Liberty County has an estimated population of 82 thousand according to the U.S. Census Bureau. The city of Liberty is the county seat, which has an estimated population of 9 thousand as of 2016. Other major cities in the county include Dayton and Cleveland. The economy in Liberty County is driven by manufacturing, service, and the local government industries. Major employers in the area include the Liberty ISD, the Texas Department of Criminal Justice, and the local city government. The county reported an unemployment rate of 7.7 percent as of April 2017 according to the Bureau of Labor Statistics.

Waller County

Waller County is located on U.S. Highway 290, northwest of downtown Houston. Waller County has six CTs. There are two moderate-income CTs (33 percent), two middle-income CTs (33 percent), one upper-income CT (17 percent), and one CT with no income designation (17 percent) within the county. There are no low-income CTs in the county. The 2016 estimated population of Waller County is 50 thousand according to the U.S. Census Bureau. Hempstead is the county seat and the most populous city, with an estimated population of 7 thousand. Other cities in the county include Brookshire, Prairie View, and Waller. Waller County is home to Prairie View A & M University, the second oldest public institution for higher learning education in the state of Texas. Top industries in the area include educational and healthcare services, manufacturing, and professional and management services. Major employers include Prairie View A&M University, Igloo, Wal-Mart, and local ISDs throughout the county. The average unemployment rate in Waller County as of April 2017 was 5.1 percent according to the Bureau of Labor Statistics.

Chambers County

Chambers County is located southeast of the Houston metropolitan area, situated along the gulf coast of Texas. Chambers County is comprised of six CTs and includes two moderate-income CTs (33 percent), two middle-income CTs (33 percent), one upper-income CT (17 percent), and one CT that has no income designation (17 percent). The county does not contain any low-income CTs. According to the 2016 U.S. Census Bureau estimates, the county had a population of 40 thousand. The county seat is Anahuac with an estimated population of 4 thousand. Other cities in the county include Mont Belvieu, Winnie, and Monroe City. Manufacturing, trade, and local government services are considered the main industries in Chambers County. The largest employers in Chambers County include Anahuac ISD, Barbers Hill ISD, Bayer Corporation, and CEG Staffing Services. As of April 2017, the Bureau of Labor Statistics reported a 6.9 percent unemployment rate for Chambers County.

Austin County

Austin County is located between the city of Houston and the capital of Texas, Austin. Austin County has six CTs and includes two moderate-income CTs (29 percent), three middle-income CTs (57 percent), and one upper-income CT (14 percent). The county does not have any low-income CTs. Based on the U.S. Census Bureau estimates, Austin County's 2016 population was 30 thousand, which is approximately a 4.5 percent increase from the population counted in 2010. The county seat is Bellville with an estimated population of 4 thousand as of 2016. Other nearby cities in Austin County include Sealy and Wallis. Top employers in Austin County include Wal-Mart, Toyota Distribution, BAE Systems, and the local independent school districts throughout the county. According to the Bureau of Labor Statistics the Austin county unemployment averaged 4.7 percent as of April 2017.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Loan-to-Deposit Ratio

The LTD ratio is more than reasonable. As of March 31, 2017, the bank's quarterly LTD ratio since the prior CRA evaluation averaged 91.8 percent. We compared this ratio to a eight similarly situated institutions, all located within the bank's AA, with total assets ranging from \$103 million to \$202 million. For the same evaluation period, the average quarterly ratio of this peer group was 66.2 percent, ranging from a low of 19.3 percent to a high of 92.6 percent.

Lending in Assessment Area

A majority of loans were originated outside the AA. Based on reliable CT information, we used bank-provided information and sampled business loans originated within the review period. As shown in Table 1 below, only 43.43 percent of the number of loans and 40.79 percent of the dollar amount of loans were originated in the AA. A factor that influenced this ratio is that the bank's lending strategy which includes the opening of an SBA Loan Division in Iselin, New Jersey in December 2015. This SBA Loan Division/LPO actively solicits loans from various industries in the U.S., as the loans vary in location based on where the qualified SBA borrower is located. The result is that many of the bank's business loans are originated outside of the bank's AA. Given that majority of the loans were originated outside of the AA, this had an impact on the overall Lending Test. According to management, special effort is being made to develop prospects in the Great Houston area. The following table details MNB's lending in the AA by product type:

Loan Type	Number of Loans				Total	Dollars of Loans				Total
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Business Loans	43	43.43	56	56.57	99	25,756	40.79	37,393	59.21	63,149

Source: Bank-provided data.

Lending to Businesses of Different Sizes

The distribution of small business loans reflects excellent penetration to businesses of different sizes based on an analysis of the borrower's gross annual revenues. We compared the results of a statistically valid loan sample to Dunn & Bradstreet information regarding the size of businesses in the AA. MNB displays a noticeable focus on providing lending opportunities to small businesses within its AA. The bank's performance can be seen in the following table:

Table 2A - Borrower Distribution of Loans to Businesses in AA				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Businesses	85.28	5.78	8.94	100
% of Bank Loans in AA by #	86.05	13.95	0.00	100
% of Bank Loans in AA by \$	86.85	13.15	0.00	100

Source: Loan sample; Dunn & Bradstreet data.

Geographic Distribution of Loans

Overall, the bank’s lending to businesses reflects an excellent dispersion. Although there was a reasonable dispersion of loans in low-income CTs within the AA, we placed more weight on the dispersion of loans within the moderate-income CTs. This is mainly due to the higher percent of businesses in moderate-income CTs (19.34 percent) compared to the percent of businesses in low-income CTs (7.98 percent). Since there is excellent dispersion of loans in the moderate-income CTs as the bank’s lending exceeds the characteristics of the AA, we have designated an overall excellent dispersion in this area. The bank’s performance is shown in the following table:

Table 3A - Geographic Distribution of Loans to Businesses in AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
Commercial	7.98	4.65	19.34	25.58	25.25	39.53	47.37	30.23

Source: Data collected by bank; D & B data.

Responses to Complaints

The bank did not receive any CRA-related complaints during the evaluation period.

Fair Lending or Other Illegal Credit Practices Review

Pursuant to 12 C.F.R. 25.28(c), or 12 C.F.R. 195.28(c), in determining a national bank’s (bank) or Federal Savings Association’s (FSA) CRA rating, respectively, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank or FSA, or in any assessment area by an affiliate whose loans have been considered as part of the bank’s or FSA’s lending performance.

We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.