



PUBLIC DISCLOSURE

April 18, 2022

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

West Texas National Bank
Charter Number 24185

#6 Desta Drive, Suite 2400
Midland, TX 79705

Office of the Comptroller of the Currency

5001 West Loop 289, Suite 250
Lubbock, TX 79414

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, 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.

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Overall CRA Rating

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:

- A reasonable quarterly average net loan-to-deposit ratio of 62.9 percent during the evaluation period.
- A majority of loans sampled are within the bank's assessment areas (AAs).
- West Texas National Bank's (WTNB) geographic distribution of small business and consumer loans reflects an overall reasonable dispersion given the bank's performance context, business strategy, and location.
- WTNB's portfolio reflects an overall reasonable penetration of lending among businesses of different sizes and individuals of different income levels.
- WTNB demonstrates adequate responsiveness to the needs of its AAs through community development (CD) loans, qualified investments, and CD services.

Loan-to-Deposit Ratio

Considering the bank's size, financial condition, and credit needs of the AA(s), the bank's loan-to-deposit (LTD) ratio is reasonable.

The bank's quarterly average LTD ratio is 62.9 percent since the last CRA evaluation in June 2019. During that time, WTNB's quarterly net LTD ratio ranged from a low of 52.9 percent to a high of 69.7 percent. The average LTD ratio of five similarly situated banks with asset sizes between \$493 million and \$2 billion and operating within one or more of the AAs for the same period was 72.9 percent.

Loan-to-Deposit Ratios		
Institution	Total Assets (\$000s) as of 12/31/21	Quarterly Average Loan-to-Deposit Ratio
West Texas National Bank	1,803,065	62.86
Community National Bank	1,699,233	72.97
Southwest Bank	748,697	76.03
Bank of Texas	541,634	96.24
The State National Bank of Big Spring	493,609	21.01
FirstCapital Bank of Texas, National Association	2,041,502	85.54

Source: Institution Reports of Condition from 6/30/2019-12/31/2021

Lending in Assessment Areas

A majority of the bank's loans are inside its assessment areas (AAs).

The bank originated and purchased 90.6 percent of its total loans inside the bank's AAs during the evaluation period. This analysis is performed at the bank, rather than the AA, level. This percentage does not include extensions of credit by affiliates that may be considered under the other performance criteria. Note, a limited scope review was performed on the Odessa AA for 2019 due to minimal commercial originations (2) during 2019. Results by loan category are illustrated in the following table. Loans inside the AA are considered part of the geographical distribution analysis under the Lending Test.

Table D - Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Small Business										
Midland AA 2019*	20	66.7	10	33.3	30	58,310	55.2	47,378	44.8	105,688
Combined AA 2019*	20	80.0	5	20.0	25	3,007	7.8	35,727	92.2	38,734
Subtotal	40	72.7	15	27.3	55	61,317	42.5	83,105	57.5	144,422
Small Business										
CRA Data 2020	440	91.5	41	8.5	481	49,166	92.1	4,240	7.9	53,406
CRA Data 2021	424	91.0	42	9.0	466	47,999	86.3	7,650	13.7	55,649
Subtotal	864	91.2	83	8.8	947	97,165	89.1	11,890	10.9	109,055
Consumer										
Combined AA 2019*	24	88.9	3	11.1	27	241	87.6	34	12.4	276
Combined AA 2020*	24	96.0	1	4.0	25	322	95.6	15	4.4	337
Combined AA 2021*	29	100	0	0.0	29	304	100	0	0.0	304
Subtotal	77	95.1	4	4.9	81	867	94.6	49	5.3	917
Total	981	90.6	102	9.4	1,083	159,349	62.6	95,044	37.4	254,393
<i>Source: Bank Data, Sampling (*Indicates data based on loan sampling) Due to rounding, totals may not equal 100.0%</i>										

Description of Institution

WTNB is an intrastate community bank headquartered in Midland, Texas, located in the Permian Basin area of the state. WTNB is a wholly owned subsidiary of First West Texas Bancshares, Inc., a one-bank holding company that was formed in 2000 through a series of acquisitions and reported total assets of \$1.8 billion as of December 31, 2021.

The bank offers traditional loan and deposit products throughout its network. WTNB has eleven full-service branches throughout the West Texas Region (WTR) including 3 branches located in Midland, Texas. Other branch locations include the cities of Alpine, Crane, Denver City, Kermit, Odessa, Pecos, Seminole, and Terlingua. There are automatic teller machines (ATMs) at all branches plus numerous non-branch ATMs to increase accessibility. In 2018, WTNB began adding ATMs in adjacent markets to serve existing customers, attract new customers, and generate fee income with cash depositing

functionality at 44 of the approximately 48 ATMs. WTNB anticipates continuing to add deposit taking functionality to ATMs in markets where a brick and mortar is uneconomical to continue to serve its customer base. The bank also has 3 loan production offices (LPO) located in Dallas, Houston, and Lubbock, Texas.

During the evaluation period, WTNB converted the Odessa, Texas LPO into a full-service branch in June 2019. The branch was relocated within the Odessa MSA in May 2021. WTNB also opened a third LPO in Lubbock, Texas. Bank lobby hours vary by location but are generally Monday through Friday 9:00AM to 4:00PM with drive-through hours of 7:30AM to 6:00PM. Saturday drive-through services are provided at the Midland-Loop 250 and Alpine branches from 9:00AM to 1:00PM and 9:00AM to 12:00PM, respectively. WTNB also provides 24-hour online banking access to personal and business accounts through its website at www.wtnb.com or through the bank's mobile application, which offers bill pay and mobile deposit capabilities. Online account opening capabilities are expected to be added to the bank's online platform in 2022.

WTNB has designated the following three assessment areas: Midland Metropolitan Statistical Area (MSA) AA which is comprised of Midland County; Odessa MSA AA which consists solely of Ector County; and the West Texas Region (WTR) Combined AA which includes eleven non-MSA counties in Texas consisting of Brewster, Crane, Culberson, Gaines, Howard, Jeff Davis, Pecos, Reeves, Ward, Winkler, Yoakum Counties. Within these AAs, there are eleven total branches with three branch locations, including the bank's main office, in the Midland AA, one branch in the Odessa AA, and the remaining seven branches dispersed throughout West Texas.

As of December 31, 2021, WTNB reported total assets of \$1.8 billion with net loans and leases comprising nearly 48 percent of this total. Tier one leverage capital is 8.9 percent. WTNB's business strategy is completely correlated to the energy industry. WTNB is primarily a commercial lender and loan volumes are significantly concentrated in energy lending and other business loans. Energy lending includes exploration and production, reserve-based lending, midstream, and oilfield servicing and is driven by strong activity in the Permian Basin. Business lending includes commercial and industrial, commercial real estate, construction and development, and agricultural and farmland. WTNB also offers smaller dollar consumer loans for general and automotive purposes, and also has a mortgage lending department that offers traditional mortgages, home equity, home improvement, and interim construction loans.

The bank received a satisfactory rating at the June 24, 2019, CRA examination. WTNB has no legal, financial, or other factors impeding the bank's ability to help meet the credit needs in its AA during the evaluation period.

Scope of the Evaluation

Evaluation Period/Products Evaluated

The CRA evaluation period is January 1, 2019, through December 31, 2021. The OCC evaluated WTNB using intermediate small bank (ISB) CRA performance standards that include the Lending Test and Community Development (CD) Test. The Lending Test evaluates the bank's record of meeting the credit needs of its AAs through lending activities using the following performance criteria: loan-to-deposit ratio, lending in the assessment area, geographic distribution, borrower distribution, and

responses to CRA-related complaints. The CD Test evaluates the bank's responsiveness to the identified needs in its AAs through provision of CD lending, qualified investments, and CD services.

To evaluate the bank's lending performance, the OCC used bank submitted CRA Aggregate Data for 2020 and 2021, as well as selected a random sample of loans originated in 2019 based on identified primary products in each of the bank's AAs. Loans and CRA Data are evaluated against 2015 ACS Census Data and 2019, 2020, and 2021 D&B Data.

Primary loan types are those products originated at the highest percentage by number and/or dollar volume of loans and business strategy. The bank's primary loan product for the Midland and Odessa AAs is commercial loans, while primary products for the Combined Non-MSA AA, referred to as the WTR AA, are both commercial and consumer loans based on both dollar volume and number of loans originated.

Selection of Areas for Full-Scope Review

In each state where the bank has an office, one or more of AAs within that state was selected for a full-scope review. For purposes of this evaluation, bank delineated assessment areas located within the same metropolitan statistical area (MSA), multistate metropolitan statistical area (MMSA), or combined statistical area (CSA) are combined and evaluated as a single AA. Similarly, bank delineated non-MSA AAs within the same state are combined and evaluated as a single area. These combined AAs may be evaluated as full- or limited-scope. Refer to the "Scope" section under each State Rating for details regarding how full-scope AAs were selected. Refer to appendix A, Scope of Examination, for a list of full- and limited-scope AAs.

Ratings

The bank's overall rating is a blend of the state ratings, and where applicable, multistate ratings.

WTNB has only one rating area which is the State of Texas. The bank's overall rating is based on full-scope reviews of the three AAs within the state for 2020 and 2021 coupled with full scope reviews of the Midland AA and WTR Combined AA and a limited scope review of the Odessa AA in 2019 given that the bank was not required to report CRA data in 2019 and loan originations in the Odessa AA were minimal in 2019.

The MMSA rating and state ratings are based on performance in all bank AAs. Refer to the "Scope" section under each state and MMSA Rating section for details regarding how the areas were weighted in arriving at the respective ratings.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 CFR 25.28(c) or 195.28(c), respectively, in determining a national bank's or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any AA by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Bureau of Consumer Financial Protection, as applicable.

The OCC has not identified that this institution (or any affiliate whose loans have been considered as part of the institution's lending performance) has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

The OCC will consider any information that this institution engaged in discriminatory or other illegal credit practices, identified by, or provided to the OCC before the end of the institution's next performance evaluation in that subsequent evaluation, even if the information concerns activities that occurred during the evaluation period addressed in this performance evaluation.

State Rating

State of Texas

CRA rating for the State of Texas¹: Satisfactory

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Satisfactory

The major factors that support this rating include:

- A reasonable quarterly average net loan-to-deposit ratio of 62.9 percent during the evaluation period.
- A majority of loans sampled are within the bank's assessment areas (AAs).
- WTNB's geographic distribution of small business and consumer loans reflects an overall reasonable dispersion given the bank's performance context, business strategy, and location.
- WTNB's portfolio reflects an overall reasonable penetration of lending among businesses of different sizes and individuals of different income levels.
- WTNB demonstrates adequate responsiveness to the needs of its AAs through community development (CD) loans, qualified investments, and CD services.

Description of Institution's Operations in Texas

WTNB is a community bank located in Midland, Texas and is wholly owned by a one-bank holding company, First West Texas Bancshares, Inc. The bank offers traditional loan and deposit products across its eleven full-service branch and ATM network throughout the West Texas region. WTNB has designated the following three assessment areas: Midland MSA AA which is comprised of Midland County; Odessa MSA AA which consists solely of Ector County; and the WTR Combined AA which consists of eleven non-MSA counties in Texas including Brewster, Crane, Culberson, Gaines, Howard, Jeff Davis, Pecos, Reeves, Ward, Winkler, Yoakum Counties. These assessment areas meet legal requirements as they consist of whole geographies and do not arbitrarily exclude any low- or moderate-income census tracts. While the combined non-MSA AA includes counties that are not all contiguous, they are very nearly so, are all within the state of Texas, and share regional characteristic. Therefore, the non-MSA counties are combined for AA analysis purposes.

We contacted community organizations within the AAs to develop community profiles, identify community development opportunities, and measure participation by local financial institutions. A description of each assessment area follows.

Midland AA – Midland County

The Midland AA is the bank's primary AA when considering overall operations, branch network, and lending and deposit levels. The AA consists solely of Midland County, Texas and is comprised of 27 census tracts. The county has 1 low-income tract, 5 moderate-income tracts, 12 middle-income tracts, 8 upper-income tracts, and one tract designated N/A. Midland is the county seat of Midland County and is the largest city in the county. WTNB's main office and two branches are located in this AA.

Midland is a major center for oil and natural gas production, and the economy relies heavily on the success of the oil and gas industry. The Permian Basin is one of the most productive regions in the world and oil and gas related businesses are the key driver of growth in the region. The COVID-19 pandemic and lower demand led to a significant reduction in the price of oil in 2020 that directly impacted the AA. However, the economy has generally recovered and oil prices have rebounded. As such, economic conditions in the AA are stable to improving. While the oil and gas industry is key to Midland's economic success, aerospace, ranching, agriculture, health care, retirement, and transportation all play critical roles in Midland's diverse economy. Midland's retail service sector is both regionally based and national chain dominated. Unemployment peaked in mid-2020 at just over 12 percent but is 3.2 percent as of April 2022 compared to the Texas unemployment rate of 4.3 percent and national rate of 3.6 percent. Median family income and housing prices in the AA remain higher than other parts of the state due in large part to the performance of the local oil and gas industry, which continues to drive housing shortages due to demand in the area. The median family income for the AA ranged from \$79,100 in 2019 to \$98,000 in 2021.

WTNB is a key reserve-based lender in the Permian Basin with significant depth of knowledge in Energy Lending. The bank's primary lending strategy is to finance oil and gas exploration and production companies, midstream companies, and to a lesser extent, oilfield services companies through in-house originations, syndications, and participations. Lending opportunities have recently expanded as a result of the rebound of drilling activity in the area, as well as mergers, acquisitions, and divestiture of non-core properties among larger oilfield-related companies. Additionally, many energy lenders exited the space or significantly reduced exposures during and after the pandemic.

Competition in the AA is strong with 22 financial institutions holding 48 offices in the market. WTNB maintains a strong core deposit base and had a 6.8 percent market share of deposits in Midland County in 2021. Wells Fargo Bank, Community National Bank, Frost Bank, Bank of America, and FirstCapital Bank of Texas currently maintain higher market share percentages in the county than WTNB.

Community Contact

An individual representing a non-profit organization in Midland was interviewed for the purpose of identifying community development opportunities and understanding participation by local financial institutions. The contact noted that local institutions demonstrate active participation in meeting community credit needs by participating and donating time, resources, and money to organizations in the area that serve LMI individuals. Opportunities for further community development include affordable housing for individuals trying to enter the housing market that are not employed by oil and gas-related companies.

¹ This rating reflects performance within the state. The statewide evaluations do not reflect performance in the parts of those states contained within the MMSA.

Table A – Demographic Information of the Assessment Area						
Assessment Area: Midland MSA 2021						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	27	3.7	18.5	44.4	29.6	3.7
Population by Geography	151,290	3.1	17.3	45.1	34.5	0.0
Housing Units by Geography	56,735	2.7	14.3	45.7	37.3	0.0
Owner-Occupied Units by Geography	35,449	2.8	13.4	41.8	42.0	0.0
Occupied Rental Units by Geography	17,421	1.9	15.8	53.8	28.5	0.0
Vacant Units by Geography	3,865	5.5	15.7	44.8	34.0	0.0
Businesses by Geography	17,739	1.5	22.2	36.0	39.8	0.6
Farms by Geography	411	0.5	17.8	33.1	48.4	0.2
Family Distribution by Income Level	36,702	21.7	17.5	20.2	40.5	0.0
Household Distribution by Income Level	52,870	23.1	16.9	17.6	42.4	0.0
Median Family Income MSA - 33260 Midland, TX MSA		\$82,297	Median Housing Value			\$177,848
			Median Gross Rent			\$1,083
			Families Below Poverty Level			6.5%
<i>Source: 2015 ACS and 2020 D&B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

Odessa AA – Ector County

WTNB entered the Odessa market in October 2018 with an LPO. In June 2019, the LPO was converted to a small, full-service branch. In order to become more competitive in the Odessa market, WTNB secured a larger space to renovate and relocated the branch in May 2021 to a more accessible location. The new branch location is expected to provide the bank with both loan and deposit growth. The AA consists solely of Ector County, Texas and is comprised of 28 census tracts. The county has 1 low-income tract, 6 moderate-income tracts, 12 middle-income tracts, and 9 upper-income tracts. Odessa is the county seat of Ector County and is the largest city in the county. WTNB has one branch located in this AA.

Odessa's economy is primarily driven by the oil and gas industry in the area, as it is situated just above the Permian Basin. Outside of education, government, and healthcare industries, the city's major employers are concentrated in the oil and gas industry. Many major employers are oilfield supply companies and petrochemical processing companies. Unemployment in the county peaked in mid-2020 at just over 16 percent but is 5.8 percent as of April 2022 compared to the Texas unemployment rate of 4.3 percent and national rate of 3.6 percent. The median family income for the AA ranged from \$73,900 in 2019 to \$84,300 in 2021.

The bank's primary strategy in the AA is to leverage the bank's existing energy, commercial, agricultural, and consumer lending expertise to generate new loan customers. WTNB plans to provide both commercial and consumer products to this AA.

Competition in the AA is strong with 22 financial institutions holding 41 offices in the market. WTNB maintains a negligible market share of deposits at 0.03 percent in 2021, ranking 22nd. Complex Community, Prosperity Bank, American Momentum Bank, Frost Bank, JP Morgan Chase Bank, and Wells Fargo currently maintain the highest market share percentages in the county.

Table A – Demographic Information of the Assessment Area						
Assessment Area: Odessa MSA 2021						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	28	3.6	21.4	42.9	32.1	0.0
Population by Geography	149,557	2.2	22.3	40.7	34.8	0.0
Housing Units by Geography	55,357	2.3	22.3	39.1	36.3	0.0
Owner-Occupied Units by Geography	33,733	1.6	21.4	42.7	34.3	0.0
Occupied Rental Units by Geography	17,135	3.5	23.5	31.8	41.1	0.0
Vacant Units by Geography	4,489	3.0	24.8	39.7	32.5	0.0
Businesses by Geography	11,030	1.4	21.8	32.9	43.9	0.0
Farms by Geography	153	1.3	9.8	28.8	60.1	0.0
Family Distribution by Income Level	36,204	21.8	17.3	20.5	40.4	0.0
Household Distribution by Income Level	50,868	24.1	16.3	17.5	42.0	0.0
Median Family Income MSA - 36220 Odessa, TX MSA		\$64,450	Median Housing Value			\$112,941
			Median Gross Rent			\$901
			Families Below Poverty Level			11.0%
<i>Source: 2015 ACS and 2020 D&B Data</i>						
<i>Due to rounding, totals may not equal 100.0%</i>						
<i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

West Texas Region Combined AA – Brewster, Crane, Culberson, Gaines, Howard, Jeff Davis, Pecos, Reeves, Ward, Winkler, & Yoakum Counties

WTNB has a robust network of rural branches that comprise the bank's West Texas Division. The West Texas Division is spread out over a large geographic region of relatively low population density. Historically, the primary function of these branches is to boost total deposit growth. Branches in these rural areas continue to excel in their markets and maintain a strong presence. The AA, referred to in this report as the West Texas Region AA, includes non-MSA counties within the bank's West Texas footprint. The AA consists of eleven non-MSA counties in Texas including Brewster, Crane, Culberson, Gaines, Howard, Jeff Davis, Pecos, Reeves, Ward, Winkler, Yoakum Counties. While the combined non-MSA AA includes counties that are not all contiguous, they are very nearly so and share regional characteristics. The combined AA is comprised of 36 census tracts. The AA has zero low-income tracts, 5 moderate-income tracts, 18 middle-income tracts, and 13 upper-income tracts. WTNB has seven branches located in this AA in the cities of Alpine, Crane, Denver City, Kermit, Pecos, Seminole, and Terlingua. Additionally, deposit taking ATMs are dispersed throughout the combined AA counties.

The region's economy is also driven by oil and gas activity in and surrounding the region, as well as agriculture. Unemployment in the combined counties averaged just over 3 percent in 2021, which is

lower than both the Texas and national unemployment rates. The median family income for the AA ranged from \$57,000 in 2019 to \$60,100 in 2021.

The bank's primary lending strategy in the combined AAs is to provide commercial, agricultural, and consumer products to the AA. WTNB's oldest core competency is Agribusiness lending, consisting primarily of row crop and cattle financing. The dominant crop in the region is cotton, followed by peanuts, wheat, and other crops. The majority of the bank's agricultural lending occurs in Gaines and Yoakum Counties through the Seminole and Denver City branches. WTNB's agricultural lending focus is farm and ranch land loans, farm equipment and dealer loans, and crop production loans to a lesser degree. Commercial lending by dollar and consumer lending by number are the most prevalent in the Transpecos Region, which includes the cities of Alpine, Crane, Kermit, Pecos, and Terlingua. WTNB's consumer lending focus is on personal lines and installment loans, as well as direct auto loans. On a combined basis, the primary products in the AA are commercial loans by dollar and consumer loans by number.

Competition in the AA is strong with 30 financial institutions holding 47 offices in the various markets. WTNB ranks first in deposit market share with 17.9 percent and seven branches in the combined counties in 2021. The State National Bank of Big Spring, Transpecos Banks, First United Bank, Lone Star State Bank of West Texas, and The Pecos County State Bank maintain between 5.3 and 9.1 percent market share in the combined AA; however, competing institutions have fewer branches than WTNB in the AA.

Table A – Demographic Information of the Assessment Area						
Assessment Area: West Texas Region Combined AA 2021						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	36	0.0	13.9	50.0	36.1	0.0
Population by Geography	130,514	0.0	11.0	45.4	43.6	0.0
Housing Units by Geography	50,103	0.0	9.6	50.6	39.8	0.0
Owner-Occupied Units by Geography	29,390	0.0	8.5	44.4	47.1	0.0
Occupied Rental Units by Geography	12,102	0.0	11.6	55.1	33.3	0.0
Vacant Units by Geography	8,611	0.0	10.5	65.4	24.1	0.0
Businesses by Geography	7,530	0.0	7.1	53.2	39.7	0.0
Farms by Geography	443	0.0	5.9	54.0	40.2	0.0
Family Distribution by Income Level	28,307	18.0	14.6	19.0	48.4	0.0
Household Distribution by Income Level	41,492	21.6	13.8	15.3	49.4	0.0
Median Family Income Non-MSAs - TX		\$52,198	Median Housing Value			\$78,605
			Median Gross Rent			\$704
			Families Below Poverty Level			11.4%

*Source: 2015 ACS and 2020 D&B Data
Due to rounding, totals may not equal 100.0%
(* The NA category consists of geographies that have not been assigned an income classification.*

Scope of Evaluation in Texas

As previously noted, the institution has three AAs within the state. Each AA received a full-scope review for 2020 and 2021 using CRA data. A limited scope review of the Odessa AA was performed for 2019 given there were minimal loan originations in the AA in 2019. Refer to the table in appendix A for a list of all AAs under review. Consistent with the institution's primary lending focus in each AA, commercial loans were analyzed for the Midland and Odessa AAs and commercial and consumer loans were analyzed for the GWTR combined AA.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

The bank's performance under the Lending Test in the state of Texas is rated Satisfactory.

Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews of all AAs for 2020 and 2021 and a limited scope review of the Odessa AA for 2019, the bank's lending performance in the state of Texas is reasonable.

In 2019, the bank originated a minimal number of small business loans in the Odessa AA. As such, analysis of loans for the primary product type in the AA in 2019 is not meaningful.

Distribution of Loans by Income Level of the Geography

The bank exhibits reasonable geographic distribution of loans in the state.

Small Loans to Businesses

Refer to *Table Q* in the state of Texas section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

Midland AA

Based on CRA Data for 2020 and 2021, the geographic distribution of commercial loans reflects reasonable dispersion. Lending in moderate-income tracts is excellent while lending in low-income tracts is reasonable. The bank exceeded both the demographic and aggregate in moderate-income tracts. The bank was slightly below both the demographic and aggregate in low-income tracts; however, the bank's performance in low-income tracts is reasonable as it is largely comparable given the minimal lending reported by the demographic and aggregate data in the category. There is only one low-income tract out of 27 in the Midland AA.

Based on 2019 sampling, the geographic distribution of commercial loans reflects excellent dispersion. Lending in both low- and moderate-income tracts is excellent. The bank exceeded both the demographic and aggregate in low- and moderate-income tracts.

Odessa AA

Based on CRA Data for 2020 and 2021, the geographic distribution of commercial loans reflects reasonable dispersion. Lending in moderate-income tracts is excellent. The bank exceeded both the demographic and aggregate. There were no loans generated in low-income tracts. This is reasonable as it is comparable to the minimal lending reported by the demographic and aggregate data. There is only one low-income tract out of 28 in the Odessa AA.

For 2019, the bank did not originate a sufficient volume of small loans to businesses in the AA to conduct a meaningful analysis.

West Texas Region AA

Based on CRA Data for 2020 and 2021, the geographic distribution of commercial loans reflects reasonable dispersion. Lending in moderate-income tracts is reasonable. The bank is slightly below both the demographic and aggregate; however, lending within the tract is minimal overall at less than 10 percent for both the demographic and aggregate. There are no low-income tracts of the 36 tracts in the AA.

Based on 2019 sampling, the geographic distribution of commercial loans reflects excellent dispersion. Lending in moderate-income tracts is excellent. The bank significantly exceeded both the demographic and aggregate. There are no low-income tracts in the AA.

Consumer Loans

Refer to *Table U* in the state of Texas section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's consumer loan originations and purchases.

The bank originated a minimal number of consumer loans in the Midland and Odessa AAs. As such, an analysis is not meaningful for purposes of evaluating geographic distribution of the bank's consumer loan originations and purchases.

West Texas Region AA

The geographic distribution of consumer loans reflects excellent dispersion. WTNB's originations significantly exceeded the demographic in moderate-income tracts for 2019, 2020, and 2021. There are no low-income tracts in the AA.

Distribution of Loans by Income Level of the Borrower

The bank exhibits a reasonable distribution of loans to businesses of different sizes and individuals of different income levels given the product lines offered by the bank.

Small Loans to Businesses

Refer to *Table R* in the state of Texas section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's originations and purchases of small loans to businesses.

Midland AA

Based on CRA Data for 2020 and 2021, the distribution of borrowers reflects reasonable penetration among businesses of different sizes with consideration given to performance context. WTNB originated approximately 58.7 percent of loans to businesses with revenues less than or equal to \$1 million, which is significantly below the demographic of 84.4 percent. However, WTNB's proportion of small business loans significantly exceeds the aggregate of 34.5 percent. Additionally, businesses with revenues not available represented 19 percent of bank loans, which may have understated results. Regardless, WTNB's performance is consistent with its business strategy of lending to local energy-related companies, which are typically larger businesses that generate higher revenues.

Based on 2019 sampling, the distribution of borrowers reflects reasonable penetration among businesses of different sizes. WTNB originated 45 percent of loans to businesses with revenues less than or equal to \$1 million, which is significantly below the demographic of 82.9 percent. However, WTNB's proportion of small business loans exceeds the aggregate of 33.5 percent. Additionally, lending to businesses with revenues less than or equal to \$1 million was 95.7 percent by dollar.

Odessa AA

Based on CRA Data for 2020 and 2021, the distribution of borrowers reflects reasonable penetration among businesses of different sizes. WTNB originated 79.2 percent of loans to businesses with revenues less than or equal to \$1 million, which is comparable to the demographic of 81.9 percent and significantly exceeds the aggregate of 26.6 percent.

For 2019, the bank did not originate a sufficient volume of small loans to businesses in the AA to conduct a meaningful analysis.

West Texas Region AA

Based on CRA Data for 2020 and 2021, the distribution of borrowers reflects reasonable penetration among businesses of different sizes. WTNB originated 54.2 percent of loans to businesses with revenues less than or equal to \$1 million, which is significantly below the demographic of 78.4 percent but significantly exceeds the aggregate of 29.9 percent. Businesses with revenues not available represented 24.9 percent of bank loans, which may have understated results.

Based on 2019 sampling, the distribution of borrowers reflects reasonable penetration among businesses of different sizes. WTNB originated 50 percent of loans to businesses with revenues less than or equal to \$1 million, which is significantly below the demographic of 77.7 percent. However, WTNB's proportion of small business loans exceeds the aggregate of 33.7 percent. Additionally, lending to businesses with revenues less than or equal to \$1 million was 68.8 percent by dollar.

Consumer Loans

Refer to *Table V* in the state of Texas section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's consumer loan originations and purchases.

Consumer lending is not a primary product in the Midland or Odessa AAs. As such, these AAs were not analyzed for purposes of evaluating borrower distribution of the bank's consumer loan originations and purchases.

West Texas Region AA

The distribution of borrowers reflects reasonable penetration among individuals of different income levels. WTNB's originations in 2020 and 2021 exceeded the demographic for low- and moderate-income individuals. However, originations in 2019 to both low- and moderate-income individuals were below the demographic. WTNB added Jeff Davis and Howard Counties to the bank's AA post-2019, which added 4 moderate-income census tracts to the combined AA. As such, 2019 results are deemed reasonable overall.

Responses to Complaints

The bank did not receive any CRA-related complaints during the evaluation period, which has a neutral effect on the bank's overall performance.

Conclusion for the Odessa AA Limited Scope Review for 2019

Based on a limited-scope review of the Odessa AA for 2019 due to minimal loan originations, the bank's performance under the Lending Test in the Odessa AA overall is consistent with the bank's overall performance under the Lending Test in the full scope areas.

COMMUNITY DEVELOPMENT TEST

The bank's performance under the Community Development Test in the state of Texas is rated Satisfactory.

Conclusions for Areas Receiving Full-Scope Reviews

Based on a full-scope review, the bank exhibits adequate responsiveness to community development needs in the state through community development loans, qualified investments, and community development services, as appropriate, considering the bank's capacity and the need and availability of such opportunities for community development in the bank's assessment area(s).

Number and Amount of Community Development Loans

The Community Development Loans table below sets forth the information and data used to evaluate the bank's level of CD lending. The table includes all CD loans, including multifamily loans that also qualify as CD loans.

Community Development Loans				
<i>Assessment Area</i>	Total			
	#	% of Total #	\$ (000's)	% of Total \$
Midland	8	88.9	23,468	95.7
Odessa	0	0	0	0
West Texas Region Combined	1	11.1	1,042	4.3
Total	9	100	24,509	100

The level of CD lending reflects adequate responsiveness to the CD needs of the AAs. WTNB originated 9 qualifying CD loans during the evaluation period totaling \$24.5 million or roughly 16 percent of tier 1 capital as of March 31, 2022, with all loans benefitting the bank's AAs.

The majority of WTNB's qualifying CD loans, 8 loans totaling \$23.5 million, were originated in the Midland AA due to the bank's more prominent footprint in this AA coupled with significantly more CD initiatives and opportunities in the AA. Roughly 22 percent of the AA's census tracts are LMI. WTNB also originated 1 qualifying CD loan totaling just over \$1 million in the West Texas Region Combined AA. No CD loans were originated within the Odessa AA. Opportunities in the West Texas Region Combined AA are rare given the limited number of LMI census tracts (11 percent) coupled with no distressed or underserved tracts within the AA. Additionally, WTNB's presence in the Odessa AA was minimal during the vast majority of the evaluation period which led to a limited number of loan originations overall.

Midland AA

The bank's level of CD loans demonstrates adequate responsiveness to the needs of this AA when considering the bank's capacity, and the need and availability of such opportunities in this AA.

Examples of qualified CD loans in the Midland County AA include:

- One revolving line of credit for operating needs totaling \$15 million. The business is located in a moderate-income census tract and employs 1,080 individuals, and thus, promotes economic development for persons who are LMI through job creation and retention.
- Two Paycheck Protection Program (PPP) loans totaling \$5.9 million and \$1.5 million to community-oriented businesses located in moderate-income census tracts that provides stable employment to individuals in the area, particularly throughout the COVID-19 pandemic.

The remaining loans helped fund affordable housing and community services targeted to LMI individuals.

Odessa AA

The bank's level of CD loans demonstrates adequate responsiveness to the needs of this AA when considering the bank's capacity and the need and availability of such opportunities in this AA. There were no qualifying CD loans in the Odessa AA; however, this is reasonable given the nominal loan

activity in comparison to the other AAs during the evaluation period. In addition to the lack of opportunity given the limited number of LMI census tracts and no distressed or underserved tracts within the AA, WTNB's presence in the Odessa AA was minimal during the vast majority of the evaluation period. WTNB entered the AA in late 2018 via an LPO, converted the LPO to a full-service branch in mid-2019, and relocated the branch in May 2021. Additionally, the AA has strong competition with WTNB maintaining minimal market share. Increased presence going forward is expected to generate additional CD lending opportunities.

West Texas Region AA

The bank's level of CD loans demonstrates adequate responsiveness to the needs of this AA when considering the bank's capacity and the need and availability of such opportunities in this AA. The bank originated one qualifying CD loan for \$1 million in the Greater West Texas Region AA. However, this is reasonable given the nominal loan activity in comparison to the other AAs during the evaluation period and minimal LMI census tracts in the AA.

Number and Amount of Qualified Investments

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$ (000's)	#	\$ (000's)	#	% of Total #	\$ (000's)	% of Total \$	#	\$(000's)
Midland	4	6,798	6	12,368	10	40	19,166	61.1	1	633
Odessa	0	0	0	0	0	0	0	0	0	0
West Texas Region Combined	0	0	0	0	0	0	0	0	0	0
BSRA	4	4,998	5	5,479	9	36	10,478	33.4	4	1,972
MWOI Deposits	1	250	5	1,500	6	24	1,750	5.6	0	0
Total	9	12,046	16	19,347	25	100	31,393	100	5	2,605

* Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.

** Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

The Qualified Investments Table, shown above, sets forth the information and data used to evaluate the bank's level of qualified CD investments. The table includes all CD investments, including prior period investments that remain outstanding as of the examination date.

The level of CD investments reflects reasonable responsiveness to CD needs in the state. WTNB made twenty-five qualified investments, grants, and donations during the evaluation period, totaling \$31.4 million and representing 20 percent of tier 1 capital. Ten investments totaling \$19.2 million or over 61 percent of total qualified investments were made directly in the bank's AAs. All qualified investments specifically benefited low- or moderate-income individuals or supported organizations whose major purpose is revitalizing areas within the AAs. Investments beyond the bank's AAs are qualified as the bank demonstrated adequate responsiveness to its designated AAs. Nine investments totaling \$10.5 million along with four unfunded commitments totaling \$2 million either serve a Broader Statewide or Regional Area (BSRA) that includes the bank's AAs or areas beyond the bank's AA. There are also six deposits totaling \$1.8 million in qualifying minority- and women-owned (MWOI) institutions. Additionally, there were 20 grants towards Homebuyer Equity Leverage Partnership (HELP), which is a program by

* 'Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.

the Federal Home Loan Bank of Dallas (FHLB Dallas). Habitat for Humanity of Midland works with HELP to provide loans for first-time homebuyers.

Midland AA

The bank's level of CD investments demonstrates adequate responsiveness to the needs of this AA when considering the bank's capacity and the need and availability of such opportunities in this AA.

The majority of the bank's qualified investments were made in the Midland AA, where most of the bank's business activity is concentrated and opportunities are more readily available. Examples of qualified investments in the Midland AA include:

- Four investments totaling approximately \$10 million or 32 percent to economic development and community service organizations for LMI individuals.

Odessa AA

The bank's level of CD investments demonstrates poor responsiveness to the needs of this AA when considering the bank's capacity and the need and availability of such opportunities in this AA. There were no qualifying CD investments in the Odessa AA; however, this is reasonable given the nominal loan activity in comparison to the other AAs during the evaluation period and minimal distressed or underserved census tracts in the AA.

West Texas Region AA

The bank's level of CD investments demonstrates poor responsiveness to the needs of this AA when considering the bank's capacity and the need and availability of such opportunities in this AA. There were no qualifying CD investments in the West Texas Region Combined AA; however, this is reasonable given the nominal loan activity in comparison to the other AAs during the evaluation period and minimal distressed or underserved census tracts in the AA.

Extent to Which the Bank Provides Community Development Services

The level of CD services reflects overall adequate responsiveness to CD needs in the bank's assessment areas with respect to the number of contributed hours, the number of employees actively involved, and the number and diversity of the type of non-profit organizations they serve. The bank met this need primarily through bank employee financial expertise and volunteer support during the pandemic. CD service activities are responsive to the needs of low- and moderate-income individuals. During the evaluation period, WTNB contributed 1,214 qualified service hours across 20 agencies and organizations engaged in CD activity. The majority of service hours, 886 hours, or 73 percent, occurred in the Midland AA due to the larger number of employees residing in this area, more prominent bank footprint, and availability of opportunities to serve the local community. The largest percentage of service hours, 35 percent, benefitted the Midland Community Development Corporation (MCDC). CFO CJ Edgmon serves on the Board for the MCDC, which is a federally certified Community Development Financial Institute that provides financing and education to small businesses and first-time home buyers in low- and moderate-income areas within the AA. Employees contributed 80 service hours or 7 percent in the West Texas Region Combined AA and 56 hours or 5% in the Odessa AA. The remaining 192 service hours or 16 percent occurred throughout the bank's AAs and were not centralized in one specific AA. Service opportunities during the evaluation period throughout the AAs were hindered by the

COVID-19 pandemic due to associated shutdowns and restrictions. However, bank employees were able to provide comparable levels of aggregate service hours compared to the prior evaluation.

Midland AA

The bank's level of CD services demonstrates adequate responsiveness to the needs of this AA when considering the bank's capacity and the need and availability of such opportunities in this AA.

Examples of qualified services in the Midland AA include:

- 307 hours provided by one employee that serves as a board member for a certified Community Development Financial Institute dedicated to providing financing and education to small businesses and first-time home buyers in LMI areas.
- 214 hours provided by multiple employees that volunteer for a non-profit organization that raises and deploys funds to provide emergency assistance for LMI individuals in crisis situations in the local community.
- 105 hours provided by multiple employees that provide financial education to youth in the community.
- 104 hours provided by multiple employees that dedicate time to a non-profit organization that promotes affordable housing, including facilitating FHLB grants to pay closing costs or down payments for approved recipients.

Odessa AA

The bank's level of CD services demonstrates adequate responsiveness to the needs of this AA when considering the bank's capacity and the need and availability of such opportunities in this AA. Service hours dedicated specifically to the AA are minimal at 5 percent; however, this is reasonable given the bank's lack of presence in the AA via a full-service branch during portions of the evaluation period coupled with 192 service hours or 16 percent that serve the Odessa AA concurrently with other bank AAs.

Examples of qualified services in the Odessa AA include:

- 24 hours provided by one employee that volunteers for a local organization that provides various services to LMI individuals, including healthcare, youth programs, and alcohol and drug recovery.
- 12 hours provided by one employee who serves as an advisory board member for a local organization whose focus is revitalizing and stabilizing LMI geographies within the AA and promoting economic development.

West Texas Region AA

The bank's level of CD services demonstrates adequate responsiveness to the needs of this AA when considering the bank's capacity and the need and availability of such opportunities in this AA.

Examples of qualified services in the West Texas Region Combined AA include:

- 52 hours provided by one employee who served as a board member for a local non-profit organization that promotes serving the community and meeting humanitarian needs with a focus on LMI residents in the city.
- 25 hours provided by one employee that serves as president of a local non-profit organization that promotes serving the community and meeting humanitarian needs with a focus on LMI residents in the city.

Other service hours include 96 hours by one employee that serves on the board and a committee at a local organization that provides free or low-cost counseling services to individuals across the region and 78 hours by multiple employees that are board members, committee members, or volunteer to serve a local non-profit that provides free services to individuals affected by domestic and sexual violence, including shelter and counseling.

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 MSA(s) and non-MSA(s) 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:	01/01/2019 to 12/31/2021	
Bank Products Reviewed:	Commercial, Consumer Loans Community Development Loans, Qualified Investments, Community Development Services	
Affiliate(s)	Affiliate Relationship	Products Reviewed
N/A	N/A	N/A
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
Midland AA	Full Scope	MSA, Midland County
Odessa AA	Full Scope (2020-2021) Limited Scope (2019)	MSA, Ector County
West Texas Region AA (Combined Non-MSA AA)	Full Scope	Non-MSA; Brewster, Crane, Culberson, Gaines, Howard, Jeff Davis, Pecos, Reeves, Ward, Winkler, and Yoakum Counties

Appendix B: Summary of MMSA and State Ratings

RATINGS West Texas National Bank			
Overall Bank:	Lending Test Rating*	CD Test Rating	Overall Bank/State/Multistate Rating
	Satisfactory	Satisfactory	Satisfactory
State:			
Texas	Satisfactory	Satisfactory	Satisfactory

(*) The Lending Test and Community Development Test carry equal weight in the overall rating.

Appendix C: Definitions and Common Abbreviations

The following terms and abbreviations are used in this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

Affiliate: Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. For example, a bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Aggregate Lending (Aggt.): The number of loans originated and purchased by all reporting lenders (HMDA or CRA) in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

Census Tract (CT): A small, relatively permanent statistical subdivision of a county delineated by a local committee of census data users for the purpose of presenting data. Census tracts nest within counties, and their boundaries normally follow visible features, but may follow legal geography boundaries and other non-visible features in some instances, Census tracts ideally contain about 4,000 people and 1,600 housing units.

Combined Statistical Area (CSA): A geographic entity consisting of two or more adjacent Core Based Statistical Areas with employment interchange measures of at least 15. An employment interchange measure is a measure of ties between two adjacent entities. The employment interchange measure is the sum of the percentage of workers living in the smaller entity who work in the larger entity and the percentage of employment in the smaller entity that is accounted for by workers who reside in the larger entity.

Community Development (CD): 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 Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; or activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas.

Community Reinvestment Act (CRA): The statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its entire community, including LMI areas, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

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, 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).

Full-Scope Review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

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 conduct 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 applicants, the amount of loan requested, the disposition of the application (e.g., approved, denied, and withdrawn), the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

Home Mortgage Loans: A closed-end mortgage loan or an open-end line of credit as these terms are defined under 12 CFR 1003.2, and that is not an excluded transaction under 12 CFR 1003.3(c)(1) through (c)(10) and (c)(13).

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.

Limited-Scope Review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

Low-Income Individual: Individual income that is less than 50 percent of the area median income.

Low Income Geography: A census tract with a median family income that is less than 50 percent.

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 state/assessment area.

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. The median is the point at which half of the families have income above, and half below, a range of incomes. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above, and half below, a range of incomes.

Metropolitan Division: As defined by Office of Management and Budget, a county or group of counties within a Core Based Statistical Area that contains an urbanized population of at least 2.5 million. A Metropolitan Division consists of one or more main/secondary counties that represent an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area: An area, defined by the Office of Management and Budget, as a core based statistical area associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

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.

Rating Area: A rated area is a state or multi-state metropolitan statistical 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 multi-state metropolitan statistical area, the institution will receive a rating for the multi-state metropolitan statistical 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) 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.

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.

Tier 1 Capital: The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

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

Appendix D: Tables of Performance Data

Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan statistical areas, if applicable, are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: (1) purchased are treated as originations; and (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all HMDA or CRA-reporting lenders in the MMSA/assessment area. Deposit data are compiled by the FDIC and are available as of June 30th of each year. Tables without data are not included in this PE.

The following is a listing and brief description of the tables included in each set:

- Table O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents aggregate peer data for the years the data is available.
- Table P. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MMSA/assessment area. The table also presents aggregate peer data for the years the data is available.
- Table Q. Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses that were originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) in those geographies. Because aggregate small business data are not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank’s assessment area.
- Table R. Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenue** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to: 1) the percentage distribution of businesses with revenues of greater than \$1 million; and, 2) the percentage distribution of businesses for which revenues are not available. The table also presents aggregate peer small business data for the years the data is available.
- Table S. Assessment Area Distribution of Loans to Farms by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-,

and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents aggregate peer data for the years the data is available. Because aggregate small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.

- Table T. Assessment Area Distribution of Loans to Farms by Gross Annual Revenues -** Compares the percentage distribution of the number of small loans (loans less than or equal to \$500 thousand) originated and purchased by the bank to farms with revenues of \$1 million or less to: 1) the percentage distribution of farms with revenues of greater than \$1 million; and, 2) the percentage distribution of farms for which revenues are not available. The table also presents aggregate peer small farm data for the years the data is available.
- Table U. Assessment Area Distribution of Consumer Loans by Income Category of the Geography -** Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households in those geographies.
- Table V. Assessment Area Distribution of Consumer Loans by Income Category of the Borrower -** Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of households by income level in each MMSA/assessment area.

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography 2019

Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
West Texas Region Combined AA	20	3,007	50	2,220	0	0	0	7.4	25	6.1	53.2	10	45	39.5	65	48.8	0	0	0
Midland AA	20	58,310	50	4,816	1.6	5	1.7	22.7	25	17.6	36.6	40	40.2	38.4	30	39.9	0.7	0	0.5
Total	40	61,317	100	7036	0.8	2.5	1.2	15.1	25	16.6	44.9	25	39.9	40	47.5	42	0.4	0	0.2

Source: 2019 D&B Data; 01/01/2019 - 12/31/2019 Bank Data; 2019 CRA Aggregate Data, "--" data not available.
 Due to rounding, totals may not equal 100.0%

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography 2020-21

Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
West Texas Region Combined AA	445	33,868	51.5	2,256	0	0	0	7.1	3.4	5.6	53.2	35.5	43.4	39.7	61.1	51	0	0	0
Midland AA	395	58,197	45.7	5,404	1.5	0.5	2.2	22.2	36.5	19.8	36	23.5	36.2	39.8	39.5	41.5	0.6	0	0.4
Odessa AA	24	5,100	2.8	3,562	1.4	0	0.9	21.8	25	21.4	32.9	37.5	36.1	43.9	37.5	41.5	0	0	0
Total	864	97,165	100	11,222	1.1	0.2	1.3	18.9	19.1	17.5	38.6	30.1	37.6	41	50.6	43.4	0.3	0	0.2

Source: 2021 D&B Data; 01/01/2020 - 12/31/2021 Bank Data; 2020 CRA Aggregate Data, "--" data not available.
 Due to rounding, totals may not equal 100.0%

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues												2019
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans	
West Texas Region Combined AA	20	3,007	50	2,220	77.7	50	33.7	4.8	50	17.5	0	
Midland AA	20	58,310	50	4,816	82.9	45	33.5	6.2	55	10.9	0	
Total	40	61,317	100	10,613	81.2	47.5	32.7	5.5	52.5	14.2	0	
<i>Source: 2019 D&B Data; 01/01/2019 - 12/31/2019 Bank Data; 2019 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>												

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues												2020-21
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans	
West Texas Region Combined AA	445	33,868	51.5	2,256	78.4	54.2	29.9	4.5	20.9	17.1	24.9	
Midland AA	395	58,197	45.7	5,404	84.4	58.7	34.5	5.4	22.3	10.3	19	
Odessa AA	24	5,100	2.8	3,562	81.9	79.2	26.6	5.7	16.7	12.3	4.2	
Total	864	97,165	100	11,222	82.4	56.9	31.1	5.3	21.4	12.3	21.6	
<i>Source: 2020 D&B Data; 01/01/2020 - 12/31/2021 Bank Data; 2020 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>												

Table U: Assessment Area Distribution of Consumer Loans by Income Category of the Geography														2019-21	
Assessment Area:	Total Consumer Loans			Low-Income Tracts		Moderate-Income Tracts		Middle-Income Tracts		Upper-Income Tracts		Not Available-Income Tracts			
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans		
West Texas Region Combined AA 2019	24	241,713	31.2	0	0	9.4	33.3	47.5	25	43	41.7	0	0		
West Texas Region Combined AA 2020	24	322,210	31.2	0	0	9.4	45.8	47.5	12.5	43	41.7	0	0		
West Texas Region Combined AA 2021	29	304,238	37.7	0	0	9.4	51.7	47.5	3.5	43	44.8	0	0		
Total	77	868,161	100	0	0	9.4	44.2	47.5	13	43	42.9	0	0		

Source: 2015 ACS Census; 01/01/2019 - 12/31/2021 Bank Data.
Due to rounding, totals may not equal 100.0%

Table V - Assessment Area Distribution of Consumer Loans by Income Category of the Borrower														2019-21	
Assessment Area:	Total Consumer Loans			Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Not Available-Income Borrowers			
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans		
West Texas Region Combined AA 2019	24	241,713	31.2	21.6	8.3	13.8	4.2	15.3	25	49.4	62.5	0	0		
West Texas Region Combined AA 2020	24	322,210	31.2	21.6	37.5	13.8	20.8	15.3	0	49.4	41.7	0	0		
West Texas Region Combined AA 2021	29	304,238	31.2	21.6	51.7	13.8	17.2	15.3	10.3	49.4	20.7	0	0		
Total	77	868,161	100	21.6	33.8	13.8	14.3	15.3	11.7	49.4	40.3	0	0		

Source: 2015 ACS Census; 01/01/2019 - 12/31/2021 Bank Data.
Due to rounding, totals may not equal 100.0%