



PUBLIC DISCLOSURE

July 25, 2022

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Texas Republic Bank, National Association
Charter Number: 12308

2595 Preston Road, Building 100
Frisco, TX 75034

Office of the Comptroller of the Currency

225 E. John Carpenter Fwy
Suite 900
Irving, TX 75062

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 major factors that support this rating include:

- The Lending Test rating is based on performance in the bank's assessment areas (AAs).
- The Loan-To-Deposit (LTD) ratio is more than reasonable.
- A majority of the bank's loans are inside its AA.
- The geographic distribution of loans across geographies of different income levels is reasonable.
- The borrower distribution of loans to borrowers of different income levels and businesses of different sizes is reasonable.

Loan-to-Deposit Ratio

Considering the bank's size, financial condition, and credit needs of the AA(s), the bank's loan-to-deposit ratio is **more than reasonable**. The LTD ratio is calculated on a bank-wide basis. The bank's quarterly average LTD ratio during the evaluation period was 101.1 percent. We compared the bank's LTD ratio to similarly situated institutions operating in the area. The average LTD ratio for the peer banks was 83.0 percent.

Lending in Assessment Area

A **majority** of the bank's loans were inside its assessment area(s) (AAs).

The bank originated and purchased 79.6 percent of its total loans inside the bank's AAs during the evaluation period. This analysis was performed at the bank level. This percentage does not include extensions of credit by affiliates that may be considered under the other performance criteria. The Lending Test included a review of the bank's mortgage loans, small loans to businesses, and consumer loans; therefore, other loan categories are not included in the table. The findings from this analysis factored into the overall analysis of the geographic distribution of lending by income level of the geography.

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		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2019-2021	236	79.5	61	20.5	297	77,197	79.5	19,891	20.5	97,088
Small Business										
2019-2021	51	85.0	9	15.0	60	22,918	86.7	3,508	13.3	26,427
Consumer										
2019-2021	45	75.0	15	25.0	60	224	66.4	113	33.6	337
Total	332	79.6	85	20.4	417	100,339	81.0	23,512	19.0	123,852
<i>Source: Bank Data</i> <i>Due to rounding, totals may not equal 100.0%</i>										

Description of Institution

Texas Republic Bank (TRB or bank) is a community bank headquartered in Frisco, which is located in Collin County, Texas. TRB is a full-service community bank offering traditional loan and deposit products and services to individuals and businesses. The bank was chartered in 1891 and operates within the state of Texas. TRB is 100 percent owned by TXRB Holdings, Inc. The bank’s main office is located at 2595 Preston Road in Frisco, Texas. In addition to its main office, TRB operates one branch in Richardson, Texas and one in Quanah, Texas (under the name Security Bank). During the evaluation period, the bank opened one branch in Celina, Texas in 2021 and a Loan Production Office located in Melissa, Texas in 2019. The main office, Richardson and Celina branches, and the Melissa LPO are located in the Dallas-Plano-Irving (DPI) Metropolitan Division (MD) which is part of the Dallas/Fort Worth (DFW) Metropolitan Statistical Area (MSA) There was no merger and acquisition activity affecting the bank operations since the previous CRA evaluation.

TRB offers a variety of credit products including commercial, commercial real estate, consumer, residential, and agricultural loans. The bank lobby is open Monday through Friday from 9:00 a.m. to 4:00 p.m. With the exception of the Celina branch, the other branches have a drive-thru. Drive-thru hours are Monday through Friday from 8:30 a.m. to 5:00 p.m. The bank does not have ATMs. The bank’s lending focus differs between the locations in the DFW MSA and Quanah. The Quanah branch is located approximately 3 hours from the main office in Frisco, Texas. Loans originated in DFW MSA are primarily residential and commercial. The focus in Quanah is primarily consumer and some agricultural lending. The bank offers deposit products such as checking, savings, money market, and time deposit accounts.

TRB’s physical offices are its primary delivery system for retail products and services. Below are the locations and geographies of the bank’s locations in Texas:

- 2595 Preston Road Suite #100 Frisco, Texas 75034 (Main Office) – CT 0305.05 – Middle-income CT (Collin County)

- 690 W. Campbell Road Suite #100 Richardson, Texas 75080 – CT 0192.10 – Upper-Income CT (Dallas County)
- 1212 S Preston Road Suite #100 Celina, TX 75009 – CT 0303.05 – Upper-Income CT (Collin County)
- 211 Main Street Quanah, TX 79252 – CT 9501.00 – Middle-Income CT (Hardeman County)

The bank also has one loan production office located at:

- 1707 W Cooper Street Melissa, TX 75454 – CT 0302.03 – Middle-Income CT (Collin County)

TRB has two defined assessment areas (AAs) located in Texas that will be assessed under this evaluation. The Dallas AA which is comprised of the Collin, Dallas, and Denton counties and the Hardeman County AA, which is comprised of Hardeman County. The Dallas AA is located with the DPI MD, which is part of the DFW MSA. Hardeman County is not within an MSA.

As of December 31, 2021, TRB reported total assets of \$424.3 million, liabilities of \$380.4 million, and total equity of \$43.9 million. The Tier One capital ratio was 10.69 percent. Gross loans totaling \$310.6 million represent 73.2 percent of total assets. Commercial, commercial real estate, and residential mortgage loans account for the largest percentage of gross loans at 11.9 percent, 57.2 percent, and 30.9 percent of total assets, respectively. Consumer loans account for only 0.4 percent of total assets. Investments totaled \$102 million.

The previous CRA evaluation dated May 13, 2019, assigned a “Satisfactory” rating to the bank. The bank does not have affiliate relationships. There are no legal, financial or other factors impeding the bank’s ability to help meet the credit and community development needs in its AAs during the evaluation period.

Scope of the Evaluation

Evaluation Period/Products Evaluated

TRB is subject to the Small Bank CRA evaluation procedures. As such, this Performance Evaluation (PE) assesses the bank’s performance under the Lending Test. In evaluating the bank’s lending performance, we reviewed residential mortgage loans subject to filing under the Home Mortgage Disclosure Act (HMDA) for 2019-2021 and a sample of 60 small business loans for the Dallas AA. We also sampled 60 consumer loans for the Hardeman County AA as we determined this was the only primary product for this AA. The evaluation period for the Lending Test was January 1, 2019, through December 31, 2021.

For geographic and borrower distribution analyses, loans are compared to the 2015 American Community Survey (ACS) Census data for residential mortgages and the 2020 Dun & Bradstreet (D&B) Data for loans to small businesses.

Selection of Areas for Full-Scope Review

We selected the bank’s two AAs, the Dallas AA and the Hardeman County AA, for full-scope reviews. Because the primary products in the two AAs are different, we conducted full-scope reviews of the two

AAs. Refer to the “Scope” section under the State Rating for details regarding how full-scope AAs were selected. Refer to appendix A, Scope of Examination, for a list of full-scope AAs.

Ratings

The bank’s overall rating is based on the performance in the state of Texas. The state rating is based on performance in all bank AAs with the most weight placed on the Dallas AA. For the geographic and borrower distribution of loans under the Lending Test, consideration was given to the number of loans and dollar volume of loans originated in each category. In the Dallas AA, lending to small businesses received the most weight and then residential mortgage loans were considered. In the Hardman County AA, the primary product is consumer lending. Refer to the “Scope” section under the State 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 banks 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 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 Texas: Satisfactory

The Lending Test is rated: Satisfactory

The major factors that support this rating include:

- The geographic distribution of loans across geographies of different income levels is reasonable.
- The borrower distribution of loans to borrowers of different income levels and businesses of different sizes is reasonable.

Description of Institution's Operations in Texas

The bank operates in two AAs in the State of Texas as described in the "Description of the Institution" and the "Scope of Evaluation" sections of this PE. The bank's primary focus based on overall dollar amounts held in portfolio is business loans and residential mortgage loans. However, in the Hardeman County AA, the primary product is consumer lending.

Competitors include other local community banks and some of the United States' largest banks that have a nationwide footprint as well as credit unions and nonbank financial entities that compete for residential, business, and consumer loans. Community credit needs in the full-scope AAs were determined by reviewing recent housing and demographic information, CRA PEs from other banks operating in the bank's AAs, and a review of community contacts with organizations that provide services within the full-scope AAs.

Dallas AA

The Dallas AA is very competitive with a number of largest US banks and many other community banks. According to the peer market share report, TRB has a market share of 0.02 percent and ranks 348th out of 1,044 lenders. According to the deposit market share report, in this AA, the bank has a market share of 0.20 percent and ranks 63rd out of 167 lenders. The bank has three branches in this AA out of 1,024 total bank branches in the AA.

Based on the FDIC Summary of Deposits, the bank had total deposits of \$322.68 million as of June 30, 2021, and four bank locations. The main office has \$229.89 million in deposits, the Celina office reports \$5.72 million in deposits, and the Richardson office has \$67.42 million in deposits. The Dallas AA has total deposits of \$303.03 million or 93.91 percent of the bank's total deposits.

As noted in the table below, the Dallas AA includes 818 contiguous census tracts in Dallas, Collin, and Denton Counties and it is located within the DPI MD. Dallas county has 529 CTs of which, 107 are low-income, 187 are moderate-income, 110 are middle-income, 120 are upper-income, and five are unknown. Collin county has 152 CTs of which two are low-income, 14 are moderate-income, 28 are

middle-income, 107 are upper-income, and one unknown. Denton county is comprised of 137 CTs, six are low-income, 17 are moderate-income, 51 are middle-income, and 63 are upper-income. Only 14.1 percent of the CTs are low-income and 26.7 percent are moderate-income CTs. The Dallas AA does not have any distressed or underserved CTs.

The median family income in the Dallas AA is \$71,149. This area has 11.7 percent of families below the poverty level, and low-income families make less than \$35,575 per year. Moderate-income families make no more than \$56,919 per year. With the median housing value being \$191,530 and increasing every year, it is becoming more difficult for low- and moderate-income borrowers to obtain affordable housing. While median gross rent is elevated at \$998 per month, rental properties offer low- and moderate-income families a more affordable option for housing. According to Moody' Analytics, the strong rise in house prices has reduced affordability by approximately 10 percent and rising mortgage rates will now become another challenge for affordable housing in the near future.

Dallas, Collin, and Denton Counties are adjacent urban counties located in the north central part of Texas. The AA has a population of 4,079,069. There are 1,558,907 housing units in the AA with 52.6 percent owner-occupied, 40.0 percent renter-occupied and 7.3 percent vacant. In this AA, 24 percent of the households are low-income and 16.6 percent are moderate-income. Middle-income and upper-income families represent 17.4 and 41.9 percent of the population, respectively.

There are 482,057 businesses in the AA. Of these businesses, 88.6 percent reported gross annual revenue of less than or equal to \$1 million and 4 percent reported gross annual revenue greater than \$1 million. Because reporting is voluntary, 7.5 percent of the businesses did not report revenues.

For this examination, we used the community contact information conducted in connection with the CRA examinations of other banks and it disclosed that financing for start-up businesses is a continued credit need for the area. The contact indicated that the Dallas metropolitan area has experienced significant economic growth primarily due to businesses in the area along with the redevelopment of retail spaces. According to the contact, finance and technology sectors appear to be the two driving industrial sectors responsible for growth recently. The contact stated that local institutions have a good reputation overall within the community.

Dallas AA

Table A – Demographic Information of the Assessment Area						
Assessment Area: Dallas AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	818	14.1	26.7	23.1	35.5	0.7
Population by Geography	4,079,069	12.5	26.8	24.8	35.7	0.2
Housing Units by Geography	1,558,907	13.2	24.9	25.5	36.2	0.3
Owner-Occupied Units by Geography	820,462	5.7	20.9	25.9	47.5	0.2
Occupied Rental Units by Geography	623,919	21.2	29.7	25.5	23.1	0.5
Vacant Units by Geography	114,526	23.2	27.3	22.9	26.2	0.5
Businesses by Geography	482,057	7.2	17.6	25.3	48.9	0.9
Farms by Geography	7,632	5.5	16.9	28.0	48.9	0.7
Family Distribution by Income Level	985,933	24.0	16.4	17.3	42.3	0.0
Household Distribution by Income Level	1,444,381	24.0	16.6	17.4	41.9	0.0
Median Family Income MSA - 19124 Dallas-Plano-Irving, TX		\$71,149	Median Housing Value			\$191,530
			Median Gross Rent			\$998
			Families Below Poverty Level			11.7%
<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>						

Hardeman County AA

The Hardeman County AAs is comprised of one middle-income level CT that is designated as distressed or underserved. This CT includes the only branch of the bank in Quanah, Texas. Quanah is located approximately 80 miles northwest of Wichita Falls, Texas, and is the county seat. The median family income is \$52,198. This area has 11.0 percent of families below the poverty level, and low-income families make less than \$26,099 per year. Moderate-income families make no more than \$41,758 per year.

Based on the table below, the AA has a population of 3,992. The AA has 2,395 housing units, 49.6 percent owner-occupied, 18.6 percent renter-occupied and 761 vacant units. Family distribution by income is 24 percent in low, 17.1 percent in moderate, 15.6 percent in middle and 43.3 percent in upper-income. There are 249 businesses in the AA. Of these businesses, 74.3 percent have revenues of less than \$1 million. Because reporting is voluntary, 22.1 percent of the businesses did not report revenues.

According to the lending peer market share report, the bank does not have a significant market share in the Hardeman County AA. However, according to the deposit market share report, in the Hardeman County AA, the bank has a market share of 25 percent with total deposits of \$18.07 million and one branch. The bank ranks third out of three lenders. The Hardeman County AA has four total bank branches.

To help identify the needs in the bank’s Hardeman County AA, we conducted a community contact to understand lending opportunities in the AA. The organization we contacted encourages and promotes businesses and supports residents in the city of Quanah. According to the contact, most of the banking needs in the city of Quanah are related to affordable housing and consumer lending. The contact indicated that banks in the area have very conservative policies and most of the citizens do not qualify for loans. Most banks offer residential loans, but the down payment, debt-to-income ratio, and credit score requirements are conservative, making it difficult for Quanah citizens to qualify. The contact also indicated that there is a need for 30-year residential mortgages since most banks in the community offer 5-year balloon loans.

Hardeman County AA

Table A – Demographic Information of the Assessment Area						
Assessment Area: Hardeman County AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	1	0.0	0.0	100.0	0.0	0.0
Population by Geography	3,992	0.0	0.0	100.0	0.0	0.0
Housing Units by Geography	2,395	0.0	0.0	100.0	0.0	0.0
Owner-Occupied Units by Geography	1,189	0.0	0.0	100.0	0.0	0.0
Occupied Rental Units by Geography	445	0.0	0.0	100.0	0.0	0.0
Vacant Units by Geography	761	0.0	0.0	100.0	0.0	0.0
Businesses by Geography	249	0.0	0.0	100.0	0.0	0.0
Farms by Geography	38	0.0	0.0	100.0	0.0	0.0
Family Distribution by Income Level	990	24.0	17.1	15.6	43.3	0.0
Household Distribution by Income Level	1,634	34.8	11.6	15.5	38.1	0.0
Median Family Income Non-MSAs – TX		\$52,198	Median Housing Value			\$45,600
			Median Gross Rent			\$516
			Families Below Poverty Level			11.0%

*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 discussed earlier, the bank's two AAs were selected for full-scope reviews. Refer to the table in Appendix A for a list of all AAs under review.

Lending Test

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

Conclusions for Areas Receiving Full-Scope Reviews

Based on **full-scope reviews**, the bank's performance in the Dallas AA and the Hardeman County AA is **good**.

Distribution of Loans by Income Level of the Geography

The bank exhibits **reasonable** geographic distribution of loans in the State.

Dallas AA

Home Mortgage Loans

The geographic distribution of home mortgage loans is excellent. Refer to Table O 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 purchase of home mortgage loans.

In 2019-2021, the bank's mortgage loans to households in low-income geographies was near the percentage of households in low-income geographies and exceeded the aggregate lending. The bank's mortgage loans in moderate-income geographies exceeded both the percentage of households in moderate-income geographies and the aggregate lending.

Small Loans to Businesses

The geographic distribution of loans to small businesses is good. 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.

In 2019-2021 the bank's loans to small businesses in low-income geographies exceeded both the percentage of businesses located in low-income geographies and the aggregate lending to low-income geographies. The bank's loans to small businesses in moderate-income geographies was somewhat lower than both the percentage of businesses located in moderate-income geographies and the aggregate lending to moderate-income geographies.

Hardeman County 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.

There is only one middle-income census tract in the Hardeman County AA that is designated underserved or distressed. As such, geographic distribution of consumer loans was not performed because the analysis would not be meaningful.

Lending Gap Analysis

We evaluated the lending distribution in the bank's AAs to determine if any unexplained conspicuous gaps existed. There were no unexplained conspicuous gaps identified after reviewing performance context.

Distribution of Loans by Income Level of the Borrower

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

Dallas AA***Home Mortgage Loans***

The distribution of loans to low- and moderate-income individuals is poor. Refer to Table P in the state of Texas section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

In 2019-2021, the bank's mortgage lending to low-income borrowers was significantly lower than the percentage of families identified as low-income and the aggregate lending to low-income borrowers. For moderate-income families, the bank's mortgage lending was lower than the percentage of families identified as moderate-income and the aggregate lending to moderate-income borrowers.

In reference to the low percentage of lending to low- and moderate-income families, house affordability is becoming a challenge in the Dallas AA. The median family income in the Dallas AA is \$71,149. This area has 11.7 percent of families below the poverty level, and low-income families make less than \$35,575 per year. Moderate-income families make no more than \$56,919 per year. With the median housing value being \$191,530 and increasing every year, it is becoming difficult for low- and moderate-income borrowers to obtain affordable housing. Rising mortgage rates are now adding to the challenge of affordable housing in the Dallas AA.

Small Loans to Businesses

The distribution of loans to small businesses in the AA is good. 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.

In 2019-2021, the bank's loans to businesses with revenues less than or equal to \$1 million was somewhat lower than the percentage of businesses identified as having revenues less than or equal to \$1 million. However, bank's loans to businesses with revenues less than or equal to \$1 million exceeded the aggregate lending to these businesses.

Hardeman County AA

Consumer Loans

The distribution of consumer loans to low- and moderate-income individuals in the AA is good. 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 home mortgage loan originations and purchases.

In 2019-2021, the bank's consumer lending to low-income borrowers was lower than the percentage of families identified as low-income. For moderate-income individuals, the bank's consumer lending exceeded the percentage of families identified as moderate-income. The median family income in Hardeman County is low at \$52,198. Low-income families make less than \$26,099 per year, which makes it difficult for low-income borrowers to qualify for loans.

Responses to Complaints

There were no complaints related to the institution's CRA performance within the State of Texas during the review period.

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 MSAs and non-MSAs 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:	January 1, 2019 – December 31, 2021	
Bank Products Reviewed:	Dallas AA: Home mortgage, small business loans. Hardeman County AA: Consumer loans	
Affiliate(s)	Affiliate Relationship	Products Reviewed
N/A		
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
State of Texas		
Dallas AA	Full-scope	The Dallas AA includes 818 contiguous census tracts in Dallas, Collin, and Denton Counties. The Dallas AA is located within the Dallas-Plano-Irving, Texas Metropolitan Division. Dallas county has 529 CTs of which, 107 are low-income, 187 are moderate-income, 110 are middle-income, 120 are upper-income, and five are unknown. Collin county has 152 CTs of which two are low-income, 14 are moderate-income, 28 are middle-income, 107 are upper-income, and one unknown. Denton county is comprised of 137 CTs, six are low-income, 17 are moderate-income, 51 are middle-income, and 63 are upper-income.
Hardeman County AA	Full-scope	The Hardeman county AA is composed of Hardeman county, which includes one middle-income level CT that is considered distressed or underserved.

Appendix B: Summary of State Ratings

RATINGS TEXAS REPUBLIC BANK, NATIONAL ASSOCIATION	
Overall Bank:	Lending Test Rating
Texas Republic Bank, NA	Satisfactory
State:	
Texas	Satisfactory

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 O - Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																				2019-21
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	
Dallas AA	236	77,197	100.0	228,630	5.7	4.7	3.1	20.9	22.9	11.5	25.9	21.6	27.5	47.5	50.8	57.6	0.2	0.0	0.2	
Total	236	77,197	100.0	228,630	5.7	4.7	3.1	20.9	22.9	11.5	25.9	21.6	27.5	47.5	50.8	57.6	0.2	0.0	0.2	

*Source: 2015 ACS; Bank Data, 2021 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%*

Table P - Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																				2019-21
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers			
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	
Dallas AA	236	77,197	100.0	228,630	24.0	0.4	3.4	16.4	3.8	12.1	17.3	2.1	17.4	42.3	24.6	46.5	0.0	69.1	20.6	
Total	236	77,197	100.0	228,630	24.0	0.4	3.4	16.4	3.8	12.1	17.3	2.1	17.4	42.3	24.6	46.5	0.0	69.1	20.6	

*Source: 2015 ACS; Bank Data, 2021 HMDA Aggregate Data,
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																				2019-21		
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			
Dallas AA	60	28,252	100	136,281	7.2	10.0	7.7	17.6	13.3	18.7	25.3	30.0	23.4	48.9	46.7	49.2	0.9	0.0	1.0			
Total	60	28,252	100	136,314	7.2	10.0	7.7	17.6	13.3	18.7	25.4	30.0	23.4	48.9	46.7	49.2	0.9	0.0	1.0			

Source: 2021 D&B Data; 01/01/2019 - 12/21/2021 Bank Data; 2020 CRA Aggregate Data, Due to rounding, totals may not equal 100.0%

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues													2019-21	
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			
Dallas AA	60	28,252	100	136,281	88.6	58.3	37.8	4.0	41.7	7.5	0.0			
Total	60	28,252	100	136,314	88.6	58.3	37.8	4.0	41.7	7.5	0.0			

Source: 2020 D&B Data; 01/01/2019 - 12/21/2021 Bank Data; 2020 CRA Aggregate Data, Due to rounding, totals may not equal 100.0%

Table U: Assessment Area Distribution of Consumer Loans by Income Category of the Geography													
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 2019-21	% Bank Loans
Hardeman County AA	60	296	100.0	0.0	0.0	0.0	0.0	100.0	100.0	0.0	0.0	0.0	0.0
Total	60	296	100.0	0.0	0.0	0.0	0.0	100.0	100.0	0.0	0.0	0.0	0.0

*Source: 2015 ACS Census; 01/01/2019 - 12/21/2021 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
Hardeman County AA	60	296	100	34.8	15.0	11.6	30.0	15.5	30.0	38.1	25.0	0.0	0.0
Total	60	296	100	24.0	15.0	16.6	30.0	17.4	30.0	41.9	25.0	0.0	0.0

*Source: 2015 ACS Census; 01/01/2019 - 12/21/2021 Bank Data.
Due to rounding, totals may not equal 100.0%*