



PUBLIC DISCLOSURE

May 29, 2018

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Texana Bank, National Association
Charter Number 10476

124 East Rush
Linden, TX 75663

Office of the Comptroller of the Currency

1800 NW Loop 281
Suite 306
Longview, TX 75604-2516

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

The Lending Test is rated: Satisfactory

Texana Bank, National Association (Texana Bank) has a “Satisfactory” record of meeting the credit needs within its assessment area (AA). The major factors supporting this rating include:

- The bank’s average loan-to-deposit (LTD) is more than reasonable.
- A majority of the bank’s loans were extended with its AAs.
- The bank’s distribution of loans based on borrower income and business size represents a reasonable penetration.
- The bank’s geographic distribution of loans reflects a reasonable dispersion throughout its AAs.

Definitions and Common Abbreviations

The following terms and abbreviations are used throughout 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. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Aggregate Lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

Census Tract (CT): A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan areas. Census tracts generally have a population between 1,200 and 8,000 people, with an optimal size of 4,000 people. Their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community Development: 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; activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas; or loans, investments, and services that support, enable or facilitate projects or activities under HUD Neighborhood Stabilization Program criteria that benefit low-, moderate-, and middle-income individuals and geographies in the bank's assessment area(s) or outside the assessment area(s) provided the bank has adequately addressed the community development needs of its assessment area(s).

Community Reinvestment Act (CRA): the statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, 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, home equity 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 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, loan pricing, the lien status of the collateral, any requests for preapproval, and loans for manufactured housing).

Home Mortgage Loans: Such loans include home purchase, home improvement and refinancings, as defined in the HMDA regulation. These include loans for multifamily (five or more families) dwellings, manufactured housing and one-to-four family dwellings other than manufactured housing.

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 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 income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

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 MA/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. 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 it and half below it.

Metropolitan Area (MA): Any metropolitan statistical area or metropolitan division, as defined by the Office of Management and Budget, and any other area designated as such by the appropriate federal financial supervisory agency.

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.

Other Products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

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.

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

Description of Institution

Texana Bank is a nationally chartered community bank headquartered at 124 East Rush Street in Linden, Texas. In addition to the main office, Texana Bank has two branches located in the Longview, TX Metropolitan Statistical Area (MSA) and two branches located in the Texarkana, TX-AR MSA. The bank reported total assets of \$216.6 million as of March 31, 2018, and is wholly owned by Linden Bancshares, a one bank holding company. Texana Bank's business strategy is that of a traditional community bank with focus on small business lending, consumer lending, and 1-4 family mortgages. Texana Bank has designated three distinct AAs consisting of Bowie and Miller Counties in the multistate MSA of Texarkana, TX-AR MSA, Gregg County in the Longview, TX MSA, and Cass County, which is not part of a MSA.

As of March 31, 2018, Texana Bank's loan portfolio totaled \$183.8 million with reported deposits of \$186.3 million. The bank's lending focus for the Texarkana, TX-AR MSA is small business loans, while the lending focus for the Longview, TX MSA and Cass County AAs are consumer lending.

There are no financial or legal obstacles affecting the bank's ability to meet their community credit needs. The bank was rated "Satisfactory" during the prior CRA Examination dated November 26, 2012. OCC records and the bank's CRA Public File indicate there have been no complaints related to the bank's CRA performance during this evaluation period. Texana Bank's tier 1 capital equaled \$16.9 million, representing 7.89 percent of adjusted average assets as of March 31, 2018.

Scope of the Evaluation

Evaluation Period/Products Evaluated

Texana Bank's CRA performance was evaluated using the small bank CRA procedures. Under these procedures, loan originations are evaluated to determine if the bank is meeting the credit needs of its AAs. Conclusions regarding Texana Bank's lending volume were based on consumer lending, small business loans, and 1-4 family mortgages. Conclusions for income distribution and geographic dispersions were based on statistical samples of small business loans for the Texarkana, TX-AR MSA AA and statistical samples of consumer loans for the Longview, TX MSA and Cass County AAs. Small business and consumer loans were analyzed separately for 2016 and 2017 due to different demographic data being in place for the two time periods.

Selection of Areas for Full-Scope Review

We performed full-scope reviews for all three AAs. See the tables in Appendix C, Community Profiles, for details on each AAs' demographic information.

Ratings

The bank's overall rating is based on separate ratings for the multistate MSA of Texarkana, TX-AR MSA and the state of Texas. Equal weighting was given to both in determining the overall rating.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 C.F.R. §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 assessment area 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 Consumer Financial Protection Bureau, 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.

Conclusions with Respect to Performance Criteria

Texana Bank's performance under the CRA is "Satisfactory". The bank's LTD ratio is more than reasonable, and a majority of the bank's lending activity was originated within its AAs. In addition, the distribution of loans to borrowers of different income levels and businesses of different sizes reflects a reasonable penetration. The geographic distribution of loans also represented a reasonable dispersion. Finally, there were no CRA related complaints filed during this evaluation period.

Loan-to-Deposit Ratio

Texana Bank's LTD ratio is more than reasonable given the bank's size, financial condition, and AA credit needs. The bank's quarterly LTD ratio has averaged 106.75 percent since the prior CRA evaluation. The average quarterly LTD ratio of similarly situated banks for the same time period equaled 76.90 percent and ranged from 57.42 percent to 98.36 percent.

Lending in Assessment Area

A majority of the bank's lending activity is located inside its AAs. We reviewed a sample of consumer and small business loans along with all 1-4 family mortgages originated during 2016 and 2017. This sample reflected 67.15 percent of the number of loans were extended in the bank's AAs. Refer to the following table:

Table 1 - Lending in Assessment Areas										
Loan Type	Number of Loans					Dollars of Loans				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
1-4 Family Mortgages	129	57.59	95	42.41	224	14,750	44.22	18,604	55.78	33,354
Consumer	65	81.25	15	18.75	80	767	85.13	134	14.87	901
Small Business	37	92.50	3	7.50	40	10,161	99.27	75	0.73	10,236
Totals	231	67.15	113	32.85	344	25,678	57.72	18,813	42.28	44,491

Source: Loan sample; HMDA data.

Multistate Metropolitan Area Rating

Texarkana, TX-AR MSA

CRA rating for the Texarkana, TX-AR MSA¹: Satisfactory

- The bank's distribution of loans based on business size represents a reasonable penetration.
- The bank's geographic distribution of small business loans reflects a reasonable dispersion throughout the AA.

Description of Institution's Operations in Texarkana, TX-AR MSA

The Texarkana, TX-AR MSA AA consists of Bowie County, Texas and Miller County, Arkansas. This AA is part of the multistate MSA known as Texarkana, TX-AR MSA, and the bank has two full service branches located here. Refer to Appendix C, Community Profiles, for further details.

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

Scope of Evaluation in Texarkana, TX-AR MSA

Conclusions regarding the bank's lending performance in this AA was based on statistical samples of small business loan originations from January 1, 2016 to December 31, 2017. Income distribution and geographic dispersions were analyzed separately for 2016 and 2017 due to different demographic data being in place for these two time periods.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN TEXARKANA, TX-AR MSA

Texana Bank's performance under the CRA in the Texarkana, TX-AR MSA is "Satisfactory". The distribution of loans to businesses of different sizes reflects a reasonable penetration and the geographic distribution of loans reflects a reasonable dispersion. There were no CRA related complaints filed during this evaluation period.

LENDING TEST

Texana Bank's performance in the Texarkana, TX-AR MSA under the Lending Test is "Satisfactory".

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

The distribution of loan originations represents a reasonable penetration among businesses of different sizes. The percentage of loans by number to businesses with revenues less than \$1 million is near to the AA's demographics for both 2016 and 2017.

Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/Unknown	Total
% of AA Businesses	80.32%	5.26%	14.42%	100%
% of Bank Loans in AA by #	75.00%	25.00%	0.00%	100%
% of Bank Loans in AA by \$	46.51%	53.49%	0.00%	100%

Source: Loan sample; Dun and Bradstreet data.

Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/Unknown	Total
% of AA Businesses	79.88%	5.53%	14.59%	100%
% of Bank Loans in AA by #	75.00%	25.00%	0.00%	100%
% of Bank Loans in AA by \$	31.93%	68.07%	0.00%	100%

Source: Loan sample; Dun and Bradstreet data.

Geographic Distribution of Loans

Texana Bank’s distribution of loans by geography reflects a reasonable dispersion given the demographics of the institution’s AA. The percentage of business loans originated during 2016 in low-income census tracts exceeded the percentage of businesses, while the percentage of business loans originated during 2016 in moderate-income census tracts were near to the percentage of businesses. In addition, while there were no business loan originations during 2017 in low-income census tracts, the demographics in the AA changed drastically during 2017, resulting in limited opportunities to lend in low-income geographies. Only 0.88 percent of the AA’s business were located in a low-income census tract based on 2017 demographics. Loan originations during 2017 to businesses in moderate income tracts were near to the percentage of businesses.

Table 3A - Geographic Distribution of Loans to Businesses in Texarkana, TX-AR MSA – 2016								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
Business Loans	10.64%	15.00%	8.04%	5.00%	49.20%	55.00%	31.97%	25.00%

Source: Loan sample; Dun and Bradstreet data, N/A 0.15%.

Table 3A - Geographic Distribution of Loans to Businesses in Texarkana, TX-AR MSA – 2017								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
Business Loans	0.88%	0.00%	26.43%	20.00%	48.56%	45.00%	23.92%	35.00%

Source: Loan sample; Dun and Bradstreet data, N/A 0.21%.

Responses to Complaints

There were no CRA complaints or public comments filed during this evaluation period.

State Rating

State of Texas

CRA rating for the state of Texas: Satisfactory

- The bank's distribution of loans based on borrower income is reasonable in both AAs.
- The bank's geographic distribution of consumer loans in the Longview MSA AA reflects an excellent dispersion, while the geographic distribution in the Cass County AA reflects a reasonable dispersion.

Description of Institution's Operations in Texas

The board has designated two distinct AAs in the state of Texas. The Longview MSA AA consists of all census tracts within Gregg County, while the Cass County AA consists of all census tracts located in Cass County. Texana has two branch operations within the Longview MSA AA and one location in the Cass County AA. Refer to Appendix C, Community Profiles, for further details.

Scope of Evaluation in Texas

Conclusions regarding the bank’s lending performance in the Longview MSA AA and Cass County AA were based on statistical samples of consumer loan originations from January 1, 2016 to December 31, 2017. Income distribution and geographic dispersions were analyzed separately for 2016 and 2017 due to different demographic data being in place for these two time periods. Equal weighting was given to both AAs in arriving at the overall conclusions.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN TEXAS

Texana Bank’s performance under the CRA in Texas is “Satisfactory”. The distribution of loans to borrowers of different incomes reflects a reasonable penetration. In addition, the geographic distribution of consumer loans reflects a reasonable dispersion. There were no CRA related complaints filed during this evaluation period.

LENDING TEST

Texana Bank’s performance in Texas under the Lending Test is “Satisfactory”.

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

Consumer loan originations represents a reasonable penetration among borrowers of different income levels, with reasonable distribution in both AAs.

Cass County

The distribution of consumer loan originations represents an excellent penetration to borrowers of different income levels based on 2016 originations and a reasonable penetration based on 2017 originations. The percentage of 2016 loan originations to low- and moderate-income borrowers significantly exceeded the percentage of low- and moderate-income households. In addition, while the percentage of 2017 loan originations to low-income borrowers was significantly less than low-income households, the percentage of loans to moderate-income borrowers significantly exceeded the percentage of moderate-income households.

	Low		Moderate		Middle		Upper	
Borrower Income Level	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans
Consumer Loans	28.71	35.00	14.84	20.00	18.62	20.00	37.83	25.00

Source: Loan sample; U.S. Census data.

Table 2B - Borrower Distribution of Consumer Loans in Cass County - 2017								
	Low		Moderate		Middle		Upper	
Borrower Income Level	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans
Consumer Loans	26.78	5.00	18.81	35.00	17.18	15.00	37.23	45.00

Source: Loan sample; U.S. Census data.

Longview MSA AA

The distribution of consumer loan originations represents a reasonable penetration to borrowers of different income levels based on 2016 and 2017 samples. While the percentage of originations to low-income borrowers were less than the percentage of low-income households, the percentage of loan originations to moderate-income borrowers exceeded the percentage of low- and moderate-income households.

Table 2B - Borrower Distribution of Consumer Loans in Longview MSA AA - 2016								
	Low		Moderate		Middle		Upper	
Borrower Income Level	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans
Consumer Loans	24.52	10.00	15.92	20.00	18.43	35.00	41.13	35.00

Source: Loan sample; U.S. Census data.

Table 2B - Borrower Distribution of Consumer Loans in Longview MSA AA - 2017								
	Low		Moderate		Middle		Upper	
Borrower Income Level	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans
Consumer Loans	25.33	10.00	15.63	25.00	17.51	40.00	41.53	25.00

Source: Loan sample; U.S. Census data.

Geographic Distribution of Loans

The geographic distribution of consumer loans is reasonable, with reasonable distribution in the Cass County AA and excellent distribution in the Longview MSA AA.

Cass County AA

The distribution of consumer loan originations represents a reasonable dispersion throughout the Cass County AA. While the percentage of 2016 loan originations located in moderate-income geographies were less than the percentage of households, the percentage of 2017 loan originations exceeded the percentage of households.

Table 3B - Geographic Distribution of Consumer Loans in Cass County AA - 2016								
Census Tract Income Level	Low		Moderate		Middle		Upper	
	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans
Consumer Loans	0.00	0.00	9.08	5.00	82.21	95.00	8.70	0.00

Source: Loan sample; U.S. Census data.

Table 3B - Geographic Distribution of Consumer Loans in Cass County AA - 2017								
Census Tract Income Level	Low		Moderate		Middle		Upper	
	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans
Consumer Loans	0.00	0.00	8.65	10.00	91.35	90.00	0.00	0.00

Source: Loan sample; U.S. Census data.

Longview MSA AA

The distribution of consumer loan originations represents an excellent dispersion throughout the Longview MSA AA. The percentage of 2016 and 2017 consumer loan originations in low- and moderate-income geographies significantly exceeded the percentage of households.

Table 3B - Geographic Distribution of Consumer Loans in Longview MSA AA - 2016								
Census Tract Income Level	Low		Moderate		Middle		Upper	
	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans
Consumer Loans	2.23	5.00	25.18	45.00	42.36	35.00	30.23	15.00

Source: Loan sample; U.S. Census data.

Table 3B - Geographic Distribution of Consumer Loans in Longview MSA AA – 2017								
Census Tract Income Level	Low		Moderate		Middle		Upper	
	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Household s	% of Number of Loans	% of AA Households	% of Number of Loans
Consumer Loans	2.98	5.00	13.35	40.00	58.37	35.00	25.30	20.00

Source: Loan sample; U.S. Census data.

Responses to Complaints

There were no CRA complaints or public comments filed during this evaluation 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 metropolitan and nonmetropolitan areas that received comprehensive examination review (designated by the term “full-scope”) and those that received a less comprehensive review (designated by the term “limited-scope”).

Time Period Reviewed	Lending Test: (01/01/2016 to 12/31/2017)	
Financial Institution	Products Reviewed	
Texana Bank, National Association (Texana) Linden, Texas	1-4 Family Mortgages Consumer Loans Business Loans	
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Texarkana, TX-AR MSA AA	Full-Scope	
Texas Cass County AA Longview MSA AA	Full-Scope Full-Scope	

Appendix B: Summary of Multistate Metropolitan Area and State Ratings

RATINGS		TEXANA BANK, N.A.
Overall Bank:	Lending Test Rating	
TEXANA BANK, N.A.	SATISFACTORY	
Multistate Metropolitan Area or State:		
TEXARKANA, TX-AR MSA	SATISFACTORY	
TEXAS	SATISFACTORY	

Appendix C: Community Profiles for Full-Scope Areas

Texarkana, TX-AR MSA Assessment Area

Demographic Information for Full-Scope Area: Texarkana, TX-AR MSA - 2016						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	30	13.33	10.00	53.33	20.00	3.33
Population by Geography	136,027	8.17	7.79	57.33	26.69	0.01
Owner-Occupied Housing by Geography	33,363	4.17	5.90	59.84	30.03	0.06
Businesses by Geography	8,223	10.64	8.04	49.20	31.97	0.15
Farms by Geography	280	2.50	5.36	62.50	29.64	0.00
Family Distribution by Income Level	34,423	23.02	15.98	20.02	40.98	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	13,423	11.94	11.09	60.20	16.77	0.00
Median Family Income FFIEC Adjusted Median Family Income for 2016 Households Below the Poverty Level	= \$51,400 = 16.64%	Median Housing Value Unemployment Rate				= \$91,481 = 4.65%

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 2010 US Census and 2016 FFIEC updated MFI.

Demographic Information for Full-Scope Area: Texarkana, TX-AR MSA - 2017						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	30	3.33	30.00	46.67	16.67	3.33
Population by Geography	136,807	1.55	21.48	53.63	23.30	0.04
Owner-Occupied Housing by Geography	32,975	0.87	14.71	57.37	27.01	0.04
Businesses by Geography	8,285	0.88	26.43	48.56	23.92	0.21
Farms by Geography	279	0.00	9.68	61.29	29.03	0.00
Family Distribution by Income Level	34,302	22.46	16.23	19.22	42.09	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	13,271	2.74	29.25	53.92	14.09	0.00
Median Family Income FFIEC Adjusted Median Family Income for 2017 Households Below the Poverty Level	= \$52,600 =18.81%	Median Housing Value Unemployment Rate				= \$100,557 = 4.93%

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 2015 ACS US Census and 2017 FFIEC updated MFI.

Texana designated all of Bowie County, Texas and Miller County, Arkansas as the Texarkana, TX-AR MSA AA. Refer to the bank's CRA Public File for details. This AA is part of the multistate MSA of Texarkana, TX-AR MSA. The AA meets the requirements of the Community Reinvestment Act and does not arbitrarily exclude any low- or moderate-income geographies. The AA has a total population of 137 thousand. Based on 2016 demographic data, this area consisted of four low-income CTs, three moderate-income CTs, sixteen middle-income CTs, six upper-income CTs, and one CT with no designation. Significant changes occurred in the AA's demographics during 2017, resulting in the following composition: one low-income CT, nine moderate-income CTs, fourteen middle-income CTs, five upper-income CTs, and one CT with no designation.

Major employers include the Red River Army Depot & Tenants, Christus St. Michael Health System, Coper Tire & Rubber, and AECOM/URS. The local economy is considered stable but with an increasing unemployment rate. The AA's poverty level is moderately high with 18.81 percent of households living below the poverty level. Unemployment was reported at 4.7 percent as of March 2018, compared to a statewide unemployment rate of 4.1 for Texas and 3.9 for Arkansas. Competition is strong with several regional and local community banks located within the AA.

We contacted a local government official as part of our community needs assessment. The official did not identify any credit needs that were not being met.

State of Texas

Cass County Assessment Area

Demographic Information for Full-Scope Area: Cass County AA - 2016						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	7	0.00	14.29	71.43	14.29	0.00
Population by Geography	30,464	0.00	9.15	81.59	9.26	0.00
Owner-Occupied Housing by Geography	8,726	0.00	9.66	80.01	10.33	0.00
Businesses by Geography	1,611	0.00	7.26	86.90	5.83	0.00
Farms by Geography	85	0.00	16.47	72.94	10.59	0.00
Family Distribution by Income Level	8,527	24.83	17.40	19.92	37.84	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	3,601	0.00	11.27	81.01	7.72	0.00
Median Family Income FFIEC Adjusted Median Family Income for 2016 Households Below the Poverty Level	= \$52,400 = 21.72%	Median Housing Value Unemployment Rate				= \$68,949 = 4.67%

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 2010 US Census, and 2016 FFIEC updated MFI.

Demographic Information for Full-Scope Area: Cass County AA - 2017						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	7	0.00	14.29	85.71	0.00	0.00
Population by Geography	30,328	0.00	7.71	92.29	0.00	0.00
Owner-Occupied Housing by Geography	8,980	0.00	9.09	90.91	0.00	0.00
Businesses by Geography	1,549	0.00	6.07	93.93	0.00	0.00
Farms by Geography	86	0.00	17.44	82.56	0.00	0.00
Family Distribution by Income Level	7,946	22.70	20.06	19.67	37.57	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	3,398	0.00	10.48	89.52	0.00	0.00
Median Family Income FFIEC Adjusted Median Family Income for 2017 Households Below the Poverty Level	= \$54,200 = 18.73%	Median Housing Value Unemployment Rate				= \$80,794 = 5.02%

(*) The NA category consists of geographies that have not been assigned an income classification.
 Source: 2015 ACS US Census, and 2017 FFIEC updated MFI.

Texana designated all census tracts within Cass County as the Cass County AA. Refer to the bank’s CRA Public File for details. This AA is not part of a MSA. The AA meets the requirements of the Community Reinvestment Act and does not arbitrarily exclude any low- or moderate-income geographies. The AA has a total population of 30 thousand. Based on 2016 demographic data, this area consisted of one moderate-income CT, five middle-income CTs, and one upper-income CT. The area’s demographics changed minimally in 2017 resulting in the following composition: one moderate-income CT and six middle-income CTs.

Major employers in Cass County include International Paper, area school districts, Wal-Mart, and Christus St Michael Hospital. The local economy is considered stable but unemployment is moderately high with a reported unemployment rate of 5.3 as of March 2018, compared to a statewide unemployment rate of 4.1 for Texas. The AA’s poverty level is moderately high as well with 18.73 percent of the AA’s households living below the poverty level. Competition is moderate with numerous local community banks located within the AA.

We contacted a local government official as part of our community needs assessment. The official did not identify any credit needs that were not being met.

Longview MSA Assessment Area

Demographic Information for Full-Scope Area: Longview MSA AA - 2016						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	25	4.00	32.00	36.00	24.00	4.00
Population by Geography	121,730	2.48	29.74	39.74	28.03	0.00
Owner-Occupied Housing by Geography	28,305	1.76	20.42	44.32	33.51	0.00
Businesses by Geography	9,837	0.70	34.03	39.15	25.89	0.22
Farms by Geography	216	0.46	23.61	43.52	32.41	0.00
Family Distribution by Income Level	30,586	22.16	17.82	19.09	40.93	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	12,227	3.72	36.71	38.23	21.34	0.00
Median Family Income FFIEC Adjusted Median Family Income for 2016 Households Below the Poverty Level	= \$55,700 =14.91%	Median Housing Value Unemployment Rate				= \$109,543 = 4.72%

(*) The NA category consists of geographies that have not been assigned an income classification.
 Source: 2010 US Census, and 2016 FFIEC updated MFI.

Demographic Information for Full-Scope Area: Longview MSA AA - 2017						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	25	4.00	20.00	52.00	20.00	4.00
Population by Geography	123,178	3.32	15.57	57.82	23.29	0.00
Owner-Occupied Housing by Geography	27,568	1.44	12.36	57.86	28.34	0.00
Businesses by Geography	10,031	9.45	10.97	53.50	25.83	0.25
Farms by Geography	206	2.43	8.74	62.62	26.21	0.00
Family Distribution by Income Level	30,560	23.51	15.64	19.08	41.76	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	11,965	5.32	21.30	59.35	14.02	0.00
Median Family Income FFIEC Adjusted Median Family Income for 2017 Households Below the Poverty Level	= \$61,400 = 16.36%	Median Housing Value Unemployment Rate				= \$124,763 = 3.65%

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 2015 ACS US Census, and 2017 FFIEC updated MFI.

Texana designated all of Gregg County as the Longview MSA AA. This AA is part of the Longview MSA. Refer to the bank’s CRA Public File for details. The AA meets the requirements of the Community Reinvestment Act and does not arbitrarily exclude any low- or moderate-income geographies. The AA has a total population of 123 thousand. Based on 2016 demographic data, this area consisted of one low-income CT, eight moderate-income CTs, nine middle-income CTs, six upper-income CTs, and one CT with no designation. The area’s demographics changed during 2017 resulting in the following composition: one low-income CT, five moderate-income CTs, thirteen middle-income CTs, five upper-income CTs and one CT with no designation.

Major employers include Christus Good Shepard Health System, Eastman Chemical, Longview ISD, Wal-Mart, and Longview Regional Medical Center. The local economy is considered stable but unemployment is trending up slightly with a reported unemployment rate of 4.5 as of March 2018, compared to a statewide unemployment rate of 4.1 for Texas. The AA’s poverty level is moderately high with 16.36 percent of the AA’s households living below the poverty level. Competition is strong with several regional and local community banks located within the AA.

We contacted a local business group official as part of our community needs assessment. The official did not identify any credit needs that were not being met.