



PUBLIC DISCLOSURE

April 27, 2020

**COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION**

Moody National Bank
Charter Number 8899

2302 Post Office Street
Galveston, TX 77550

Office of the Comptroller of the Currency

1301 McKinney Street, Suite 1410
Houston, TX 77010

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: Outstanding

The major factors that support this rating include:

- The Lending Test rating is based on a reasonable loan-to-deposit (LTD) ratio, excellent geographic distribution, reasonable borrower distribution, and a majority of the bank's loans being in the assessment area (AA).
- The Community Development (CD) Test rating is based on an excellent level of CD loans, qualified investments and donations, and CD services.

LTD Ratio

Considering the bank's size, financial condition, and credit needs of the AAs, the LTD ratio is reasonable.

Our analysis included five similarly situated banks in Texas ranging in total asset size from \$627 million to \$1.5 billion. The bank's quarterly average LTD ratio since the last CRA evaluation was 80.8 percent, ranging from a low of 75.5 percent in the fourth quarter of 2017 to a high of 90.3 percent in the second quarter of 2019. The comparator quarterly average ratio over the same period was 76.5 percent. These quarterly average ratios ranged from a low of 61.8 percent to a high of 90.4 percent.

Lending in AA

A majority of the bank's loans are inside its AAs.

The bank originated 83 percent of its total loans inside the bank's AAs during the evaluation period. This analysis is performed at the bank level rather than the AA level. This percentage does not include extensions of credit by affiliates, as we did not review any affiliate lending during this evaluation period.

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	256	79.8	65	20.2	321	82,891	83.2	16,680	16.8	99,571
Small Business	339	85.2	59	14.8	398	51,825	81.4	11,871	18.6	63,696
Total	595	82.8	124	17.2	719	134,716	82.5	28,551	17.5	163,267

Description of Institution

Moody National Bank (MNB) is a full-service, single-state community bank headquartered in Galveston, TX. The bank was chartered on September 30, 1907 and is wholly owned by Moody Bancshares, Inc., a Texas holding company. Moody Bancshares, Inc. holds partial ownership in one additional national bank; however, we did not evaluate any affiliate lending activity.

MNB's only rating area is Texas. The bank's three AAs include 15 full-service branches, of which one is in the Austin-Round Rock AA, 13 are in the Houston-Galveston AA, and one is in the San Antonio-New Braunfels AA. Each branch contains an automated teller machine (ATM), with an additional three ATM locations in the Houston-Galveston AA. Of the total 18 ATMs, 14 have deposit-taking capabilities.

While there has been no merger and acquisition activity since the previous CRA evaluation, there were two branch closings and one branch opening. MNB closed two branches in 2018 that were located in moderate- and upper-income census tracts (CTs) in the Houston-Galveston AA. In September 2018, MNB entered the San Antonio MSA market with one branch opening in a middle-income CT.

As of December 31, 2019, MNB had total assets of \$1.2 billion and a tier 1 leverage capital ratio of 14.4 percent. The bank offers a variety of lending and deposit products, as well as full trust services. The primary lending focus is real estate, which accounted for 90.6 percent of net loans and leases. Deposit services include traditional personal and business checking/savings accounts, as well as online banking, bill payment, remote deposit capture, telephone banking, and mobile banking services.

There are currently no legal or financial factors impeding the bank's ability to meet the credit and CD needs of its AAs. MNB was rated "Satisfactory" at the last CRA evaluation dated March 13, 2017.

Scope of the Evaluation

Evaluation Period/Products Evaluated

The evaluation period for the Lending Test is January 1, 2017 through December 31, 2019. Of the 595 originated loans reported, 43 percent were residential real estate loans reported under HMDA, while 57 percent were small loans to businesses. We evaluated both product types under the Lending Test with equal weight. The evaluation period for the CD Test is March 13, 2017 through December 31, 2019. With an evaluation period end date of December 31, 2019, qualifying activities performed in response to the significant impact of the coronavirus pandemic across the U.S. are not addressed in this evaluation. Bank qualifying activities will be considered in the subsequent evaluation.

Selection of Areas for Full-Scope Review

In each state where the bank has an office, one or more AAs within that state was selected for a full-scope review. For purposes of this evaluation, bank delineated AAs located within the same metropolitan statistical area (MSA) 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 the 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 limited to the state of Texas, as MNB only has branches in Texas.

The state rating is based on performance in all bank AAs. Refer to the “Scope” section under each 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), in determining a national bank’s 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 Community Development Test is rated: Outstanding

The major factors that support this rating include:

- An excellent distribution of loans by income of geographies;
- A reasonable distribution of loans by income of borrowers; and
- An excellent level of CD loans, qualified investments and donations, and services.

Description of Institution's Operations in Texas

MNB operates within three AAs in Texas. The most significant AA is the Houston-Galveston AA, which includes all of Brazoria, Fort Bend and Galveston Counties, as well as a portion of Harris County. The AA is located within the greater Houston-The Woodlands-Sugar Land MSA. This AA accounted for 93.7 percent of rated area deposits and 87.7 percent of rated area loans originated during the evaluation period.

The Austin-Round Rock AA includes all of Travis County and is located with the greater Austin-Round Rock-Georgetown MSA. This AA accounted for 3.9 percent of rated area deposits and 8.6 percent of rated area loans originated during the evaluation period. The San Antonio-New Braunfels AA includes all of Comal County and is located within the greater San Antonio MSA. This AA accounted for 2.4 percent of rated area deposits and 3.7 percent of rated area loans originated during the evaluation period.

As of June 30, 2019, MNB held deposits totaling \$870.8 million, which represented 0.9 percent market share and ranked the bank 19th of the top 100 institutions within all Texas AAs. The largest depository institutions were JPMorgan Chase Bank, NA, Wells Fargo Bank, NA, and Bank of America, NA, which held a combined 33.5 percent market share in the Texas AAs.

Community Contacts

We identified five community contacts in Texas to determine credit and CD needs: one in the Austin-Round Rock AA, three in the Houston-Galveston AA, and one in the San Antonio-New Braunfels AA. Contacts included two government affordable housing agencies, a local affordable housing group, a Certified Development Company, and an interagency listening session on disaster recovery. Primary needs identified for all AAs included affordable housing options, homebuyer assistance programs, and financial education. In the Houston-Galveston AA, additional needs included micro business loans, entrepreneurship programs, and disaster recovery for small businesses and low- and moderate-income (LMI) individuals.

Houston-Galveston AA

Table A – Demographic Information of the Assessment Area						
Assessment Area: Houston-Galveston AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	418	9.1	28.0	33.0	28.5	1.4
Population by Geography	2,604,487	6.4	22.8	34.2	36.2	0.4
Housing Units by Geography	958,513	7.0	23.5	33.6	35.6	0.4
Owner-Occupied Units by Geography	567,441	3.4	17.6	34.4	44.5	0.1
Occupied Rental Units by Geography	302,891	12.0	32.2	32.8	21.9	1.1
Vacant Units by Geography	88,181	12.3	31.0	31.3	25.1	0.4
Businesses by Geography	180,696	5.1	17.9	30.6	46.1	0.3
Farms by Geography	3,030	2.8	13.1	39.1	44.9	0.1
Family Distribution by Income Level	643,537	20.9	15.7	17.6	45.8	0.0
Household Distribution by Income Level	870,332	22.0	15.2	16.9	45.9	0.0
Median Family Income MSA - 26420 Houston-The Woodlands-Sugar Land, TX MSA		\$69,373	Median Housing Value			\$159,605
			Median Gross Rent			\$1,002
			Families Below Poverty Level			10.5%
<i>Source: 2015 ACS and 2018 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>						

Scope of Evaluation in Texas

The Houston-Galveston AA received a full-scope review, while the Austin-Round Rock and San Antonio-New Braunfels AAs received limited-scope reviews. The rating for Texas was primarily based on the results of the full-scope AA due to the significant level of deposit and lending activity in the AA, as discussed previously. Refer to appendix A for a list of all AAs under review.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN TEXAS**LENDING TEST**

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

Conclusions for Area Receiving a Full-Scope Review

Based on full- and limited-scope reviews, the bank's lending performance in the state of Texas is reasonable.

Distribution of Loans by Income Level of the Geography

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

Home Mortgage Loans

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 home mortgage loan originations.

During the evaluation period, the distribution of home mortgage loans to borrowers in low- and moderate-income (LMI) geographies is excellent. The bank's proportion of residential loans to borrowers in LMI geographies was stronger than the proportion of owner-occupied housing units and aggregate distribution of loans in those geographies.

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 of small loans to businesses.

During the evaluation period, the distribution of small loans to businesses in LMI geographies is excellent. The bank's proportion of small loans to businesses was substantially stronger than the proportion of businesses and aggregate distribution of loans in those geographies.

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 of different sizes, given the product lines offered by the bank.

Home Mortgage Loans

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.

During the evaluation period, the distribution of home mortgage loans to LMI borrowers is reasonable. The bank's proportion of loans to low-income borrowers was significantly below the proportion of low-income families but significantly exceeded the aggregate distribution of loans to those families. The bank's proportion of loans to moderate-income borrowers was below both the proportion of moderate-income families and the aggregate distribution of loans to those families. The ability to lend to LMI families is partially inhibited, as 32 percent of housing units in the AA are rental occupied and of the remaining owner-occupied units, only 20 percent are in LMI geographies.

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 of small loans to businesses.

During the evaluation period, the bank's distribution of small loans to businesses by revenue is reasonable. The bank's proportion of loans was below the proportion of small businesses but was stronger than the aggregate distribution of loans to those businesses.

Responses to Complaints

There were no complaints related to MNB's CRA performance within Texas.

Conclusions for Areas Receiving Limited Scope Reviews

Based on a limited-scope review, the bank's performance under the Lending Test in the Austin-Round Rock and San Antonio-New Braunfels AAs is weaker than the bank's overall performance under the Lending Test in the full scope area. This weaker performance had no impact on the overall state rating.

In the Austin-Round Rock AA, weaker performance is based on home mortgage loans, as there were not enough business loans for a meaningful analysis in the AA. With a median housing value of \$265,887, it would be difficult for many LMI borrowers to obtain reasonable financing. Additionally, 45 percent of all housing units in the AA were rental occupied and of all owner-occupied housing units, only 25 percent are located in LMI geographies. All of these factors would generally inhibit the ability to lend to LMI borrowers and in LMI geographies. In the San Antonio-New Braunfels AA, there were not enough residential or business loans for a meaningful analysis.

COMMUNITY DEVELOPMENT TEST

The bank's performance under the CD Test in the state of Texas is rated Outstanding.

Conclusions for Area Receiving a Full-Scope Review

Based on full- and limited-scope reviews, the bank exhibits excellent responsiveness to CD needs in the state through CD loans, qualified investments and donations, and CD services, considering the bank's capacity and the need and availability of such opportunities for CD in the bank's AAs.

Number and Amount of CD Loans

The CD Loans Table, shown 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.

CD Loans				
Assessment Area	Total			
	#	% of Total #	\$(000's)	% of Total \$
Austin-Round Rock	1	2.9	850	2.5
Houston-Galveston	32	94.2	32,756	96.8
San Antonio-New Braunfels	1	2.9	250	0.7

In the Houston-Galveston AA, the level of CD loans was excellent. MNB originated 32 loans to 26 borrowers totaling \$32.8 million. These loans helped meet community credit needs by supporting affordable housing and community services for LMI individuals, as well as economic development of small businesses and job creation for LMI individuals. MNB also responded to revitalization and stabilization needs when the Houston-Galveston AA was designated as a Federal disaster area following Hurricane Harvey, which occurred in August 2017. Of all CD loans originated in the full-scope AA, 47 percent by number and 7.2 percent by dollar aided disaster recovery.

Number and Amount of Qualified Investments

Assessment Area	Prior Period*		Current Period		Total			
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$
Austin-Round Rock	1	950	17	34	18	16.5	984	11.9
Houston-Galveston	1	523	74	3,174	75	68.8	3,697	44.8
San Antonio-New Braunfels	0	0	8	1,119	8	7.3	1,119	13.6
Broader Statewide	3	2,442	5	11	8	7.3	2,453	29.7

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

In the Houston-Galveston AA, the level of CD investments and donations was excellent. MNB invested \$3.6 million in three qualified investments that provided affordable housing to LMI individuals. Additional contributions included 72 donations to 41 organizations totaling \$123,350. Most of these donations assisted organizations providing community services to LMI individuals; however, a small portion of donations supported affordable housing, economic development, and revitalization or stabilization of designated disaster areas.

Extent to Which the Bank Provides CD Services

Bank involvement through CD services is excellent. In the Houston-Galveston AA, 21 bank employees provided a total of 1,241 hours of service to 18 organizations. Most of these organizations provide community services that benefit LMI individuals; however, some organizations help support affordable housing and economic development. Using their financial expertise, 12 employees held leadership positions through board membership in 13 organizations and ten employees provided financial education or job-specific training to seven organizations.

Conclusions for Areas Receiving Limited Scope Reviews

Based on limited-scope reviews, the bank's performance under the CD Test in the Austin and San Antonio AAs is consistent with the bank's overall performance under the CD Test in the full-scope area. The level of CD activity in these AAs is proportionate with the level of deposits and loans in each AA.

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:		
Lending Test	1/01/2017 – 12/31/2019	
Community Development Test	3/13/2017 – 12/31/2019	
Bank Products Reviewed:	Home mortgage, small business CD loans, qualified investments and donations, CD services	
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 - TEXAS		
Austin AA	Limited-scope	
Houston-Galveston AA	Full-scope	
San Antonio AA	Limited-scope	

Appendix B: Summary of State Ratings

RATINGS				Moody National Bank			
Overall Bank:	Lending Test Rating*	CD Test Rating	Overall Bank/State/Rating				
	Satisfactory	Outstanding	Satisfactory				
State:							
Texas	Satisfactory	Outstanding	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 by all reporting lenders (HMDA or CRA) in specified income categories as a percentage of the aggregate number of loans originated by all reporting lenders in the state/AA.

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. CTs nest within counties and their boundaries normally follow visible features, but may follow legal geography boundaries and other non-visible features in some instances. CTs 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: Affordable housing (including multifamily rental housing) for LMI individuals; community services targeted to LMI 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 LMI geographies, distressed or underserved non-MSA 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 CT delineated by the U.S. 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 MSA 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 CT with a median family income that is less than 50 percent.

Market Share: The number of loans originated by the institution as a percentage of the aggregate number of loans originated by all reporting lenders in the state/AA.

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 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 (MSA): 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 MSA 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 multistate metropolitan statistical area (MMSA). 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 MMSA, the institution will receive a rating for the MMSA.

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 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 MMSA, 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 by all HMDA or CRA-reporting lenders in the MMSA/AA. Deposit data are compiled by the Federal Deposit Insurance Corporation 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 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 by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MMSA/AA. 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 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 AA.
- 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 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.

TEXAS

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	Aggt.	% of Owner-Occupied Housing Units	% Bank Loans	Aggt.	% of Owner-Occupied Housing Units	% Bank Loans	Aggt.	% of Owner-Occupied Housing Units	% Bank Loans	Aggt.	% of Owner-Occupied Housing Units	% Bank Loans	Aggt.
Austin-Round Rock	33	24,807	12.9	41,181	6.2	0.0	6.6	18.6	12.1	18.6	29.9	27.3	33.6	45.0	60.6	40.7	0.3	0.0	0.5
Houston-Galveston	210	53,818	82.0	77,567	3.4	3.8	1.8	17.6	22.4	11.0	34.4	30.0	32.9	44.5	43.8	54.2	0.1	0.0	0.1
San Antonio-New Braunfels	13	4,267	5.1	7,207	0.0	0.0	0.0	7.2	7.7	4.9	30.4	30.8	29.3	62.4	61.5	65.8	0.0	0.0	0.0
Total	256	82,891	100.0	125,955	4.0	3.1	3.3	17.5	20.3	13.2	33.0	29.7	32.9	45.4	46.9	50.5	0.1	0.0	0.2

*Source: 2015 ACS Census; 01/01/2017 - 12/31/2019 Bank Data, 2018 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%*

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	Aggt.	% Families	% Bank Loans	Aggt.	% Families	% Bank Loans	Aggt.	% Families	% Bank Loans	Aggt.	% Families	% Bank Loans	Aggt.
Austin-Round Rock	33	24,807	12.9	41,181	24.8	0.0	3.5	15.9	6.1	13.7	18.1	3.0	19.8	41.2	81.8	49.7	0.0	9.1	13.3
Houston-Galveston	210	53,818	82.0	77,567	20.9	5.2	3.7	15.7	6.2	14.2	17.6	10.0	20.0	45.8	51.9	42.6	0.0	26.7	19.6
San Antonio-New Braunfels	13	4,267	5.1	7,207	14.6	0.0	1.8	15.3	0.0	7.3	17.3	0.0	16.1	52.8	100.0	57.1	0.0	0.0	17.7
Total	256	82,891	100.0	125,955	21.7	4.3	3.5	15.7	5.9	13.6	17.7	8.6	19.7	44.8	58.2	45.7	0.0	23.0	17.4

*Source: 2015 ACS Census; 01/01/2017 - 12/31/2019 Bank Data, 2018 HMDA 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																			2017-19		
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	Aggt.	% Businesses	% Bank Loans	Aggt.	% Businesses	% Bank Loans	Aggt.	% Businesses	% Bank Loans	Aggt.	% Businesses	% Bank Loans	Aggt.		
Austin -Round Rock	18	2,250	5.3	36,941	8.7	11.1	9.4	12.1	5.6	13.6	26.7	22.2	26.9	50.6	50.0	48.9	1.9	11.1	1.2		
Houston-Galveston	312	48,407	92.0	63,471	5.1	9.0	4.7	17.9	25.0	15.7	30.6	29.5	29.6	46.1	36.5	49.8	0.3	0.0	0.3		
San Antonio-New Braunfels	9	1,168	2.7	4,033	0.0	0.0	0.0	8.1	0.0	7.1	31.7	55.6	36.2	60.2	44.4	56.8	0.0	0.0	0.0		
Total	339	51,825	100.0	104,445	6.2	8.9	6.2	15.4	23.3	14.6	29.2	29.8	28.9	48.4	37.5	49.7	0.9	0.6	0.6		

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 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												2017-19	
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	Aggt.	% Businesses	% Bank Loans	% Businesses	% Bank Loans		
Austin-Round Rock	18	2,250	5.3	36,941	85.8	61.1	42.6	5.0	22.2	9.2	16.7		
Houston-Galveston	312	48,407	92.0	63,471	87.0	59.6	43.5	4.5	33.7	8.5	6.7		
San Antonio-New Braunfels	9	1,168	2.7	4,033	87.9	66.7	39.1	4.0	11.1	8.1	22.2		
Total	339	51,825	100.0	104,445	86.6	59.9	43.0	4.7	32.4	8.7	7.7		

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%