



PUBLIC DISCLOSURE

April 10, 2023

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Dallas Capital Bank, National Association
Charter Number 15980

14185 Dallas Parkway
Suite 200
Dallas, TX 75274

Office of the Comptroller of the Currency

225 E. John Carpenter Freeway
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 community development test is rated: Satisfactory.

The major factors that support this rating include:

- The Lending Test rating is based on a more than reasonable loan-to-deposit ratio (LTD), a substantial majority of loans originated within the assessment area, a reasonable geographic distribution of small loans to businesses in low- and moderate-income (LMI) areas, and a reasonable distribution of small loans to businesses of different sizes.
- The Community Development (CD) Test rating is based on excellent responsiveness to CD needs in the assessment area (AA) through CD lending and adequate responsiveness to AA needs with CD investments and services.

Loan-to-Deposit Ratio

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

Dallas Capital Bank, National Association's (DCB or "the bank") quarterly LTD ratio since the previous evaluation averaged 104.10 percent, with a quarterly high of 127.79 percent and a quarterly low of 85.91 percent. We compared the bank's LTD ratio to six similarly situated institutions within Dallas County with asset sizes ranging from \$505 million to \$1.68 billion. The quarterly average LTD ratio for banks in this peer group was 86.78 percent with a high average ratio of 109.91 percent and a low average ratio of 55.38 percent.

The bank was responsive to community needs during the COVID-19 pandemic and supported local businesses by originating 344 Small Business Administration (SBA) Paycheck Protection Program (PPP) loans totaling \$99 million.

Lending in Assessment Area

A substantial majority of the bank's loans are inside its assessment area (AA).

The bank originated and purchased 80 percent of its total loans inside the bank's AA during the evaluation period. This analysis is performed at the bank, rather than the AA, level. This percentage does not include extensions of credit by affiliates that may be considered under the other performance criteria.

The percentage is based on our random sample of 20 small commercial loans originated during the evaluation period. The findings from this analysis were factored into the overall analysis of the geographic distribution of lending by income level of 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		
	#	%	#	%		\$	%	\$	%	
Small Business	16	80.0	4	20.0	20	2,458	73.4	889	26.6	3,347
Subtotal	16	80.0	4	20.0	20	2,458	73.4	889	26.6	3,347

Source: Bank Data
Due to rounding, totals may not equal 100.0%

Description of Institution

DCB is a \$1.1 billion community bank located in Dallas, Texas. The bank is a single-state institution and operates from one location at 14185 Dallas Parkway. DCB is wholly owned by Park Cities Financial Group, a one-bank holding company, which is also headquartered in the same location. DCB is a full-service institution that offers a range of loan and deposit services. The bank has two full-service automated teller machines (ATMs), one located within the lobby and the second located in the drive-through of the building's parking garage. No branches have opened since the previous evaluation. DCB has one AA consisting of the northern third of Dallas County, the western half of Collin County, and all of Denton County. The AA is in the Dallas-Plano-Irving, Texas Metropolitan Division (MD) which is within the Dallas-Fort Worth-Arlington, Texas Metropolitan Statistical Area (MSA).

The bank maintains hours comparable to area banks with the lobby open from 9:00 a.m to 4:00 p.m Monday through Friday, and the drive-through lanes open from 7:30 a.m. to 5:00 p.m. DCB is closed on Saturday and Sunday. Customers have access to a network of nationwide ATMs without surcharge fees, as well as a variety of alternative banking services. Alternative banking services include telephone banking, which is available free of charge to all customers in English or Spanish. DCB's automated call service is available to all customers 24 hours a day and provides the ability to retrieve balances and account transaction history, place stop payments, and transfer funds. Additionally, DCB maintains a website that provides free online banking capabilities. The online banking system allows customers to retrieve balances, transfer funds, enroll in electronic statements, e-mail the bank, access account histories, view check images, place alerts and stop payments, and utilize free bill payment and external transfers services. Mobile banking is available free of charge to all customers and includes Zelle.

The following products and services are available to LMI individuals.

- Personal checking accounts with no monthly fee or minimum required balance. The opening deposit must be \$100.00 or more. This account provides free services such as electronic statements, online banking (bill pay, Zelle, internal and external transfers), mobile banking with similar online banking capabilities, telephone banking, mobile deposits, and a MasterCard debit card. In addition, the account comes with free ATM access at bank-owned and non-bank ATM locations nationwide.
- Business checking accounts are available for \$0.00 minimum opening deposit and include 150 free transactions per month. There is a \$15 monthly fee if the daily balance falls below \$1,500. This account provides free services such as online banking (bill pay and transfers), telephone banking, mobile deposit, electronic statements, and a MasterCard debit card. Customers have free access to bank-owned and non-bank ATMs.
- Prepaid (reloadable) cards for small businesses to offer their LMI employees an alternative banking product with no initial load cost.

- Remote Deposit Capture for small businesses to scan checks for electronic deposit from their place of business.
- Free mobile deposit for small businesses instead of remote deposit capture services, which eliminates the traditional hardware and analysis fees.

As of December 31, 2021, DCB reported total assets of \$1.1 billion, total liabilities of \$941.3 million, and tier 1 capital of \$98.4 million. Net loans totaled \$745.1 million, representing 70.8 percent of total assets. The loan portfolio is comprised of the following products:

- Commercial real estate totaling \$237.7 million or 31.91 percent of the loan portfolio
- Mortgage warehouse lines totaling \$236.1 million or 31.69 percent
- Commercial and industrial loans totaling \$94 million or 12.61 percent
- 1-4 family residential properties totaling \$89 million or 11.95 percent
- Construction and development loans totaling \$55.29 million or 7.42 percent
- and other loans totaling \$38 million or 5.12 percent

Commercial loan products represent the largest share of the loan portfolio. The lending strategy continues to be centered in origination of commercial and commercial real estate loans to small and midsize businesses and purchase of residential real estate loans through the mortgage warehouse division. During the evaluation period, commercial loan products made up 84.8 percent of total loans.

There are no legal, financial, or other factors impeding the bank's ability to help meet the credit needs in its AA. The bank's CRA performance was previously evaluated as of April 6, 2020, with an overall rating of "Outstanding."

Scope of the Evaluation

Evaluation Period/Products Evaluated

We evaluated DCB's CRA performance in meeting the credit needs of its AA by using Intermediate Small Bank performance criteria, which includes the lending test and the CD test. The evaluation period includes transactions from January 1, 2020, through December 31, 2021. To evaluate the bank's lending performance, we selected a random sample of loans originated during this time. Conclusions regarding the institution's lending performance are based on a sample of small business loans originated during the evaluation period. The loan type we selected was based on the bank's primary products as detailed above.

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 assessment areas located within the same MSA, are combined and evaluated as a single AA. Refer to the "Scope" section under each State Rating for details regarding how full-scope AAs were selected. Refer to appendix A, Scope of Examination, for a list of full-scope AAs.

Ratings

The bank's overall rating is the state of Texas.

The state rating is based on performance in the Dallas AA. Refer to the "Scope" 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 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 Consumer Financial Protection Bureau, as applicable.

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

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

State Rating

State of Texas

CRA rating for the State of Texas¹: Satisfactory

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Satisfactory

The major factors that support this rating include:

- The geographic distribution of small loans to businesses reflects reasonable distribution throughout LMI geographies in the bank's AA.
- The distribution of loans to businesses of different sizes reflects reasonable distribution given the bank's performance context.
- CD loans reflect excellent responsiveness to the needs of the AA.
- CD investments and services reflect adequate responsiveness to the needs of AA.

Description of Institution's Operations in Texas

DCB is a single-state, full-service institution offering a range of loan and deposit services, including two ATMs. No branches have been opened since the previous evaluation. DCB has one AA located within the Dallas-Plano-Irving, TX MSA that includes the northern portion of Dallas County, the western half of Collin County, and all of Denton County.

As of December 31, 2021, there were a total of 617 census tracts (CTs) in the bank's AA: 57 low-income, 130 moderate-income, 147 middle-income, 277 upper-income, and six CTs with no income level. The AA meets the requirements of the regulation and does not arbitrarily exclude low- or moderate-income geographies. The population serviced by this AA is represented by a total of 3,001,594 persons with 28.8 percent located in a low- or moderate-income CT. The AA contains 410,694 businesses, of which 19.2 percent are located in a low- or moderate-income CT.

The bank's lending strategy continues to focus on the origination of commercial and commercial real estate loans. Commercial loans during the evaluation period represent 84.8 percent of total loans by volume and 82.3 percent of loans by dollar. DCB was an active lender in the SBA's PPP under the CARES Act, providing PPP loans to small businesses throughout the community during the COVID-19 pandemic. During the evaluation period, the bank originated 344 PPP loans totaling \$99 million.

Major employers in the area include AT&T, Capital One Finance, Dr. Pepper Snapple Group, Frito-Lay North America, Fujitsu America, GE Energy, J.C. Penney, Kimberly-Clark, L3 Technologies, Liberty Mutual Insurance, Lockheed Martin, Raytheon, Southwest Airlines, State Farm Insurance, Texas Instruments, Toyota Motor North America, and Torchmark Corporation. As of December 31, 2021, the unemployment rate of the AA was 4.31 percent, which is similar to the 2021 unemployment rates for the state of Texas and the US, which were 4.5 percent and 3.9 percent, respectively. The AA has 1,181,133

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

housing units, of which 52.3 percent are owner-occupied, 40.7 percent are renter-occupied, and 7 percent are vacant.

According to the 2021 Federal Deposit Insurance Corporation (FDIC) Deposit Market Share report, there are 128 banks and thrifts that operate 846 branches in the Dallas, Plano, Irving MD. Large banks dominate the competition with Charles Schwab, Bank of America, and JPMorgan Chase representing 75.4 percent of the market share. DCB ranked 42nd overall, holding 0.1 percent of the total market share. This represented \$735.3 million in deposits in the AA as of June 30, 2021.

We determined the needs of the AA through discussions with management, reviews of Public Evaluations for similarly situated institutions within the AA, and interviews with representatives in the community who provide services for LMI families. Continuing needs in the AA include small business loans for commercial expansion and affordable housing. Additionally, there is a need for supporting organizations that provide food pantries, job assistance, and affordable access to health services for LMI individuals. Based on our conversation with a local social service agency, the post-pandemic environment has negatively impacted the mental health of children and senior adults, who based on income status, may have reduced access to mental health services. According to two other community contact interviews conducted during the evaluation period, the primary needs of LMI individuals are job training, financial and money management education, and affordable housing.

Dallas AA

Table A – Demographic Information of the Assessment Area						
Assessment Area: Dallas Plano Irving MD 2021						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	617	9.2	21.1	23.8	44.9	1.0
Population by Geography	3,001,594	8.8	20.0	24.9	46.0	0.3
Housing Units by Geography	1,181,133	9.6	18.8	25.6	45.6	0.4
Owner-Occupied Units by Geography	617,379	2.3	13.6	24.1	59.8	0.2
Occupied Rental Units by Geography	481,194	17.5	24.8	27.7	29.3	0.7
Vacant Units by Geography	82,560	17.6	22.0	24.9	34.8	0.6
Businesses by Geography	410,694	4.8	14.4	24.1	55.7	1.1
Farms by Geography	6,332	3.2	13.9	25.3	56.7	0.9
Family Distribution by Income Level	734,643	19.9	14.8	16.7	48.6	0.0
Household Distribution by Income Level	1,098,573	20.8	15.5	17.0	46.7	0.0
Median Family Income MSA - 19124 Dallas-Plano-Irving, TX		\$71,149	Median Housing Value			\$219,185
			Median Gross Rent			\$1,031
			Families Below Poverty Level			9.2%
<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>						

Scope of Evaluation in Texas

DCB has one AA which consists of the northern portion of Dallas County, western half of Collin County, and all of Denton County. We conducted a full-scope review of the AA. Refer to the table in appendix A for a list of all AAs under review. Consistent with the institution's primary lending focus, we analyzed small business loans.

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 a full-scope review, the bank's lending performance in the state of Texas is reasonable.

Distribution of Loans by Income Level of the Geography

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

Small Loans to Businesses

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

The geographic distribution of small loans to businesses reflects very poor distribution. The bank did not originate any loans in low-income geographies. However, demographic data reflects only 4.8 percent of businesses are located in these geographies, indicating limited lending opportunities. In addition, the bank's single location is not in or adjacent to a low-income tract and there is a significant level of competition from branches of regional and national institutions in the AA, rendering reasonable distribution overall. The geographic distribution of small loans to businesses in moderate-income geographies significantly exceed both the percentage of loans in these geographies and the aggregate lending distribution.

Lending Gap Analysis

There were no unexplained conspicuous gaps in lending considering the geographic distribution of loans, branch location, and performance context as previously mentioned.

Distribution of Loans by Income Level of the Borrower

The bank exhibits reasonable distribution of loans to businesses of different sizes, given the product lines offered by the bank.

Small Loans to Businesses

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

The distribution of loans to businesses of different sizes in the AA reflects reasonable distribution. The bank's lending to small businesses with revenues less than or equal to \$1 million is lower than the percentage of AA businesses and the aggregate lending for these businesses.

Responses to Complaints

DCB did not receive any CRA related complaints during the 2020 and 2021 evaluation period. We reviewed the bank's complaint management program and policy, which ensure timely and thorough response to any complaints the bank may receive. CRA related complaints and responses are available for review in the public file.

COMMUNITY DEVELOPMENT TEST

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

Conclusions for Area Receiving a Full-Scope Review

Based on a full scope review, the bank exhibits adequate responsiveness to CD needs in the state through CD loans, qualified investments, and CD services, as appropriate, considering the bank's capacity and the need and availability of such opportunities for CD in the bank's AA.

Number and Amount of Community Development 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.

<i>Community Development Loans</i>				
Assessment Area	Total			
	#	% of Total #	\$(000's)	% of Total \$
Dallas AA	106	100	22,993	100
Total	106	100	22,993	100

The level of CD lending exhibits excellent responsiveness to the CD needs within the AA. DCB originated 106 CD loans during the evaluation period totaling \$22.9 million, which represents 23.4 percent of tier 1 capital. DCB originated 20 loans in the State of Texas but outside the AA totaling \$16.8 million, or 17.0 percent of tier 1 capital. These loans benefited the broader statewide or regional area that includes the AA.

Examples of qualified loans in the AA include:

- \$1.5 million loan to provide funds to cover payroll costs of a small business in an LMI CT using the PPP under the CARES Act.

- \$110,000 loan to provide funds to cover payroll costs using the PPP CARES Act. The organization provides food pantry services within an LMI CT.

Examples of loans that benefit the broader statewide or regional area include:

- \$3.5 million loan to purchase a multi-family apartment complex located in a moderate-income CT that provides affordable housing to LMI individuals.
- \$2.9 million loan to provide funding for two health care facilities that focus on providing health care services to LMI individuals.

Number and Amount of Qualified Investments

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Dallas AA	1	583	27	86	28	100	669	100	0	0
Total	1	583	27	86	28	100	669	100	0	0

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

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

The level of CD investments exhibits adequate responsiveness to the CD needs within the AA. DCB made 28 qualified investments and donations during the evaluation period totaling \$669,000. Donations were to local organizations that provide services to LMI individuals, including technical services, financial support, food supplies, and education. Qualified investments include one prior year investment in the Lone Star Markets Fund LP with a balance of \$583,000 as of December 31, 2021. This fund promotes economic development by financing small businesses or small farms and has a reputation for driving economic growth in low-income areas.

Examples of qualified investments in the AA include:

- \$20,000 in college scholarships to eight LMI high school seniors.
- \$16,000 to an organization that provides technical and work-force assistance to LMI individuals and their families.
- \$10,000 to a North Texas food pantry that provides food supplies to LMI families.

Extent to Which the Bank Provides Community Development Services

The level of CD services reflects an adequate responsiveness to needs in the bank's AA with respect to the number of hours contributed, the number of employees involved, and the number and type of non-profit organizations served. The bank met this need primarily through bank employee financial expertise and volunteer support during the pandemic. CD services completed during this evaluation period include training in financial literacy, assisting food banks, and providing technical assistance to LMI individuals. While service opportunities were hindered due to shutdowns and restrictions enforced during the COVID-19 pandemic, the bank remained responsive to the needs of the AA. Twenty-six employees donated 130.5 hours of their time to eleven organizations within the AA. This includes four employees who served as

board members of four organizations serving LMI individuals. An additional 3.5 hours were donated outside the AA but benefited LMI individuals in the broader regional area.

Examples of qualified services in the AA include:

- 30 hours were provided by multiple employees to an organization that provides educational and work-force assistance to LMI individuals and families.
- 28 hours were provided by multiple employees delivering financial literacy training to LMI students.
- 16 hours were provided by multiple employees to provide food supplies to LMI individuals.

Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the MSA(s) and non-MSA(s) that received comprehensive examination review, designated by the term “full-scope,” and those that received a less comprehensive review, designated by the term “limited-scope”.

Time Period Reviewed:	01/01/2020 to 12/31/2021	
Bank Products Reviewed:	Small business loans CD loans, qualified investments, and services	
Affiliate(s)	Affiliate Relationship	Products Reviewed
(none)		
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
MMSA(s)		
(n/a)		
State		
Texas: Dallas AA	Full scope	AA includes a portion of the Dallas-Plano-Irving MD with all of Denton County, the western portion of Collin County, and the northern portion of Dallas County.

Appendix B: Summary of MMSA and State Ratings

RATINGS Dallas Capital Bank, National Association			
Overall Bank:	Lending Test Rating*	CD Test Rating	Overall Bank/State/Multistate Rating
Dallas Capital Bank, National Association	Satisfactory	Satisfactory	Satisfactory
State:			
Texas	Satisfactory	Satisfactory	Satisfactory

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

Appendix C: Definitions and Common Abbreviations

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

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

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

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

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.

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.

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.

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 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.

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																				2020-21	
Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts				
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate		
Dallas AA	20	2,935	100.0	131,252	4.8	0.0	5.2	14.4	30.0	15.5	24.1	20.0	21.8	55.7	50.0	56.5	1.1	0.0	1.1		
Total	20	2,935	100.0	131,252	4.8	0.0	5.2	14.4	30.0	15.5	24.1	20.0	21.8	55.7	50.0	56.5	1.1	0.0	1.1		

Source: 2020 D&B Data; 01/01/2020 - 12/31/2021 Bank Data; 2021 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												2020-21	
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available			
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans		
Dallas AA	20	2,935	100.0	131,252	88.5	25.0	43.3	4.1	30.0	7.4	45.0		
Total	20	2,935	100.0	131,252	88.5	25.0	43.3	4.1	30.0	7.4	45.0		

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

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.