



Office of the
Comptroller of the Currency
Washington, DC 20219

INTERMEDIATE SMALL BANK

PUBLIC DISCLOSURE

October 19, 2020

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Golden Bank, National Association
Charter Number 18558

9315 Bellaire Boulevard, Houston, TX 77036

Office of the Comptroller of the Currency

1301 McKinney Street, Suite 1410, Houston, TX 77010-3031

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: Outstanding

The Community Development Test is rated: Satisfactory

The major factors that support this rating include:

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

Loan-to-Deposit Ratio

The LTD ratio is reasonable, considering the bank's size, financial condition, and credit needs of the assessment areas (AAs). The quarterly average LTD ratio since the last CRA evaluation was 82 percent and has ranged from 86 percent in the second quarter of 2019 to a high of 98 percent in the first quarter of 2018. Our analysis included five similar banks in the bank's AAs ranging from \$915 million to \$1.96 billion in total assets. This group of banks had an average LTD ratio of 83 percent and ranged from 49 percent to 104 percent.

Lending in Assessment Area

A substantial majority of loan originations and renewals were made inside the bank's AAs during our evaluation period. This analysis is performed at the bank level, rather than the AA level. Our analysis included 331 small business loans originated/renewed in 2017, 2018, and 2019. The bank originated 89 percent by number and 88 percent by dollar of loans inside the combined AA. The bank also originated 95 percent of home mortgages inside the combined AA and 94 percent by dollar amount. The following table details lending in the combined AA for small business and home mortgage loans.

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	101	95.3	5	4.7	106	29,123	93.6	1,986	6.4	31,109
Small Business	296	89.4	35	10.6	331	116,235	87.5	16,645	12.5	132,880
Total	397	90.8	40	9.2	437	145,358	88.6	18,631	11.4	163,989

Note: Combined AA, for the purposes of this conclusion, includes all of the bank's AAs in Texas and California.

Description of Institution

Golden Bank, National Association (GBNA) is a minority-owned community bank located in Houston, Texas 77036, and is headquartered at 9315 Bellaire Boulevard. GBNA was chartered in 1985 as Texas First National Bank. GBNA changed its name to Golden Bank, N.A. in 2006. GBNA currently operates out of six branch offices in Texas, two branches in California, and two loan production offices (LPOs) in California. One branch in Tustin, California opened on May 15, 2017 and one branch in Alhambra, California opened on July 16, 2018. Additionally, GBNA relocated a branch in Harris county in April 2017 from a middle-income census tract (CT) to a moderate-income CT.

As of December 31, 2019, GBNA reported \$1.02 billion in total assets and reported a tier 1 leverage capital ratio of 13.15 percent. GBNA offers a variety of lending products for consumers and businesses. The primary lending focus of the bank is business related loans including Small Business Administration (SBA) loans. GBNA provides a comprehensive line of deposit products and other services including online banking, mobile banking, wire transfers, remote deposit capture, wire transfers, merchant services, safe deposit boxes, check cards, night deposit, and others.

GBNA received a “Satisfactory” rating at the prior CRA evaluation dated July 31, 2017. There are no legal or financial impediments to GBNA’s ability to meet the credit needs of the AA.

Scope of the Evaluation

Evaluation Period/Products Evaluated

The evaluation period for the Lending Test and Service Test is January 1, 2017 through December 31, 2019. Home mortgage loans reported under the Home Mortgage Disclosure Act (HMDA) totaled 101. GBNA originated no farm loans and consumer loans are very low. Small business loans, totaling 331 are the primary product. A review of business lending data includes Houston, Dallas-Fort Worth, and California.

Selection of Areas for Full-Scope Review

All AAs were used for the full-scope review. GBNA has five AAs that cover the states of Texas and California. There are six branches in Texas (four in Houston and two in Dallas) and in California there are two branches and two LPOs. For review purposes, we combined Anaheim and Los Angeles for California, and combined Houston, Fort Worth, and Dallas for Texas.

Ratings

The bank’s overall rating includes Texas and California. Both states are equally rated, although Texas has the greatest level of loans and deposits. The state ratings are based on performance in all bank AAs. The “Scope” section under each State Rating section provides details for how the areas were weighted to determine each rating.

Discriminatory or Other Illegal Credit Practices Review

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

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

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

LENDING TEST

The bank's performance under the Lending Test is rated **Outstanding**.

Based on a full-scope review, the bank's lending performance in the state of Texas is **outstanding**. The bank's lending performance in the state of California is **satisfactory**.

Distribution of Loans by Income Level of the Geography

The bank exhibits excellent geographic distribution of loans in all AAs. The distribution of small loans to businesses in low- to moderate-income (LMI) geographies is excellent. The bank's proportion of small loans to business was significantly stronger than the proportion of businesses and the aggregate distribution of loans in those geographies. In the Houston AA, 27.9 percent of business loans was located in low-income CTs compared to 9.4 percent of all businesses in the AA, and 25.1 percent was located in moderate-income CTs, compared to 18.4 percent of all businesses in the AA. The bank exhibits reasonable distribution of loans in the California AAs when considering the small percentage of low-income CTs and lending volume in the state. The infancy of the bank's loan operations, as well as strong competition in the California market were considered.

Small Loans to Businesses

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

During the evaluation period for Texas, the distribution of small loans to businesses in LMI geographies is excellent. The bank's proportion of small loans to businesses was significantly stronger than the proportion of businesses and the aggregate distribution of loans in those geographies. The distribution of small loans to businesses in LMI geographies is good in the Los Angeles AA. The bank's proportion of small loans to businesses was consistent with the proportion of businesses and the aggregate distribution of loans in those geographies. In the Anaheim AA the distribution of small loans to businesses in LMI geographies is excellent. The bank's proportion of small loans to businesses was significantly stronger than the proportion of businesses and the aggregate distribution of loans in those geographies. Although the number of loans made in these geographies was low, the dollar volume of the loans was significantly higher than the size of those loans made in the middle and upper-income geographies.

Distribution of Loans by Income Level of the Borrower

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

Home Mortgage Loans

Refer to Table P in the MMSA section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases. The bank has adequate home mortgage distribution in low income, moderate income, and middle income CTs.

Responses to Complaint

There were no complaints related to GBNA's CRA performance within Texas and California.

COMMUNITY DEVELOPMENT TEST

The bank's performance ratings under the Community Development Test in Texas and California are Satisfactory.

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

Number and Amount of Community Development Loans

Refer to the Community Development Loan table below for the facts and data used to evaluate the bank's level of CD lending. The table includes all CD loans, including multifamily loans, that also qualify as CD loans.

Community Development Loans 2017 - 2019				
Assessment Area	Total			
	#	% of Total #	\$(000's)	% of Total \$
Houston	5	50.0	19,139	64.9
Dallas-FW	2	20.0	7,746	26.2
California	3	30.0	2,625	8.9
Total	10	100.0	29,510	100.0

Number and Amount of Qualified Investments

Qualified Investments 2017 - 2019										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Houston	1	2,378	1	2,066	1	50	2,066	38	0	0
Dallas-FW	1	3,443	0	0	0	0	0	0	0	0
California	0	0	1	3,370	1	50	3,370	62	0	0

* Prior Period Investments refers to investments made in a previous evaluation period outstanding as of the examination date.

** Unfunded Commitments refers to legally binding investment commitments tracked and recorded by the bank's financial reporting system.

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

State Rating

State of California

CRA rating for the State of California: Satisfactory

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Satisfactory

The major factors that support this rating include:

- A reasonable dispersion of loans
- Accessible service delivery systems
- An adequate level of qualified CD investments and grants
- A good level of CD services

Description of Institution's Operations in California

GBNA entered the state of California with the opening of a branch in the second quarter of 2017 and a second branch in the third quarter of 2018. The branches are both located in middle income CTs. The bank also has two loan production offices located in an upper- and moderate-income CT. The Los Angeles AA includes all 2,929 CTs within Los Angeles and Orange counties, of which 54 of the tracts are unavailable for income data, 266 (9.08 percent) are low income tracts, 821 (28.03 percent) are moderate income tracts, 760 (25.95 percent) are middle income tracts, and 1,028 (35.10 percent) are upper income tracts.

GBNA had 9.1 percent of bank-wide deposits in California. GBNA held deposits totaling \$77.4 million, which represented 0.01 percent deposit market share and ranked the bank ninety-seventh out of 119 institutions within the AA. The banking industry in the AA is very competitive. The largest depository institutions are Bank of America, NA, Wells Fargo Bank, NA, and JPMorgan Chase, NA, operating a total of 1,057 branch locations with a combined 45 percent market share.

Community Contacts

We identified two community contacts in Los Angeles County to determine credit and CD needs. One of the contacts is an Executive Director of an economic development organization in Los Angeles. The organization arranges events to engage local residents in the revitalization of their own neighborhoods and community. The organization also provides educational workshops that develop skills in financial literacy, health, and safety. The organization offers access to capital and affordable housing. The interviewee identified needs for financial education to include small business education such as simple financial statements and applications, budgeting, and credit report scoring.

An opportunity exists for banks to make small business micro loans from \$500 to \$10,000 and a program with favorable terms such as zero interest and no fees would significantly help. The interviewee also indicated a need for financial institutions and banks to provide local decision making and develop close relationships with the communities. The second contact is an executive director of a nonprofit academic organization in Orange County. The organization supports LMI students with after school community art programs. The organization also provides educational workshops that develop skills in visual, performing and media art. The interviewee expressed concerns with the current CRA regulation and stated the current CRA appears to be outdated and in need of an amendment to serve “everyone” in the community. Often times it seems as if financial institutions target a specific minority instead of overall needs of the community. The interviewee also indicated a need for financial institutions and banks to support LMI youth through donations made to programs that boost self-confidence and access to the arts.

Table A – Demographic Information of the Assessment Area						
Assessment Area: Combined						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	2,929	9.1	28.0	25.9	35.1	1.8
Population by Geography	13,154,457	8.6	28.9	26.9	35.0	0.6
Housing Units by Geography	4,541,360	7.5	25.8	26.2	40.1	0.4
Owner-Occupied Units by Geography	2,082,030	2.7	17.6	27.5	52.2	0.1
Occupied Rental Units by Geography	2,190,392	12.0	33.7	25.1	28.4	0.7
Vacant Units by Geography	268,938	8.0	24.6	24.4	42.2	0.8
Businesses by Geography	1,209,518	4.8	18.9	24.9	49.6	1.9
Farms by Geography	12,457	3.5	18.5	27.4	49.6	0.9
Family Distribution by Income Level	2,913,538	24.4	16.3	17.0	42.3	0.0
Household Distribution by Income Level	4,272,422	25.6	15.5	16.1	42.8	0.0
Median Family Income MSA - 11244 Anaheim-Santa Ana-Irvine, CA		\$86,003	Median Housing Value			\$515,607
Median Family Income MSA - 31084 Los Angeles-Long Beach-Glendale, CA		\$62,703	Median Gross Rent			\$1,353
			Families Below Poverty Level			13.0%
<i>Source: 2015 ACS and 2019 D&B Data Due to rounding, totals may not equal 100.0% (*) The NA category consists of geographies that have not been assigned an income classification.</i>						

Scope of Evaluation in California

The combined Los Angeles and Anaheim AAs received a full-scope review. Refer to appendix A for a list of all AAs under review.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN CALIFORNIA

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank's performance in the Los Angeles AA is good.

LENDING TEST

The bank's performance under the Lending Test in California is rated Satisfactory. Lending was assessed in the combined California and Texas AAs, and is discussed in more detail below under conclusions related to the performance tests in both states.

Community Development Lending

The bank made a low level of CD loans, but this is adequate when considering the performance context.

The Lending Activity Table, shown above, set forth the information and data used to evaluate the bank's level of CD lending. These tables include all CD loans.

Los Angeles AA

GBNA exhibits adequate responsiveness to community needs in the Los Angeles AA. During the evaluation period, the bank originated three loans totaling \$2.6 million. Two of the loans support affordable housing and economic development by providing employment for LMI individuals and families. One of the loans supported an organization that provides health care services to elderly LMI individuals.

INVESTMENT TEST

The bank's performance under the Investment Test in California is rated Satisfactory.

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank's performance in the Los Angeles AA is adequate.

The bank has an adequate level of qualified CD investments and donations in the Los Angeles AA. During the evaluation period, the bank made two qualifying investments/donations in a certified CRA fund totaling \$5.4 million.

The investments are in mortgage-backed securities for affordable housing and bonds for minority depository institution investments that benefit LMI individuals across all three AAs. GBNA also holds prior-period investments in these funds totaling \$5.8 million. Funds provided by the CRA fund promotes economic development, affordable housing, and provides community services to LMI individuals.

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Houston MSA	1	2,378	1	2,066	1	50	2,066	38	0	0
Dallas-FW MSA	1	3,443	0	0	0	0	0	0	0	0
California AA	0	0	1	3,370	1	50	3,370	62	0	0

* Prior Period Investments refers to investments made in a previous evaluation period outstanding as of the examination date.

** Unfunded Commitments refers to legally binding investment commitments tracked and recorded by the bank's financial reporting system.

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

Community Development Services

The bank provides an adequate level of CD services in California.

Bank employees provided 73 hours of service. Bank employees provided financial expertise to assist LMI individuals in the bank's AAs with tax preparation services and tax changes for the current filing year. Other CD services included hosting two Small Business Administration (SBA) workshops to educate LMI participants and small business owners about small business lending and SBA 7A and 504 loans. GBNA also discussed loan products available to individuals thinking about starting a small business that would promote economic development in the local AA.

State of Texas

CRA rating for the State of Texas: Satisfactory

The Lending Test is rated: Outstanding

The Community Development Test is rated: Satisfactory

The major factors that support this rating include:

- Lending levels reflect excellent responsiveness to AA credit needs;
- An adequate level of qualified CD investments and grants; and
- A good level of CD services

Description of Institution's Operations in Texas

GBNA operates six branches in its two AAs in Texas. The Houston AA includes all 1072 CTs within nine counties in the Houston-The Woodlands-Sugar Land metropolitan statistical area (MSA). The nine counties include Austin, Brazoria, Chambers, Fort Bend, Galveston, Harris, Liberty, Montgomery, and Waller. Twelve of the tracts are unavailable for income data, 159 (14.8 percent) are low income tracts, 311 (29.0 percent) are moderate income tracts, 275 (25.6 percent) are middle income tracts, and 316 (29.5 percent) are high income tracts. The Houston AA has four branches, of which the main office and another branch are located in moderate CTs, with a branch in an upper income tract and a low income tract, respectively.

The Dallas-Fort Worth AA is comprised of a total of 1,223 CTs within the Tarrant, Collin, Dallas, Denton, Hunt, Kaufman, and Rockwall counties. Seven of the tracts are unavailable for income data, 165 (13.5 percent) are low income tracts, 324 (26.5 percent) are moderate income tracts, 325 (26.6 percent) are middle income tracts, and 402 (32.9 percent) are high income tracts. The Dallas-Fort Worth AA has two branches, both of which are located in middle income tracts.

Eighty-nine percent of bank-wide deposits were in Texas. The banking industry in the Houston AA is very competitive, with major competitors such as JPMorgan Chase Bank, NA, Wells Fargo Bank, NA, and Bank of America, NA, operating approximately 475 branch locations and a combined market share of 59 percent. GBNA had \$612 million in deposits and ranked the 42nd largest institution with a market share of 0.23 percent. In the Dallas-Fort Worth AA, GBNA had \$145.6 million in deposit and ranked the seventy-sixth largest institution with a nominal market share of 0.06 percent.

Community Contacts

We identified two community contacts in the Dallas-Fort Worth AA and one contact in the Houston AA to assess credit and CD needs. An OCC representative attended a Disaster Recovery session focused on disaster recovery lessons learned pre- and post hurricane Harvey.

Approximately 150 people attended the session, representing various organizations from community, housing, local, state, and federal agencies, area foundations, real estate agents, bank, and financial institutions. Discussions from the session included conversations on CD loans, investments, and service activities that help to revitalize or stabilize federally designated disaster areas. General banking and credit needs discussed included financial education workshops, foreclosure/late payment assistance, financing for LMI borrowers to purchase homes, along with funding of grants and small dollar loans. To assist the community, financial institutions temporarily suspended or reversed late fees for mortgage, credit card, auto loans, and monthly service and overdraft charges on all accounts.

In the Dallas AA, an OCC representative interviewed two local community-based development organizations. One organization's objective is to promote, assist, and enhance economic and business development to create wealth for individuals in local communities. The organization indicated access to capital as a key concern, followed by access to equity. Financial literacy is needed, programs to educate customers about small business loans, and funds to help create a formalized small business financial education and technical assistance program.

The other organization is a 501(c)3 nonprofit organization that provides hunger-relief across a diverse 13-county service area. The Food Bank provides 77 percent of the food to its more than 200 partners. Approximately 95 percent of those served by the Food Bank partners make \$25,000 or less annually (employed but under employed). The organization provides wrap around services such as help with financial assistance, affordable housing, utilities, and counseling. The organization indicated opportunities for financial institutions to participate in CD activities, other credit-related projects, or financing programs such as job training, financial education, and money management programs to help unemployed and under-employed clients of the food bank.

Table A – Demographic Information of the Assessment Area						
Assessment Area: Combined						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	2,295	14.1	27.7	26.1	31.3	0.8
Population by Geography	12,623,125	11.5	26.0	28.1	34.2	0.2
Housing Units by Geography	4,800,204	12.0	25.1	27.9	34.7	0.2
Owner-Occupied Units by Geography	2,617,392	5.3	20.8	29.6	44.2	0.1
Occupied Rental Units by Geography	1,764,075	20.1	30.4	26.2	22.8	0.4
Vacant Units by Geography	418,737	20.1	29.4	24.7	25.6	0.3
Businesses by Geography	1,193,448	8.1	18.8	24.7	47.9	0.4
Farms by Geography	20,105	5.2	17.4	30.6	46.5	0.3
Family Distribution by Income Level	3,053,886	24.0	16.3	17.5	42.2	0.0
Household Distribution by Income Level	4,381,467	24.5	16.2	17.2	42.1	0.0
Median Family Income MSA - 19124 Dallas-Plano-Irving, TX		\$71,149	Median Housing Value			\$175,624
Median Family Income MSA - 23104 Fort Worth-Arlington- Grapevine, TX		\$69,339	Median Gross Rent			\$977
Median Family Income MSA - 26420 Houston-The Woodlands- Sugar Land, TX MSA		\$69,373	Families Below Poverty Level			12.2%
<i>Source: 2015 ACS and 2019 D&B Data Due to rounding, totals may not equal 100.0% (* The NA category consists of geographies that have not been assigned an income classification.</i>						

Scope of Evaluation in Texas

Houston and Dallas-Fort Worth AAs received full-scope reviews. The rating for Texas was based on the results of these reviews, as there were no limited-scope areas. Refer to appendix A for a list of all AAs under review.

LENDING TEST

The bank's performance under the Lending Test in Texas is rated Outstanding. Lending was assessed in the combined California and Texas AAs, and is discussed in more detail below under conclusions related to the performance tests in both states.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN TEXAS AND CALIFORNIA COMBINED

Conclusions for Areas Receiving Full-Scope Reviews

Based on full scope reviews the bank's lending performance in the states of Texas and California is excellent.

Distribution of Loans by Income Level of the Geography in Texas and California

The bank exhibits excellent geographic distribution of loans in the state of Texas. The bank exhibits excellent geographic distribution of loans in all AAs. The distribution of small loans to businesses in LMI geographies is excellent. The bank's proportion of small loans to business was significantly stronger than the proportion of businesses and aggregate distribution of loans in those geographies. In the Houston AA, 27.9 percent of business loans was located in low-income CTs compared to 9.4 percent of all businesses in the AA, and 25.1 percent was located in moderate-income CTs compared to 18.4 percent of all businesses in the AA. The bank exhibits reasonable distribution of loans in the California AAs when considering the small percentage of low-income CTs and lending volume in the state. The infancy of the bank's loan operations, as well as strong competition in the California market were considered.

Home Mortgage Loans

Refer to Table O in the MMSA section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases. The bank has adequate distribution in low, moderate, and middle-income CTs.

Small Loans to Businesses

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

Distribution of Loans by Income Level of the Borrower

The bank exhibits an excellent distribution of loans to individuals of different income levels and small businesses.

Responses to Complaints

There were no complaints related to GBNA's CRA performance within Texas and California.

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:	(01/1/2017 to 12/31/2019)	
Bank Products Reviewed:	(Small business, community development loans, qualified investments, community development 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)		
None	N/A	N/A
State		
Texas	Full-scope	
Houston AA	Full-scope	
Dallas AA/Fort Worth	Full-scope	
California		
Los Angeles AA	Full-scope	
Anaheim AA	Full-scope	

Appendix B: Summary of MMSA and State Ratings

Overall Bank:	Lending Test Rating *	CD Test Rating	Overall Bank/State/Multistate Rating
Satisfactory	Outstanding	Satisfactory	Satisfactory
MMSA or State:			
Texas	Outstanding	Satisfactory	Satisfactory
California	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/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 (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 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.

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.

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 and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/AA 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 (MD): 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 MD 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 MSA (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.

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 (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 and purchased by all HMDA or CRA-reporting lenders in the MMSA/AA. Deposit data are compiled by the FDIC and are available as of June 30th of each year. Tables without data are not included in this PE.

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

- Table O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents aggregate peer data for the years the data is available.
- Table P. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MMSA/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 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 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 and purchased by the bank to businesses with revenues of \$1 million or less to: 1) the percentage distribution of businesses with revenues of greater than \$1 million; and, 2) the percentage distribution of businesses for which revenues are not available. The table also presents aggregate peer small business data for the years the data is available.

Table S. Assessment Area Distribution of Loans to Farms by Income Category of the Geography - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents aggregate peer data for the years the data is available. Because aggregate small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's AA.

Table T. Assessment Area Distribution of Loans to Farms by Gross Annual Revenues - Compares the percentage distribution of the number of small loans (loans less than or equal to \$500 thousand) originated and purchased by the bank to farms with revenues of \$1 million or less to: 1) the percentage distribution of farms with revenues of greater than \$1 million; and, 2) the percentage distribution of farms for which revenues are not available. The table also presents aggregate peer small farm data for the years the data is available.

Table U. Assessment Area Distribution of Consumer Loans by Income Category of the Geography - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households in those geographies.

Table V. Assessment Area Distribution of Consumer Loans by Income Category of the Borrower - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of households by income level in each MMSA/AA.

Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
Anaheim Santa Ana Irvine MSA 2019	5	2,225	5.0	112,053	3.3	0.0	2.6	18.6	40.0	15.9	29.9	0.0	30.1	48.2	60.0	50.0	0.0	0.0	1.3
Fort Worth MSA 2019	4	0	4.0	169,422	5.4	0.0	3.5	21.0	0.0	13.0	27.8	0.0	29.8	45.7	100.0	53.5	0.1	0.0	0.2
Houston MSA 2019	83	20,781	82.2	196,321	5.2	2.4	2.7	21.3	8.4	13.4	29.4	10.8	27.6	44.1	78.3	56.2	0.1	0.0	0.0
Los Angeles Long Beach Glendale MSA 2019	8	6,117	7.9	274,726	2.4	0.0	2.8	17.2	12.5	17.5	26.6	12.5	25.9	53.7	75.0	53.7	0.1	0.0	0.1
Tarrant County AA 2019	1	0	1.0	72,267	5.2	0.0	2.4	18.8	0.0	14.2	34.4	0.0	34.5	41.5	100.0	48.8	0.0	0.0	0.0
Total	101	29,123	100.0	824,789	4.1	2.0	2.9	19.4	9.9	15.1	28.7	9.9	28.4	47.7	78.2	53.3	0.1	0.0	0.3

Source: 2015 ACS Census; 01/01/2017 - 12/31/2019 Bank Data, 2019 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		
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Anaheim Santa Ana Irvine MSA 2019	5	2,225	5.0	112,053	23.8	0.0	2.6	16.3	0.0	8.3	17.9	0.0	18.8	42.0	20.0	56.7
Fort Worth MSA 2019	4	0	4.0	169,422	23.8	0.0	3.9	16.5	25.0	13.8	17.4	50.0	19.6	42.2	25.0	47.0
Houston MSA 2019	83	20,781	82.2	196,321	24.4	1.2	3.3	16.1	3.6	14.2	17.1	13.3	20.9	42.4	54.2	45.1
Los Angeles Long Beach Glendale MSA 2019	8	6,117	7.9	274,726	24.5	0.0	2.0	16.3	0.0	5.2	16.7	0.0	13.5	42.4	62.5	61.3
Tarrant County AA 2019	1	0	1.0	72,267	23.1	0.0	3.3	16.3	0.0	14.8	19.3	0.0	22.2	41.3	0.0	42.0
Total	101	29,123	100.0	824,789	24.2	1.0	2.9	16.3	4.0	10.4	17.3	12.9	18.0	42.3	51.5	52.2

Source: 2015 ACS Census ; 01/01/2017 - 12/31/2019 Bank Data, 2019 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																			2017-2019		
Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts				
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate		
Anaheim Santa Ana Irvine MSA 2019	7	3,991	31.8	126,669	5.4	14.3	6.1	19.6	42.9	20.2	35.1	28.6	34.7	39.4	14.3	38.3	0.6	0.0	0.7		
Ft Worth MSA 2019	15	9,509	8.2	118,501	7.2	13.3	7.0	18.5	40.0	18.9	25.4	40.0	24.2	48.0	6.7	48.9	0.8	0.0	1.0		
Houston MSA 2019	179	61,950	53.2	166,512	9.4	27.9	9.8	18.4	25.1	18.4	23.4	19.0	23.3	48.6	27.9	48.3	0.2	0.0	0.2		
Los Angeles Long Beach Glendale MSA 2019	15	7,615	68.2	342,283	4.6	6.7	4.0	18.6	20.0	18.9	21.3	53.3	22.1	53.1	20.0	53.2	2.3	0.0	1.8		
Tarrant County AA 2019	80	33,062	28.6	42,463	6.4	13.3	7.3	20.8	40.0	21.0	27.4	40.0	28.3	45.2	6.7	43.2	0.1	0.0	0.1		
Total	296	115,767	100.0	796,428	6.4	15.1	6.2	18.8	33.6	19.1	24.8	36.2	25.0	48.7	15.1	48.6	1.2	0.0	1.1		

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											2017-2019	
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans	
Anaheim Santa Ana Irvine MSA 2019	7	3,991	3.4	126,669	87.9	71.4	46.1	5.6	28.6	6.5	0.0	
Fort Worth MSA 2019	15	9,509	8.2	118,501	87.6	40.0	42.2	4.4	60.0	8.0	0.0	
Houston MSA 2019	179	61,590	53.02	166,512	87.0	57.5	40.7	4.9	33.5	8.0	8.9	
Los Angeles Long Beach Glendale MSA 2019	15	7,615	6.6	342,283	89.2	80.0	47.2	4.7	20.0	6.1	0.0	
Tarrant County AA 2019	80	33,062	28.6	42,463	87.1	48.8	42.3	4.0	47.5	8.9	3.8	
Total	296	115,767	100.0	796,428	88.1	59.5	44.6	4.8	37.9	7.2	2.5	

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%