



PUBLIC DISCLOSURE

April 6, 2020

**COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION**

Dallas Capital Bank, National Association
Charter Number 15980

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 **Outstanding**

The Lending Test is rated: Outstanding

The Community Development Test is rated: Outstanding

The major factors that support this rating include:

- The Lending Test rating is based on Dallas Capital Bank's (DCB's) performance within its assessment areas in the state of Texas.
 - The bank's loan-to-deposit (LTD) ratio is more than reasonable.
 - A substantial majority of loan originations and purchases are inside the bank's assessment area (AA).
 - The bank's geographic distribution of business loans to low- and moderate-income (LMI) census tracts reflects an excellent dispersion.
- No consumer complaints regarding the bank's CRA performance were received during this evaluation period.
- The Community Development (CD) Test rating is based on the bank's excellent responsiveness to community development needs within its AA.

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's LTD ratio is more than reasonable given the performance context of the AA, including location, local competition, and the credit needs of the AA. This determination is based on the quarterly average LTD ratio of 102.36 percent from December 31, 2017 through March 31, 2019. During this evaluation period, DCB's LTD ratio ranged from a low of 80 percent to a high of 107 percent.

Management considers the banks shown in the following table to be similarly situated institutions (SSIs). All are community banks that actively offer similar loan products and have branch locations in the AA.

During the period from March 31, 2017 through December 31, 2019, the LTD ratio for the SSI ranged from 37 percent to 108 percent. The quarterly average LTD ratio for each SSI is listed below. Please note that no ranking is intended or implied in this table.

Loan-to-Deposit Ratios		
Financial Institutions	Total Assets \$ (000's) (As of 12/31/2019)	Average Loan-to-Deposit Ratio
Dallas Capital Bank, National Association	850,828	102.36%
Tolleson Private Bank	552,275	82.66%
Oakwood Bank	384,082	84.13%
Pegasus Bank	742,737	59.40%
Dominion	145,063	83.91

Source: Institution Reports of Condition from March 31, 2017 to December 31, 2019.

Lending in Assessment Area

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

The bank originated and purchased 79.38 percent of its total loans inside the bank's AAs 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.

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										
2017	51	79.69	13	20.31	64	58,774	73.06	21,677	26.94	80,451
2018	51	78.46	14	21.54	65	86,257	75.45	28,066	24.55	114,323
2019	52	80.00	13	20.00	65	83,497	81.22	19,307	18.78	102,804
Subtotal	154	79.38	40	20.62	194	228,528	76.80	69,050	23.20	297,578

Source: Evaluation Period: 1/1/2017 - 12/31/2019 Bank Data
Due to rounding, totals may not equal 100.0

Description of Institution

DCB is headquartered in Dallas, Texas with a location has a retail facility at 14185 Dallas Parkway. It includes two drive-through lanes on the north end of the attached parking garage. The bank operates as a single-state institution and is wholly-owned by Park Cities Financial Group, Inc., also headquartered in Dallas, Texas. The bank has an ATM located in the drive-through and on the first floor in the retail facility.

The bank offers a full-range of loan and deposit services. The most recent CRA Performance Evaluation (PE) issued to Dallas Capital Bank, National Association is dated February 13, 2017, with a “Satisfactory” rating assigned. There are no legal or financial impediments to DCB’s ability to meet the credit needs of its AA.

As of December 31, 2019, net loans were 75 percent of DCB’s total assets of \$851 million. The following table reflects DCB’s loan portfolio summary.

Dallas Capital Bank		
Loan Portfolio Summary		
Loan Category	Dollar Volume (in thousands)	Percentage
Mortgage Warehouse Line	201,303	32%
Commercial and Commercial Real Estate	223,836	35%
Residential Real Estate	141,270	22%
Construction and Development	40,747	6%
Farmland	773	0%
Consumer and Other	31,519	5%
Total Loans	639,449	100%

Source: December 31, 2019 Call Report

The bank’s loan portfolio increased 75 percent since the previous CRA exam. The lending strategy continues to be the origination of commercial and commercial real estate loans to small and midsize businesses, business owners, and the purchase of residential real estate loans from other lenders. Commercial and commercial real estate loans now compose the largest share of the bank’s loan portfolio. The mortgage warehouse line declined from a 47 percent share at the previous exam to 32 percent and this reduction is consistent with the bank’s long-term strategy. Upon origination, the mortgage warehouse loans are sold to investors. The bank continues to evolve and execute its operating strategy to more closely resemble a community bank that serves the banking and credit needs of its communities and AA.

The bank location is located within a middle-income census tract; however, within a ½-mile radius of the facility are two low-income census tracts and one moderate-income tract. Banking hours (9:00 a.m.-4:00 p.m.) provide adequate accessibility to individuals and businesses within this assessment area. The main office maintains hours comparable to area banks, and the drive-through lanes are open for longer periods during the week. The bank is closed on Saturday and Sunday. DCB offers customers access to

a network of nationwide ATMs without surcharge fees to its depositors. The bank's product and hours allow the bank to meet the banking and credit needs to LMI areas and individuals in the AA, with an emphasis on small and midsize businesses. Products and services offered include the following:

- Personal electronic and personal checking accounts include free online banking, mobile banking, free bank-by-phone, and a free debit card that assist in providing services to LMI individuals. These accounts only require \$100 minimum opening deposit. There is no minimum balance for the e-checking account but the checking and checking plus charge a \$15 monthly fee if the balance is below \$2,500. The account comes with free ATM access at DCB's two ATMs, as well as a \$15 surcharge rebate per month for non-DCB ATMs nationwide. Online banking includes bill payment, online statements, ACH transactions, and transferring funds between accounts. Mobile banking is available free to all customers.
- Checking account for small businesses with limited account activity is available. It includes mobile and online banking, bill pay and free electronic statements. This account does not require a deposit to open and there is a \$15 monthly fee if the daily balance falls below \$1,500. The account comes with free debit cards, free online and mobile banking, free bank-by-phone, and the first 150 credits and debits processed per monthly cycle are free. Online and mobile banking include online statements, ACH transactions, and transferring funds between accounts.
- DCB allows small businesses to scan checks for electronic deposit from their place of business.
- Free 24-hour banking by phone and internet. All services are offered in English and Spanish.
- Consumer loans, loans on deposits, and residential mortgage loans.

Scope of the Evaluation

Evaluation Period/Products Evaluated

This PE assesses the bank's performance under the Lending and Community Development Tests. The evaluation period ranges from January 1, 2017 through December 31, 2019, the last calendar day of the complete evaluation year. The Lending Test focused on loans originated from January 1, 2017 to December 31, 2019. Commercial and commercial real estate loans (business loans) are the bank's primary loan products. The Community Development Test consisted of an evaluation of community development (CD) loans, investments, and services for the entire evaluation period.

In our evaluation of the distribution of loans, we utilized the demographics and geographies related to the 2011-2015 *American Community Survey (ACS)* and *Dun and Bradstreet (D&B)* data, as it applies to the years 2017, 2018 and 2019.

This evaluation is based on accurate data. We verified CD loans, investments, and services submitted by management to ensure the investments and activities met the regulatory definition for community development. We excluded any items that did not meet the definition or purpose of community development. No affiliates exist and therefore, there were no affiliate activities to consider in this evaluation. We conducted a full-scope review of the bank's sole assessment area.

Selection of Areas for Full-Scope Review

In each state where the bank has an office, one or more of AAs within that state was selected for a full-scope review. For purposes of this evaluation, bank delineated assessment areas located within the same metropolitan statistical area (MSA), multistate metropolitan statistical area (MMSA), or combined statistical area (CSA) 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 each 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 a blend of the state ratings, and where applicable, multistate ratings.

DCB is a single state institution with one AA which consist of one MSA with three contiguous political subdivisions. The political subdivisions consist of Dallas Collin, and Denton counties. Our conclusions are based on the bank's performance in the state of Texas. We based our full scope review on the Dallas-Collin-Denton AA.

The MMSA rating and state ratings are based on performance in all bank AAs. Refer to the "Scope" section under each state and MMSA Rating section for details regarding how the areas were weighted in arriving at the respective ratings.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 CFR 25.28(c) or 195.28(c), respectively, in determining a national 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 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: Outstanding

The Lending Test is rated: Outstanding

The Community Development Test is rated: Outstanding

The Lending Test rating is based on Dallas Capital Bank's (DCB's) performance within its assessment areas in the state of Texas.

- The bank's loan-to-deposit (LTD) ratio is more than reasonable.
- A substantial majority of loan originations and purchases are inside the bank's assessment area (AA).
- The bank's geographic distribution of business loans to low- and moderate-income (LMI) census tracts reflects an excellent dispersion.
- No consumer complaints regarding the bank's CRA performance were received during this evaluation period.

Description of Institution's Operations in Texas

DCB has one AA consisting of Dallas County north of U.S. Interstate 30 (338 census tracts), all of Denton County (137 census tracts) and the western half of Collin County (143 census tracts), all of which are located in the Dallas-Plano-Irving, TX Metropolitan Division. There are 64 low-income geographies and 131 moderate-income geographies in the AA. The AA meets the requirements of the CRA regulation, does not arbitrarily exclude low- and moderate- income geographies, and includes only those portions of political subdivisions that DCB can reasonably be expected to serve.

According to the June 30, 2019 FDIC Deposit Market Share Report, 130 banks and thrifts operate 1,001 branches within Dallas, Denton and Collin counties. Large banks dominate the banking competition with Bank of America, N.A. and JP Morgan Chase Bank, N.A. holding 32.43 and 22.81 percent of the market share, respectively. Texas Capital Bank, N.A. (7.70), Wells Fargo Bank, N.A (5.21), and BBVA USA Bank (3.09) round out the top five collectively holding 16 percent of the market share. Competition is high among the remaining 116 banks and thrifts. This bank is ranked 31st overall holding 0.24 percent of the total market share.

The unemployment rates for the DCB AA as of December 31, 2019 is 4.31. DCB AA unemployment rate is slightly higher than the unemployment rates for the state of Texas (3.5 percent) and the U.S. (3.5 percent).

Major employers include American Airlines, Lockheed Martin, Bank of America, Baylor Health Care System, AT&T, JP Morgan Chase, Texas Instruments, Target Corp., and ExxonMobil, which is headquartered in Irving, TX. In addition, Toyota Motor North America Inc has relocated its headquarters to Plano, TX which employs an estimated 2,900 employees.

Dallas-Collin-Denton AA

Table A – Demographic Information of the Assessment Area						
Assessment Area: Dallas Capital Bank AA 2019						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	618	9.4	21.0	23.82	44.8	1.0
Population by Geography	3,006,536	9.0	20.0	24.8	46.0	0.3
Housing Units by Geography	1,182,897	9.7	18.7	25.6	45.6	0.4
Owner-Occupied Units by Geography	617,744	2.4	13.6	24.1	59.7	0.2
Occupied Rental Units by Geography	482,454	17.7	24.8	27.6	29.3	0.6
Vacant Units by Geography	82,699	17.7	22.0	24.8	34.8	0.6
Businesses by Geography	373,851	5.6	14.9	22.7	55.8	1.0
Farms by Geography	6,014	4.0	14.4	24.6	56.2	0.8
Family Distribution by Income Level	735,550	19.9	14.8	16.7	48.5	0.0
Household Distribution by Income Level	1,100,198	20.8	15.5	17.0	46.7	0.0
Median Family Income MSA – 19124 Dallas Plano-Irving, TX		\$71,149	Median Housing Value			\$219,028
			Median Gross Rent			\$1,031
			Families Below Poverty Level			9.2%
<i>Source: 2015 ACS Census and 2019 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>						

We determined the credit needs in the AA by reviewing the CRA PEs of other banks operating in the AA, discussions with management, and input from two local community contacts. We concluded that the most pressing credit needs in the AA are loans to support small businesses as well as affordable housing for LMI individuals and families.

An interview was conducted with a representative from a community development organization that provides social services through several different programs to LMI individuals inside the AA. The programs include helping individuals access affordable housing, obtain free or reduced cost meals, develop job skills, access free health care, and numerous other benefits. The organization has helped individuals obtain jobs in the DFW area to take advantage of the strong economy and construction boom, as well provide training for retail positions. The contact stated the need of the AA is affordable housing in the Dallas area and that there is a need for small business training and coaching. In addition, banks can participate in community development by supporting financial education, creating partnerships for workforce development, and funding for reliable transportation.

Another interview was conducted with a representative from the Addison Economic Development, which assists local companies get connected in the community and grow their business. They help businesses connect with local suppliers, assist with staffing resources, provide information about the community, and identify potential resources. Job growth and rental housing growth have been strong in

the Addison area. Financing for small businesses continues to be the biggest credit need in the area. The representative stated that the best way for financial institutions to support small businesses is to get involved with Addison Treehouse, which is a one-stop shop for individuals who want to start a business. It provides startups a place to collaborate with other entrepreneurs.

Scope of Evaluation in Texas

DCB is a single state institution with one AA which consists of one MSA with three contiguous political subdivisions. The political subdivisions consist of Dallas Collin, and Denton counties. Our conclusions are based on the bank's performance in the state of Texas. We based our full scope review on the bank's performance under the lending test and CD test in the Dallas-Collin-Denton AA.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN Texas

LENDING TEST

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

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 excellent.

Using the primary loan products identified above, we analyzed the distribution of loans by income level of the geography and distribution of loans by income level of the borrower. DCB originated a minimal number of residential real estate loans, small farm, and consumer loans. Therefore, we did not analyze distribution of those loans and omitted those sections from the PE.

Distribution of Loans by Income Level of the Geography

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

Using the primary loan products identified above, we analyzed the distribution of loans by income level of the geography and distribution of loans by income level of the borrower. DCB originate home mortgages as part of its warehouse line of loans. Therefore, we did not analyze distribution of those loans and omitted those sections from this Public Evaluation.

Small Loans to Businesses

The distribution of business loans to low- and moderate-income geographies is excellent. In 2017, 3.9 percent of business loans originated in low income tracts compared to 5.7 percent of businesses in low-income tracts in the AAs. In moderate income tracts, 50.9 percent of business loans were originated and compares favorably to the 15.7 percent of businesses located in moderate-income tracts. In 2018 and 2019, 9.8 percent of business loans originated in low-income tracts, and 19.6 percent of business loans originated in moderate-income census tracts. This compares favorably to the percentage of AA businesses in low- and moderate-income census tracts, which was 5.7 percent and 15.4 percent, respectively.

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

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

The distribution of loans to businesses with revenues less than \$1 million is reasonable. In 2017, 47.4 percent of bank loans in the AA were originated to small businesses, which represented 85.5 percent of businesses within the AA. In 2018, the bank originated 31.2 percent of its business loans to small businesses, and small businesses represented 85.5 percent of the AA. In 2019, the bank originated 26.9 percent loans to business with revenues less \$1 million and small businesses represented 87.3 percent of AA. DCB's reported lending activity in the years 2017 is in line with aggregate performance data, reported for small business lending. In 2018 and 2019 reported lending activity is less than the aggregate performance data reported for small business lending.

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.

Responses to Complaints

No CRA-related complaints were made against the bank during this evaluation period.

COMMUNITY DEVELOPMENT TEST

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

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

Number and Amount of Community Development Loans

The Community Development 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.

The level of community development lending reflects excellent responsiveness to the needs within the AA. The bank originated 18 community development loans totaling \$69,174,709, or 83 percent of capital, during this evaluation period. Eleven of the 18 loans, or 61 percent, are within the bank's AA and total \$44.7 million. The remaining 7 loans, or 39 percent, total \$24.4 million and originated outside the bank's AA. These loans outside the AA benefit the broader statewide or regional area that include the AA or benefit a declared disaster area within the state.

Community Development Loans				
Assessment Area	Total			
	#	% of Total #	\$(000's)	% of Total \$
Inside	11	61%	44,750,209	65%
Outside	7	39%	24,424,500	35%
Total	18	100%	69,174,709	100%

Number and Amount of Qualified Investments

The level of qualified investments and donations within the AA reflects excellent responsiveness to community development needs.

Qualified Investments include two prior period investments that total \$2,445,414 as of March 31, 2020. One investment is the Lone Star Markets Fund LP, which has a current balance of \$1.1 million. This fund promotes economic development by financing small businesses or small farms. The investment firm specializes in investments that create employment opportunities and has a strong reputation for driving economic growth in low-income areas.

The second investment is the GNMA CRA Mortgage Backed Security, which has a current balance of \$1.3 million. This investment provides affordable housing for LMI individuals and is collateralized by seven single family housing loans to LMI individuals.

The bank made 35 qualified donations totaling \$133,670. This includes 12 college scholarships to LMI high school seniors totaling \$50,000. Other notable donations include \$10,000 to a health center that provides medical and dental services to LMI individuals, \$22,740 to an organization that provides technical education and work-force assistance to LMI women, and \$17,500 to an organization that provides financial literacy to LMI students. Total qualified investments and donations represent 3.1 percent of capital.

Qualified Investments										
Assessment Area	Prior Period		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Investment	2	2,445	0	0	2		2,445		0	0
Donations			35	134	35		134		0	0
Total					37		2,579			

* 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.

Extent to Which the Bank Provides Community Development Services

The level of community development services reflects excellent responsiveness to the needs within the AA. Community development services completed during this evaluation period include financial training, financial advice, and technical assistance. A total of 36 bank employees donated 716 hours of their time for community development services to nine organizations within the AA. Of the 36 employees, 19 are officers who served as board members, provided financial guidance, and provided financial education to organizations that assist small businesses or that provide education and job assistance 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:	01/01/17 to 12/31/19	
Bank Products Reviewed:	Small business loans Community development loans, qualified investments, and community development services	
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
Texas		
Dallas-Collin-Denton AA	Full-Scope	Dallas County, Denton County, western half of Collin County all of which are located in the Dallas-Plano-Irving, TX Metropolitan Division.

Appendix B: Summary of MMSA and State Ratings

RATINGS Dallas Capital Bank, NA			
Overall Bank:	Lending Test Rating*	CD Test Rating	Overall Bank/State/Multistate Rating
Dallas Capital Bank, NA	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 and purchased by all reporting lenders (HMDA or CRA) in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

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

Combined Statistical Area (CSA): A geographic entity consisting of two or more adjacent Core Based Statistical Areas with employment interchange measures of at least 15. An employment interchange measure is a measure of ties between two adjacent entities. The employment interchange measure is the sum of the percentage of workers living in the smaller entity who work in the larger entity and the percentage of employment in the smaller entity that is accounted for by workers who reside in the larger entity.

Community Development (CD): Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; or activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas.

Community Reinvestment Act (CRA): The statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its entire community, including LMI areas, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

Consumer Loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, other secured consumer loans, and other unsecured consumer loans.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into ‘male householder’ (a family with a male householder’ and no wife present) or ‘female householder’ (a family with a female householder and no husband present).

Full-Scope Review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that conduct business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants, the amount of loan requested, the disposition of the application (e.g., approved, denied, and withdrawn), the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

Home Mortgage Loans: A closed-end mortgage loan or an open-end line of credit as these terms are defined under 12 CFR 1003.2, and that is not an excluded transaction under 12 CFR 1003.3(c)(1) through (c)(10) and (c)(13).

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Limited-Scope Review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

Low-Income Individual: Individual income that is less than 50 percent of the area median income.

Low Income Geography: A census tract with a median family income that is less than 50 percent.

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

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. The median is the point at which half of the families have income above, and half below, a range of incomes. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above, and half below, a range of incomes.

Metropolitan Division: As defined by Office of Management and Budget, a county or group of counties within a Core Based Statistical Area that contains an urbanized population of at least 2.5 million. A Metropolitan Division consists of one or more main/secondary counties that represent an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area: An area, defined by the Office of Management and Budget, as a core based statistical area associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

Middle-Income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of a geography.

Moderate-Income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of a geography.

Multifamily: Refers to a residential structure that contains five or more units.

Owner-Occupied Units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Qualified Investment: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rating Area: A rated area is a state or multi-state metropolitan statistical area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multi-state metropolitan statistical area, the institution will receive a rating for the multi-state metropolitan statistical area.

Small Loan(s) to Business(es): A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans.

Small Loan(s) to Farm(s): A loan included in 'loans to small farms' as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland or are classified as loans to finance agricultural production and other loans to farmers.

Tier 1 Capital: The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

Upper-Income: Individual income that is at least 120 percent of the area median income, or a median family income that is at least 120 percent, in the case of a geography.

Appendix D: Tables of Performance Data

Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan statistical areas, if applicable, are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: (1) purchased are treated as originations; and (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all HMDA or CRA-reporting lenders in the MMSA/assessment area. Deposit data are compiled by the FDIC and are available as of June 30th of each year. Tables without data are not included in this PE.

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

- Table O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents aggregate peer data for the years the data is available.
- Table P. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MMSA/assessment area. The table also presents aggregate peer data for the years the data is available.
- Table Q. Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses that were originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) in those geographies. Because aggregate small business data are not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank’s assessment area.
- Table R. Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenue** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to: 1) the percentage distribution of businesses with revenues of greater than \$1 million; and, 2) the percentage distribution of businesses for which revenues are not available. The table also presents aggregate peer small business data for the years the data is available.

- Table S. Assessment Area Distribution of Loans to Farms by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents aggregate peer data for the years the data is available. Because aggregate small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table T. Assessment Area Distribution of Loans to Farms by Gross Annual Revenues** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$500 thousand) originated and purchased by the bank to farms with revenues of \$1 million or less to: 1) the percentage distribution of farms with revenues of greater than \$1 million; and, 2) the percentage distribution of farms for which revenues are not available. The table also presents aggregate peer small farm data for the years the data is available.
- Table U. Assessment Area Distribution of Consumer Loans by Income Category of the Geography** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households in those geographies.
- Table V. Assessment Area Distribution of Consumer Loans by Income Category of the Borrower** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of households by income level in each MMSA/assessment area.

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																				2017
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 Capital Bank AA	51	58,774	100	88,578	5.7	3.9	6.5	15.7	50.9	16.7	23.0	15.6	21.6	54.6	25.4	54.1	1.0	3.9	1.2	
Total	51	58,774	100	88,578	5.7	3.9	6.5	15.7	50.9	16.7	23.0	15.6	21.6	54.6	25.4	54.1	1.0	3.9	1.2	

Source: 2017 D&B Data; 01/01/2017 - 12/31/2017 Bank Data; 2017 CRA 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																				2018
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 Capital Bank AA	51	86,257	0.0	97,743	5.7	9.8	6.0	15.4	19.6	16.3	22.8	21.5	21.0	55.1	43.1	55.5	1.0	5.8	1.2	
Total	51	86,257	0.0	97,743	5.7	9.8	6.0	15.4	19.6	16.3	22.8	21.5	21.0	55.1	43.1	55.5	1.0	5.8	1.2	

Source: 2018 D&B Data; 01/01/2018 - 12/31/2018 Bank Data; 2018 CRA 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																			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
Dallas Capital Bank AA	52	83,497	100	97,743	5.6	9.6	6.0	14.9	23.0	16.3	22.7	17.3	21.0	55.8	46.1	55.5	1.0	0.0	1.2
Total	52	83,497	100	97,743	5.6	9.6	6.0	14.9	23.0	16.3	22.7	17.3	21.0	55.8	46.1	55.5	1.0	0.0	1.2

*Source: 2019 D&B Data; 01/01/2019 - 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
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 Capital Bank AA	51	58,774	100	88,578	85.5	47.4	47.6	5.8	52.6	8.6	0.0	
Total	51	58,774	100	88,578	85.5	47.4	47.6	5.8	52.6	8.6	0.0	

Source: 2017 D&B Data; 01/01/2017 - 12/31/2017 Bank Data; 2017 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												2018
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 Capital Bank AA	51	86,257	100	97,743	85.5	31.2	42.3	5.6	68.8	8.9	0.0	
Total	51	86,257	100	97,743	85.5	31.2	42.3	5.6	68.8	8.9	0.0	

Source: 2018 D&B Data; 01/01/2018 - 12/31/2018 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												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	
Dallas Capital Bank AA	52	72,749	100	97,743	87.3	26.9	42.3	4.8	65.4	8.0	0.0	
Total	52	72,749	100	97,743	87.3	26.9	42.3	4.8	65.4	8.0	0.0	

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