



## **PUBLIC DISCLOSURE**

April 12, 2021

### **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

First National Bank of Bosque County  
Charter Number: 13675

P.O. Box 278  
Valley Mills, TX 76689

Office of the Comptroller of the Currency  
225 E John Carpenter Freeway, Suite 900  
Irving, TX 75062

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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## Overall CRA Rating

**Institution's CRA Rating:** This institution is rated **Satisfactory**.

**The Lending Test is rated: Satisfactory.**

The major factors that support this rating include:

- The Lending Test rating is based on performance in the bank's assessment areas (AAs).
- The loan-to-deposit (LTD) ratio is reasonable.
- A majority of the bank's loans is inside its AAs.
- The geographic distribution of loans across geographies of different income levels is reasonable.
- The borrower distribution of loans to borrowers of different income levels is reasonable.

### Loan-to-Deposit Ratio

Considering the bank's size, financial condition, and credit needs of the AA(s), the bank's loan-to-deposit ratio is reasonable. The LTD ratio is calculated on a bank-wide basis. The bank's quarterly average LTD ratio during the evaluation period was 75.0 percent. We compared the bank's LTD ratio to similarly situated institutions operating in the area. The average LTD ratio for the peer banks was 62.1 percent.

### Lending in Assessment Area

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

The bank originated and purchased 77.1 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. The Lending Test included a review of the bank's home mortgages and consumer loans. The findings from this analysis factored into the overall analysis of the geographic distribution of lending by income level of the geography.

Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage	132	77.6	38	22.4	170	15,363	73.9	5,422	26.1	20,786
Consumer Loans	30	75.0	10	25.0	40	177	81.7	39	18.3	216
<b>Total</b>	<b>162</b>	<b>77.1</b>	<b>48</b>	<b>22.9</b>	<b>210</b>	<b>15,540</b>	<b>74.0</b>	<b>5,461</b>	<b>26.0</b>	<b>21,001</b>

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

## Description of Institution

First National Bank of Bosque County (FNB or bank) is an intrastate community bank that was established in Bosque County, Texas in 1896. The bank is headquartered in the City of Valley Mills, Texas, which is located approximately 100 miles south of Dallas-Fort Worth and 25 miles west of the City of Waco, Texas on State Highway 6. FNB is wholly-owned by Valley Mills Financial Corporation, a one-bank and locally owned holding company.

FNB has banking facilities in two assessment areas, the Bosque County AA which is not part of an MSA and the McLennan County AA which represents a portion of the Waco Metropolitan Statistical Area (MSA). Both AAs are composed of large rural geographies. There has been no change in the number or location of FNB's banking facilities. In addition to the headquarters in Valley Mills, FNB has three branch facilities, two that are located in Bosque County and a third in McLennan County, Texas.

- 418 Avenue C, Valley Mills, TX 76689, CT 9507, Bosque County, middle-income (main office)
- 1203 N. Avenue G, Clifton, TX 76634, CT 9504, Bosque County, upper-income
- 115 S. Main Street, Meridian, TX 76665, CT 9502, Bosque County, moderate-income
- 8213 N. Highway 6, Waco, TX 76712, CT 29, McLennan County, upper-income

The branches in Bosque County are located in the cities of Clifton and Meridian. Clifton is located approximately 10 miles northwest of Valley Mills on Texas State Highway 6. Meridian is the county seat and it is located 10 miles northwest of Clifton on Texas State Highway 6. The Clifton branch was established in 1990 and the Meridian branch in 2005. The branch facility in McLennan County known as "The Ranch House" opened in 1995 and is located 10 miles south of Valley Mills in the western portion of Waco on State Highway 6. Lobby and drive-thru hours are set by each location to meet community needs. All banking locations, with the exception of Meridian, offer drive-thru banking services. The Clifton and Ranch House branches offer 24-hour customer access to an automated teller machine (ATM).

FNB offers traditional personal and business loan and deposit products and services. Loan products include a standard selection of commercial, agricultural, and consumer loans, in addition to residential loans for home purchase, improvement, and refinance. The bank also offers a variety of consumer and business deposit services including three different checking accounts (personal and business), savings accounts, time deposits, and individual retirement accounts. Alternative banking services include debit cards (personal and business), credit cards, wire transfers, money orders, and online mobile banking with bill pay capabilities.

As of December 31, 2020, the bank reported total assets of \$151.9 million, total liabilities of \$137.6 million, and capital of \$14.3 million. Gross loans of \$96.9 million represent approximately 63 percent of assets. FNB's primary loan products include residential real estate mortgage loans (home mortgages), commercial real estate, commercial & industrial, and consumer loans. Residential real estate mortgage loans represent the largest concentration of loans as a percentage of gross loans and total 40.8 percent. Commercial real estate total 21.6 percent and commercial and industrial loans represent 30.0 percent. Consumer loans total 7.6 percent. Farm and agriculture loans represent only 4.4 percent of gross loans. Investments total \$7.7 million. Tier 1 capital was \$14.2 million. Residential real estate mortgage loans and consumer loans had the highest level of originations during the review period. Considering both, dollar amounts and originations, we determined the bank's primary lending products for this evaluation are home mortgages and consumer loans.

FNB's strategic plan is to increase earnings and capital, maximize efficiencies, manage liquidity, build relationship-based deposits, improve risk management, and maintain regulatory compliance. The bank would like to differentiate itself from competition through superior service and local market presence, expand on building a growing portfolio of low-cost relationship-based deposits, and continue to develop and support its employees.

The bank has two AAs in Texas:

- Bosque County AA – comprised of all seven census tracts in the county.
- McLennan County AA – comprised of five census tracts.

The Bosque County AA is comprised of seven census tracts, one moderate-income, four middle-income, and two upper-income census tracts. The McLennan County AA is comprised of five census tracts, one moderate-income and four upper-income census tracts. The bank's AAs do not have any low-income census tracts.

The previous CRA evaluation, dated November 28, 2016, assigned a "Satisfactory" rating to the bank. There are no legal or financial impediments to FNB's ability to meet the credit needs of its AAs. We did not consider the activities of affiliates in this evaluation.

## **Scope of the Evaluation**

### **Evaluation Period/Products Evaluated**

This Performance Evaluation (PE) assesses the bank's performance under the Lending Test. In evaluating the bank's lending performance, we reviewed residential mortgage loans subject to filing under the Home Mortgage Disclosure Act (HMDA) and a sampling of consumer loans. Analysis of loans inside the AA may contain all loan types as that ratio is evaluated on a bank-wide basis. The evaluation period for the Lending Test is January 1, 2018 through December 31, 2020.

For geographic and borrower distribution analyses, loans originated in 2019 through 2020 are compared to the 2015 American Community Survey (ACS) census data.

### **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.

The bank has two AAs in Texas. The Bosque County AA is comprised of all seven census tracts in the county, one moderate-income, four middle-income, and two upper-income census tracts. The McLennan County AA is comprised of five census tracts, one moderate-income and four upper-income census tracts. The bank's AAs do not have any low-income census tracts. We have selected the Bosque County AA for a full scope review based on the bank maintaining 78.2 percent of total deposits in this AA. We will conduct a limited scope review for the McLennan County AA as this AA accounts for 21.8 percent of total deposits.

## **Ratings**

The bank's overall rating is based on the performance in the State of Texas. The state rating is based on performance in all bank AAs with the most weight placed on the full-scope AA. For the geographic and borrower distribution of loans under the Lending Test, consideration was given to the number of loans and dollar volume of loans originated in each category. Residential real estate mortgage loans received the most weight and then consumer lending was considered. Refer to the "Scope" section under the "State Rating" section for details regarding how the areas were weighted in arriving at the respective ratings.

## **Discriminatory or Other Illegal Credit Practices Review**

Pursuant to 12 CFR 25.28(c) 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.

## State Rating

### State of Texas

**CRA rating for the State of Texas<sup>1</sup>:** Satisfactory.

**The Lending Test is rated:** Satisfactory.

The major factors that support this rating include:

- The geographic distribution of loans across geographies of different income levels is reasonable.
- The borrower distribution of loans to borrowers of different income levels and businesses of different sizes is reasonable.

### Description of Institution's Operations in Texas

The bank operates in two AAs in the State of Texas as described in the "Description of the Institution" and the "Scope of Evaluation" sections of this PE. The bank's primary focus based on overall dollar amounts held in portfolio and originations is residential mortgage loans and consumer loans.

Competitors include other local community banks in its markets and some of the United States' largest banks that have a nationwide footprint as well as nonbank financial entities that compete for residential, business, and consumer loans. Community credit needs in the full-scope AA were determined by reviewing recent housing and demographic information, CRA PEs from other banks operating in the bank's AAs, and a review of community contacts with organizations that provide services within the full-scope AA.

#### Bosque County AA

Based on the 2019 Peer Mortgage Data for the Bosque County AA, the bank has a market share of 7.8 percent for total loans and 4.5 percent of the total dollar amount of loans, which rank the bank first in this AA. The bank has its main office and two branch offices in the Bosque County AA, which represent 33.3 percent of the deposit market share with average deposits per branch representing \$27.1 million. The bank ranks two out of five lenders. The Bosque County AA includes the headquarters and deposits total 29.5 percent. The AA includes the cities of Valley Mills, Clifton, Iredell, Cranfills Gap, Walnut Springs, Morgan, and Meridian (the county seat). The Bosque County AA is comprised of all seven census tracts in the county. There are no low-income geographies in the Bosque County AA. The AA has one moderate-income CT, four middle-income census tracts, and two middle-income CTs. The main office is located in Valley Mills, which is a middle-income census tract. The branch in Clifton is located in an upper-income census tract. The branch in Meridian is located in a moderate-income census tract. None of the CTs in this AA have been classified as either distressed or under-served. The bank has properly defined its AA in accordance with the technical requirements of the CRA regulation.

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

The AA consists of whole CTs, does not arbitrarily exclude low- and moderate-income (LMI) CTs, and includes the CTs where FNB offices are located.

There are 9,641 housing units in the AA. About 62 percent of the housing units are located in middle-income CTs. Fifty-six percent of housing in the AA is owner-occupied, 16 percent is occupied by rental units and 27 percent is vacant. The AA has a median family income of \$52,198 with a median housing value of \$95,657.

The community contact for the Bosque County AA is an organization that serves the citizens of the county through real estate services. The most critical need identified from this contact was housing-related credit opportunities and consumer loans. The contact noted the needs in this AA are affordable housing for LMI individuals, families and seniors, land development loans to build single-family residences, home equity loans to improve established single-family residences, and auto loans.

### McLennan County AA

Based on the 2019 Peer Mortgage Data for the McLennan County AA, the bank has a market share of .6 percent for total loans and .3 percent of the total dollar amount of loans, which rank the bank 42 out of 165 lenders in this AA. The bank has one branch in the McLennan County AA. Total bank deposits in this AA represent 20 percent, which ranks four out of five lenders. Average deposits per branch total \$22.7 million. The AA includes the small cities of China Spring, Crawford, Ocee, Windsor, and Willow Grove. The McLennan County AA has five census tracts. There are not any low-income CTs in this AA. There is one moderate-income CT and four upper-income census tracts. The branch is located in an upper-income census tract. The AA consists of whole CTs, does not arbitrarily exclude LMI CTs and includes the CTs where FNB offices are located. A community contact was not completed for the McLennan County AA as this is a limited-scope AA.

The following table depicts the demographic distribution for the one full scope AA in Texas.

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: FNB Bosque County AA</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	7	0.0	14.3	57.1	28.6	0.0
Population by Geography	17,971	0.0	9.4	63.9	26.6	0.0
Housing Units by Geography	9,641	0.0	6.6	61.9	31.5	0.0
Owner-Occupied Units by Geography	5,418	0.0	5.6	62.6	31.9	0.0
Occupied Rental Units by Geography	1,581	0.0	16.1	58.4	25.5	0.0
Vacant Units by Geography	2,642	0.0	3.0	62.7	34.3	0.0
Businesses by Geography	1,146	0.0	9.9	56.5	33.7	0.0
Farms by Geography	126	0.0	0.8	55.6	43.7	0.0
Family Distribution by Income Level	4,947	18.9	19.0	18.7	43.4	0.0
Household Distribution by Income Level	6,999	21.4	17.0	17.2	44.3	0.0
Median Family Income Non-MSAs – TX		\$52,198	Median Housing Value			\$95,657
			Median Gross Rent			\$639
			Families Below Poverty Level			10.6%
<i>Source: 2015 ACS and 2020 D&amp;B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

## Scope of Evaluation in Texas

As discussed earlier, the Bosque County AA was selected for a full-scope review. Refer to the table in Appendix A for a list of all AAs under review.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN TEXAS

### LENDING TEST

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

### Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank's lending performance in the State of Texas is adequate.

### Distribution of Loans by Income Level of the Geography

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

Bosque County AA***Home Mortgage Loans***

The geographic distribution of mortgage loans in the AA is poor. Refer to Table O in the State of Texas section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

In 2018-2020, the bank's mortgage lending in moderate-income geographies was lower than the owner-occupied housing units and the aggregate lending. There are not any low-income CTs in the Bosque County AA.

***Consumer Loans***

The geographic distribution of consumer loans in the AA is excellent. Refer to Table U in the State of Texas section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's consumer loan originations and purchases.

In 2018-2020, the bank's consumer lending in moderate-income geographies exceeded the owner-occupied housing units. There are not any low-income CTs in the Bosque County AA.

***Lending Gap Analysis***

We evaluated the lending distribution in the bank's AAs to determine if any unexplained conspicuous gaps existed. There were no unexplained conspicuous gaps identified after reviewing performance context.

**Distribution of Loans by Income Level of the Borrower**

The bank exhibits a reasonable distribution of loans to individuals of different income levels given the product lines offered by the bank.

***Home Mortgage Loans***

The distribution of loans to low- and moderate-income individuals in the AA is reasonable. Refer to Table P in the State of Texas section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

In 2018-2020, the bank's mortgage lending to low-income borrowers was lower than the percentage of families identified as low-income and exceeded the aggregate lending to low-income borrowers. For moderate-income borrowers, the bank's mortgage lending was somewhat lower than the percentage of families identified as moderate-income and exceeded the percentage of the aggregate lending to moderate-income borrowers.

### ***Consumer Loans***

The distribution of loans to low- and moderate-income individuals in the AA is reasonable. Refer to Table V in the State of Texas section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's consumer loan originations and purchases.

In 2018-2020, the bank's consumer lending to low-income borrowers was lower than the percentage of families identified as low-income. For moderate-income borrowers, the bank's consumer lending exceeded the percentage of families identified as moderate-income.

### **Responses to Complaints**

There were no complaints related to the institution's CRA performance within the State of Texas during the review period.

### **Conclusions for Area Receiving a Limited Scope Review**

Based on a limited-scope review, the bank's performance under the Lending Test in the McLennan County AA is consistent with the bank's overall performance under the Lending Test in the full scope area.

# 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 MSAs and non-MSAs 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”.

<b>Time Period Reviewed:</b>	1/1/2018 – 12/31/2020	
<b>Bank Products Reviewed:</b>	Home mortgage and consumer loans	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
None		
<b>List of Assessment Areas and Type of Examination</b>		
<b>Rating and Assessment Areas</b>	<b>Type of Exam</b>	<b>Other Information</b>
Texas		
Bosque County	Full Scope	Comprised of all seven census tracts in the county.
McLennan County	Limited Scope	Comprised of five census tracts in the county.

## Appendix B: Summary of State Ratings

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RATINGS	First National Bank of Bosque County
Overall Bank:	Lending Test Rating
First National Bank of Bosque County	Satisfactory
State:	
Texas	Satisfactory

## Appendix C: Definitions and Common Abbreviations

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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

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### 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 30<sup>th</sup> 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 O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2018-2020		
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		
Bosque County AA	95	9,709	72.0	388	0.0	0.0	0.0	5.6	1.1	6.4	62.6	75.8	63.1	31.9	23.2	30.4	0.0	0.0	0.0		
McLennan County AA	37	5,655	28.0	1,257	0.0	0.0	0.0	9.7	0.0	6.8	0.0	0.0	0.0	90.3	100.0	93.2	0.0	0.0	0.0		
<b>Total</b>	<b>132</b>	<b>15,363</b>	<b>100.0</b>	<b>1,645</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>7.9</b>	<b>0.8</b>	<b>6.7</b>	<b>27.1</b>	<b>54.5</b>	<b>14.9</b>	<b>65.0</b>	<b>44.7</b>	<b>78.4</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>		

Source: 2015 ACS Census; 01/01/2018 - 12/31/2020 Bank Data, 2019 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2018-2020		
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers				
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate		
Bosque County AA	95	9,709	73.8	388	18.9	8.1	4.4	19.0	13.7	13.1	18.7	23.2	20.1	43.4	53.7	49.0	0.0	6.5	13.4		
McLennan County AA	37	5,655	40.0	1,257	10.0	--	1.6	11.2	13.5	8.8	17.5	14.3	19.1	61.2	81.1	55.0	0.0	--	15.5		
<b>Total</b>	<b>132</b>	<b>15,363</b>	<b>100.0</b>	<b>1,645</b>	<b>13.6</b>	<b>6.0</b>	<b>2.2</b>	<b>14.4</b>	<b>13.6</b>	<b>9.8</b>	<b>18.0</b>	<b>18.2</b>	<b>19.3</b>	<b>54.0</b>	<b>61.4</b>	<b>53.6</b>	<b>0.0</b>	<b>4.8</b>	<b>15.0</b>		

Source: 2015 ACS Census; 01/01/2018 - 12/31/2020 Bank Data, 2019 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%

Table U: Assessment Area Distribution of Consumer Loans by Income Category of the Geography													2018-2020	
Assessment Area:	Total Consumer Loans			Low-Income Tracts		Moderate-Income Tracts		Middle-Income Tracts		Upper-Income Tracts		Not Available-Income Tracts		
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	
Bosque County AA	20	113	50	0.0	0.0	7.9	15.0	61.6	75.0	30.4	10.0	0.0	--	
McLennan County AA	20	152	50	0.0	0.0	18.6	5.0	0.0	0.0	81.4	95.0	0.0	--	
<b>Total</b>	40	265	100	<b>0.0</b>	0.0	<b>14.2</b>	10.0	<b>25.6</b>	37.5	<b>60.2</b>	52.5	<b>0.0</b>	--	

*Source: 2015 ACS Census; 01/01/2018 - 12/31/2020 Bank Data.  
Due to rounding, totals may not equal 100.0%*

Table V - Assessment Area Distribution of Consumer Loans by Income Category of the Borrower													2018-2020	
Assessment Area:	Total Consumer Loans			Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Not Available-Income Borrowers		
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	
Bosque County AA	20	113	50	21.4	10.0	17.0	30.0	17.2	10.0	44.3	45.0	0.0	1.0	
McLennan County AA	20	152	50	13.4	25.0	10.4	10.0	15.9	35.0	60.2	30.0	0.0	--	
<b>Total</b>	40	265	100	<b>16.7</b>	17.5	<b>13.2</b>	20.0	<b>16.5</b>	22.5	<b>53.6</b>	37.5	<b>0.0</b>	.5	

*Source: 2015 ACS Census; 01/01/2018 - 12/31/2020 Bank Data.  
Due to rounding, totals may not equal 100.0%*