



PUBLIC DISCLOSURE

March 29, 2021

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Texas Citizens Bank, National Association
Charter Number 24640

4949 Fairmont Parkway, Pasadena, TX 77505

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: Satisfactory

The community development test is rated: Outstanding

The major factors that support this rating include:

- The Lending Test rating is based on a more than reasonable loan-to-deposit (LTD) ratio, excellent geographic distribution, reasonable borrower distribution, and a majority of loans being inside the bank's assessment area (AA).
- The Community Development (CD) Test rating is based on activities reflecting an overall excellent responsiveness to community needs.

Loan-to-Deposit Ratio

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

The bank's quarterly average LTD ratio since the last CRA examination was 103 percent. During the evaluation period, the bank's quarterly LTD ratio ranged from a low of 95 percent to a high of 111 percent. Our analysis included a comparison with five similarly situated banks in the AA. The comparator banks' quarterly average LTD ratio was 81 percent for the same period, ranging from a low of 73 percent to a high of 90 percent.

Lending in Assessment Area

A majority of TCB's loans are inside its AA.

Based on the number of loans, the bank originated and purchased 63 percent of its total loans inside its AA during the evaluation period. This analysis is performed at the bank, rather than the AA, level. This percentage does not include extensions of credit by affiliates that may be considered under the other performance criteria. The findings from this analysis had a positive impact on the overall analysis of the geographic distribution of lending by income level of geography.

Loan Category	Number of Loans				Total	Dollar Amount of Loans \$(000s)				Total
	Inside		Outside			Inside		Outside		
	#	%	#	%	#	\$	%	\$	%	\$(000s)
Small Business	38	63.3	22	36.7	60	17,774	60.5	11,601	39.5	29,375

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

Description of Institution

Texas Citizens Bank, National Association (TCB) is a full-service, single-state community bank headquartered at 4949 Fairmont Parkway in Pasadena, Texas, which is located in the Houston-The Woodlands-Sugar Land, TX Metropolitan Statistical Area (Houston MSA). The bank is wholly owned by Texas Citizens Bancorp Inc., a one-bank holding company also headquartered in Pasadena, Texas.

TCB operates a total of six branches within its one AA. The bank's main office, which is a full-service branch, along with four additional full-service branches are located in Harris County, each of which provides an automated teller machine (ATM) for bank customer's convenience. The bank operates an additional full-service branch and ATM in Fort Bend County, also located in the Houston MSA.

As of December 31, 2020, TCB reported total assets of \$534 million, net loans and leases of \$411 million, and tier 1 capital of \$54 million. Based on the bank's lending strategy, TCB is primarily a commercial lender and community bank. The bank offers a variety of commercial loan products including mortgage, construction, small business, working capital, debt consolidation, and other business purpose loans. TCB provides traditional commercial and personal deposit services including checking, savings, money markets, certificates of deposit, and retirement accounts. The bank also offers treasury management services to its commercial customers and also participates in the Certificate of Deposit Account Registry Service program. In addition to ATMs at each of its branch locations, the bank offers alternative delivery services including online banking, remote deposit capture, mobile banking, mobile check deposit, direct deposit, e-statements, and bill pay. The bank received a Satisfactory rating at its previous CRA Performance Evaluation on January 8, 2018.

Scope of the Evaluation

Evaluation Period/Products Evaluated

We completed a review of TCB's CRA performance under the Intermediate Small Bank (ISB) CRA procedures, which includes a lending test and a CD test. The lending test evaluates the bank's record of meeting the credit needs of its AA through lending activities. The CD test evaluates the bank's responsiveness to CD needs in its AA through qualified lending, investments and donations, and services.

The evaluation period for both the lending and CD tests is January 1, 2018 through December 31, 2020. At the end of the evaluation period, the bank's business loans represented 81 percent of its loan portfolio and residential real estate loans represented 6 percent by dollar volume. By number, business loans represented 61 percent and residential real estate represented 8 percent. Based on this analysis along with statements made by the bank, we concluded that business loans are the bank's primary loan product for this evaluation. Conclusions regarding the bank's lending performance are based on business loans originated or refinanced during the evaluation period. As an ISB, the bank is not required to collect or report loan data for business loans and management has elected not to collect this information. Therefore, we based our analysis of business loans on a valid sample of 60 business loans totaling approximately \$29 million. Since the bank is primarily a commercial lender and business loans represent a majority of the bank's total gross loans by dollar volume and by number of loans, business loans are the primary loan product used in the analysis for the lending test.

During the evaluation period in 2020, the bank responded to its customer's commercial lending needs by participating in the Small Business Administration's (SBA) Paycheck Protection Program (PPP). As of January 2021, the bank had originated a total of 488 PPP loans to support local businesses that were impacted by the COVID-19 pandemic. Although our evaluation focused on a review of the traditional business lending performance that the bank conducted throughout the entirety of the evaluation period and will not include PPP loans, the bank demonstrated excellent responsiveness to meeting the needs of its business customers by allocating resources towards this program.

Selection of Areas for Full-Scope Review

The bank's one AA, the Houston MSA AA, which includes portions of Brazoria, Galveston, and Harris counties and all of Fort Bend County, received a full-scope review in our evaluation. The overall rating is based on the analysis from the bank's lending performance within this AA.

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: Satisfactory

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Outstanding

The major factors that support this rating include:

- The LTD ratio is more than reasonable.
- A majority of loans were originated or renewed inside the AA.
- The geographic distribution of loans is excellent.
- The distribution of loans to businesses of different sizes is reasonable.
- CD activities reflect excellent responsiveness to community needs.

Description of Institution's Operations in Texas

TCB operates a total of six branches within the Houston MSA AA. Five branches, including the bank's main office, are located in Harris County, with one branch located in Fort Bend County. All of the branches are open Monday through Friday from 9:00 a.m. to 4:00 p.m. as standard business operation hours, with extended hours (8:30 a.m. to 5:30 p.m.) offered through the drive-thru at four of the branches. None of the bank's branches are open on weekends. The hours offered by the bank are reasonable for the communities where they are located. The bank does not operate any ATMs outside of its branches.

The bank opened one branch location and closed one branch location during the evaluation period. On December 2, 2019, the bank opened a new branch at The Cannon, a co-working and office space that offers technical assistance and support for entrepreneurs, startup companies, and small businesses. This branch is located at 1334 Brittmoores Road, in Houston, Texas, in a middle-income census tract (CT). On December 3, 2020, the bank closed its branch location at 507 West Baker Road, in Baytown, Texas. The key reasons for this branch closure was that its lease was expiring and it was not profitable overall. This branch was also located in a middle-income CT in Harris County. The closest TCB branch to the closed branch is the main office location in Pasadena, Texas, located approximately 20 miles away and also in a middle-income CT. An online search indicated that several other banks have a total of 17 bank branches operating in Baytown, Texas as of December 31, 2020. The bank's closure of this branch did not have a material impact on access to financial services for this community.

Community Contacts

We contacted three community organizations within each of Brazoria, Galveston, and Harris counties. One contact indicated there are CD opportunities available within the AA to provide services targeted to low- and moderate-income (LMI) persons. This included affordable childcare and mentoring programs for at risk youth. Affordable housing was also identified as a significant need within the community.

Banks in the area can help meet this need by offering homeownership training as well as financing affordable housing projects. Another community organization indicated that microloans ranging from \$5,000 to \$50,000 are required to meet the financial needs of small businesses in the area. Financial literacy classes were also stated as a need to help support new businesses.

Houston MSA AA

Table A – Demographic Information of the Assessment Area						
Assessment Area: HOUSTON MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	526	15.6	29.1	19.8	34.2	1.3
Population by Geography	2,994,878	12.9	27.2	20.1	39.2	0.6
Housing Units by Geography	1,160,632	13.7	26.1	19.6	40.1	0.5
Owner-Occupied Units by Geography	593,713	5.3	21.8	21.3	51.4	0.1
Occupied Rental Units by Geography	456,457	22.3	30.8	18.1	27.6	1.0
Vacant Units by Geography	110,462	23.4	29.3	16.2	30.6	0.6
Businesses by Geography	327,927	9.7	16.6	15.8	57.6	0.3
Farms by Geography	3,922	5.6	14.0	18.7	61.6	0.2
Family Distribution by Income Level	715,842	24.2	15.3	16.1	44.4	0.0
Household Distribution by Income Level	1,050,170	25.0	15.3	16.2	43.4	0.0
Median Family Income MSA - 26420 Houston-The Woodlands-Sugar Land, TX MSA		\$69,373	Median Housing Value			\$197,178
			Median Gross Rent			\$987
			Families Below Poverty Level			12.7%
<i>Source: 2015 ACS and 2020 D&B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

Scope of Evaluation in Texas

The rating for Texas is based on a full-scope review of the Houston MSA AA, that includes CTs in four contiguous counties in the Houston MSA. The AA is comprised of 526 CTs in a portion of Brazoria, Galveston, and Harris counties, as well as all of Fort Bend County. In the AA, 82 CTs (16 percent) are designated as low-income, 153 CTs (29 percent) as moderate-income, 104 CTs (20 percent) as middle-income, 180 CTs (34 percent) as upper-income, and seven CTs (1 percent) do not have an income designation.

TCB's branches and ATMs are all located within the Houston MSA AA, as are the majority of the bank's lending activities. Competition in the Houston MSA AA is very intense, with the top competitors such as JPMorgan Chase Bank, N.A. holding 54 percent of the AA's deposit market share, Wells Fargo Bank, N.A. following with 8 percent, and Bank of America, N.A. with 7 percent as of June 30, 2020.

These top banks operate a total of 261 branch locations within the AA. During the same period, TCB held \$444 million in deposits and ranked 41st out of a total of 124 financial institutions within the AA, at a market share of 0.18 percent.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN TEXAS

LENDING TEST

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

Conclusions for Area Receiving a Full-Scope Review

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

Distribution of Loans by Income Level of the Geography

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

Small Loans to Businesses

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

The overall geographic distribution of small loans to businesses in the Houston MSA AA is excellent. Based on our sample, the bank originated or renewed 8 percent of its small loans to businesses in low-income CTs. This is near to the percent of businesses in the AA at 10 percent and somewhat lower than the aggregate lending performance of all financial institutions in the AA at 10 percent.

However, the bank originated or renewed 32 percent of its small loans to businesses in moderate-income CTs, which exceeds the percent of businesses in the AA at 17 percent, as well as the aggregate lending performance of all financial institutions in the AA at 17 percent. This represents excellent performance. The lending performance in moderate-income CTs was given more weight in this rating due to the AA consisting of 153 (29 percent) moderate-income CTs and only 82 (16 percent) low-income CTs. Additionally, more weight was given to the bank's lending performance compared to the aggregate, since this comparison takes into consideration the lending factors and challenges faced by all financial institutions in the AA.

Lending Gap Analysis

There were no unexplained conspicuous gaps identified.

Distribution of Loans by Income Level of the Borrower

The bank exhibits a reasonable distribution of loans to businesses of different sizes.

Small Loans to Businesses

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

The overall borrower distribution of small loans to businesses is good. Based on our sample, the bank originated or renewed 58 percent of its loans to businesses with annual gross revenues of \$1 million or less, which is somewhat lower than the percent of businesses in the AA at 88 percent. However, this exceeds the aggregate lending performance of all financial institutions in the AA at 47 percent. More weight was given to the bank's lending performance compared to the aggregate, since this comparison takes into consideration the lending factors and challenges faced by all financial institutions in the AA.

Responses to Complaints

The bank did not receive any CRA-related complaints during the evaluation period.

COMMUNITY DEVELOPMENT TEST

The bank's performance under the Community Development Test in the state of Texas is rated Outstanding. This rating has a positive effect to the overall composite CRA rating.

Conclusions for Area Receiving a Full-Scope Review

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

Community Development Loans				
Assessment Area	Total			
	#	% of Total #	\$(000's)	% of Total \$
Houston MSA AA	28	100	49,991	100
Statewide Broader Region	1		4,314	

TCB has an excellent level of qualified CD loans. TCB originated or renewed 28 CD loans in its AA with a total of approximately \$50 million. These loans helped to meet various community needs. Six loans supported affordable housing projects totaling \$4 million, 12 loans supported revitalization and stabilization of LMI areas totaling \$26 million, five loans supported economic development totaling \$17 million which helped small businesses and job creation/retention for LMI individuals, and five loans supported community services to benefit LMI individuals totaling \$4 million.

In addition to these, the bank also made a CD loan to an organization that provides affordable housing to LMI individuals and families throughout the broader region within the state of Texas, which includes the bank's AA, totaling \$4 million. Examples of the CD loans made by the bank include the following:

- The bank originated a \$8 million CD loan to build an entrepreneurship and small business facility and co-working space in Houston, Texas.
- The bank renewed a \$2 million CD loan to purchase and rehabilitate apartments that provide affordable rents for LMI individuals living in a low-income CT.
- The bank provided a \$148,000 CD loan for the construction of a new childcare facility located in and serving a moderate-income CT.

Number and Amount of Qualified Investments

Qualified Investments and Donations										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Houston MSA AA	1	427,960	107	858,320	108	100	1,286,280	100	0	0
Statewide Broader Region	1	414,695			1		414,695			

* 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.

TCB has an adequate level of qualified CD investments and donations. During the current evaluation period, the bank made one qualifying investment that provided community services to LMI individuals in the amount of \$694,475. Additional financial investments made during the evaluation period by the bank included 106 donations to various organizations totaling \$163,845, bringing the total amount invested in the AA to \$858,320. These donations also provided community services to LMI individuals as well as economic development to support business and job growth within the community. The bank also continued its financial commitment to one prior period investment in a Small Business Investment Company (SBIC) totaling \$427,960, and one investment to another SBIC that provides benefit to a broader region within the state of Texas, which includes the bank's AA, totaling \$414,695. Both investments to the SBIC's served the purpose of supporting economic development.

Examples of the CD investments and donations made by the bank include the following:

- The bank continued to renew its annual certificate of deposit with a local minority owned financial institution that primarily facilitates lending within LMI areas located in the bank's AA. The total funds invested during the evaluation period was \$694,475.

- The bank gave a \$25,000 donation in 2019 and \$7,600 in 2020 to a nonprofit organization that provides investment in Houston-based startup businesses.
- The bank provided a \$5,000 donation each year to the Senior Housing Crime Prevention Foundation, which supports LMI senior citizens within the AA.
- The bank provided a \$5,000 donation each year to The Rose, which is a nonprofit organization providing medical services to individuals who are uninsured, underinsured, and eligible for Medicaid.

Extent to Which the Bank Provides Community Development Services

TCB provides a relatively high level of CD services within its AA. Management submitted 1,158 qualified hours of CD services, performed by a total of nine bank employees. The services were performed across 13 organizations that provide community services to benefit LMI individuals. Utilizing their financial and banking expertise, bank employees served as board or committee members to these organizations or provided financial literacy training classes to LMI individuals.

Examples of CD services made by the bank include the following:

- Each year the bank's Senior Vice President (SVP) Relationship Manager/CRA Officer served on the BOD for a local community's Chamber of Commerce and as Dean of Leadership. This organization provides technical assistance to small businesses in the community.
- Each year the bank's President served as a board member for an organization that supports at-risk youth in the community by providing them mentoring services, food distribution, school supplies, clothing, and other resources. Additionally, the bank's SVP Relationship Manager/CRA Officer also provided financial literacy and mentorship to students participating in this program.
- In 2019, the bank's SVP Banking Center Manager provided financial literacy training utilizing the Junior Achievement financial education curriculum to an elementary school where 85 percent of students are eligible for free or reduced-lunch programs.

Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, any 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:	01/01/2018 to 12/31/2020	
Bank Products Reviewed:	Small business loans Community development loans, qualified investments and donations, and community development services	
Affiliate(s)	Affiliate Relationship	Products Reviewed
NA		
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
Houston MSA AA	Full-Scope	

Appendix B: Summary of State Rating

RATINGS TEXAS CITIZENS BANK			
Overall Bank:	Lending Test Rating	CD Test Rating	Overall Bank/State Rating
Satisfactory	Satisfactory	Outstanding	Satisfactory

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 nonvisible 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 LMI individuals; community services targeted to LMI individuals; activities that promote economic development by financing businesses or farms that meet SBA Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; or activities that revitalize or stabilize LMI geographies, distressed or underserved 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 nonrelatives 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. Census Bureau in the most recent decennial census.

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

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

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

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

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

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

Market Share: The number of loans originated 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.

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

Metropolitan Division: As defined by Office of Management and Budget, a county or group of counties within a Core Based Statistical Area that contains an urbanized population of at least 2.5 million.

A Metropolitan Division consists of one or more main/secondary counties that represent an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

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

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

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

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

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

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

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

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

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

Tier 1 Capital: The total of common shareholders' equity, perpetual preferred shareholders' equity with noncumulative 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 MMSAs, 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 Federal Deposit Insurance Corporation and are available as of June 30th of each year. Tables without data are not included in this Performance Evaluation.

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

- Table Q. Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses that were originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) in those geographies. Because aggregate small business data are not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank’s 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 Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																2018-2020		
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	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
HOUSTON MSA AA	60	29,375	100	9.7	7.9	10.4	16.6	31.6	16.5	15.8	21.1	16.6	57.6	39.5	56.1	0.3	--	0.2

Source: 2020 D&B Data; 01/01/2018 - 12/31/2020 Bank Data; 2019 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											2018-2020	
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	
HOUSTON MSA AA	60	29,375	100	96,771	88.1	57.9	46.9	4.5	42.1	0.0	0.0	

Source: 2020 D&B Data; 01/01/2018 - 12/31/2020 Bank Data; 2019 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%