



Office of the
Comptroller of the Currency
Washington, DC 20219

INTERMEDIATE SMALL BANK

PUBLIC DISCLOSURE

July 11, 2022

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

First National Bank of McGregor
Charter Number 4076

401 South Main
McGregor, Texas 76657

Office of the Comptroller of the Currency

225 E, John Carpenter Fwy, 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.

Table of Contents

Overall CRA Rating.....	1
Description of Institution.....	2
Scope of the Evaluation.....	3
Discriminatory or Other Illegal Credit Practices Review.....	4
State Rating.....	5
State of Texas.....	5
Community Development Test	8
Appendix A: Scope of Examination.....	A-1
Appendix B: Summary of MMSA and State Ratings.....	B-1
Appendix C: Definitions and Common Abbreviations.....	C-1
Appendix D: Tables of Performance Data.....	D-1

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 ratio (LTD), a majority of loans purchased or originated are inside the assessment area (AA), a reasonable distribution of loans in low- and moderate-income (LMI) geographies, and a reasonable distribution of loans to individuals of different incomes and businesses of different sizes.
- The Community Development (CD) Test rating is based on excellent responsiveness to CD needs in the AA through CD lending and services, and adequate responsiveness to CD investments and donations in the bank's AA.

Loan-to-Deposit Ratio

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

First National Bank of McGregor's (FNBM) quarterly bank-wide LTD ratio since the previous CRA performance evaluation (PE) averaged 86.14 percent. We compared the bank's LTD ratio to three similarly situated banks within the bank's market area. The aggregate LTD ratio for the similar banks was 77.50 percent, with a low average of 69.48 percent and a high average of 83.28 percent.

Lending in Assessment Area

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

The bank originated and purchased 70.7 percent of its total loans inside the bank's AA during the evaluation period. This analysis is performed at the bank, rather than the AA, level. This percentage does not include extensions of credit by affiliates that may be considered under the other performance criteria.

This conclusion is based on the entire population of the institution's home mortgage loan product during the evaluation period and a sample of 30 small business loans originated between January 1, 2019, and December 31, 2021. The findings from the analysis factored into the overall analysis of the geographic distribution of lending by income level of the geography.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage	324	64.8	176	35.2	500	65,720	61.3	41,565	38.7	107,285
Small Business	24	80.0	6	20.0	30	7,371	62.8	4,219	36.4	11,590
Total	348	65.7	182	34.3	530	73091	62.04	45,784	37.6	118,857

Description of Institution

First National Bank of McGregor (FNBM or the bank) is a \$709 million community bank headquartered in McGregor, Texas. FNBM is a single-state bank with the main office located in downtown McGregor, Texas. The bank is wholly owned by McGregor Bancshares, Inc., also located in McGregor, Texas.

The bank has one rating area, the State of Texas, with one AA which consists of all of McLennan County. The bank has five locations within the AA, including the main office and one branch, South Bosque, located in McGregor, Texas, along with three branches in Waco, Texas, which include Triangle Tower, East, and Downtown Waco. As part of expansion efforts, the downtown Waco branch was established to further solidify a presence amidst rapid growth near Baylor University and Magnolia Market. The East Waco branch was established to provide a presence in what has historically been an underserved community. The establishment of this branch provides the East Waco community with access to a bank branch for the first time in over 100 years.

FNBM's physical offices are its primary delivery system for traditional commercial and retail products and services. All branch locations are open between 8:00 a.m. and 6:00 p.m., Monday through Friday. The East and Downtown Waco branches, along with South Bosque, have Saturday hours from 9:00 a.m. to 12:00 p.m. All branches, with the exception of East Waco, have drive-through facilities, and all locations have automated teller machines (ATM).

FNBM's programs and operating hours deliver needed banking and credit services to LMI areas and customers, as well as small business owners, farmers, and livestock operators throughout the bank's AA. The bank offers an array of services, including on-line banking, mobile banking, and telephone banking in English and Spanish. Each location also employs individuals who speak Spanish. FNBM also offers secured and unsecured small dollar personal loans to qualified customers and start-up and working capital loans for small businesses, including through Small Business Administration lending programs.

As of December 31, 2021, tier 1 capital totaled approximately \$73 million, and loans totaled \$538 million or 75.9 percent of total assets. The loan portfolio consists of 83.3 percent home mortgage loans, 12.5 percent commercial loans, 3.2 percent consumer loans, 0.8 percent agricultural loans, and 0.2 percent other loans.

The bank was rated "Satisfactory" during the prior CRA evaluation dated July 15, 2019. There are no legal, financial, or other factors impeding FNBM's ability to meet the credit needs of the AA.

Scope of the Evaluation

Evaluation Period/Products Evaluated

We evaluated CRA performance of FNBM using Intermediate Small Bank performance criteria, which includes the lending test and the community development test. The evaluation covered the period from January 1, 2019, through December 31, 2021. This evaluation assesses the bank's performance in meeting the credit needs of its AA. Conclusions regarding the institution's lending performance are based on a sample of 30 small business loans originating between January 1, 2019, and December 31, 2021. Conclusions for residential real estate loans are based on loans reported under the Home Mortgage Disclosure Act (HMDA) for the same time period.

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. FNBM operates in one state and has one AA. Ratings are based solely on the results of this 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: Satisfactory

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Satisfactory

The major factors that support this rating include:

- The geographic distribution of loans reflects reasonable distribution through the bank's AA.
- The distribution of loans to individuals of different incomes and businesses of different sizes reflects reasonable distribution.
- CD loans and services reflect excellent responsiveness to the needs of the AA
- CD investments reflect adequate responsiveness to the needs of the AA.

Description of Institution's Operations in Texas

FNBM operates in one AA in the State of Texas as discussed in the "Description of Institution" section. The Waco MSA is comprised of all census tracts (CTs) in McLennan and Falls County.

FNBM has delineated McLennan County's 51 CTs as the bank's AA. The city of Waco is the county seat of McLennan County. The bank's primary business focus is residential and commercial lending within the AA. The AA meets the requirement of the regulation and does not arbitrarily exclude LMI CTs. According to 2015 ACS and 2020 D&B Data, the AA consists of seven low-income CTs, 15 moderate-income CTs, 13 middle-income CTs, 14 upper-income CTs, and two CTs indicated as not-applicable. There are no census tracts designated as middle-income distressed or underserved in the AA.

The bank now operates five locations within its AA. The bank's main location is in McGregor, Texas. The additional branches include the South Bosque branch in McGregor, along with the Triangle Tower branch (Waco, Texas), and the two recently established branches in East Waco and Downtown Waco. As part of expansion efforts, the Downtown Waco branch was established to further solidify a presence amidst rapid growth near Baylor University, Downtown Waco, and Magnolia Market. The East Waco branch was established to provide a presence in what has historically been an underserved community. The establishment of this branch provides the East Waco community with access to a bank branch for the first time in over 100 years. Each branch has an ATM located onsite.

Based on the Federal Deposit Insurance Corporation (FDIC) Deposit Market Share data as of June 30, 2021, FNBM had a 7.87 percent deposit market share in its AA. The institution also ranked third out of 37 FDIC-insured financial institutions.

The largest industries in the bank's AA are primarily health care and educational services. Leading employers include Baylor University, Waco ISD, Texas State Technical College, Ascension Providence Hospital, Doris Miller Department of Veteran Affairs Medical Center, Baylor Scott & White Medical Center Hilcrest, and grocery retailer HEB.

FNBM has continued its Charity Champions program. Charity Champions works to raise awareness of local non-profit organizations that benefit LMI families, individuals, and areas. Many of the recipient organizations report increased monetary donations and volunteer service resulting from the exposure provided by this innovative program. FNBM's program also includes 501(c) non-profit organizations that assist with temporary affordable housing.

We consulted an economic development organization in the AA to gain a better understanding of the general community credit needs. The contact indicated the primary needs are affordable housing and small business lending. The contact also indicated FNBM provides funding to small business in the community.

McLennan County AA

Table A – Demographic Information of the Assessment Area						
Assessment Area: FNB of McGregor 2021						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	51	13.7	29.4	25.5	27.5	3.9
Population by Geography	241,505	10.4	29.8	23.2	35.0	1.6
Housing Units by Geography	96,935	12.1	30.1	24.8	33.0	0.0
Owner-Occupied Units by Geography	50,850	4.5	22.1	26.9	46.4	0.0
Occupied Rental Units by Geography	35,919	20.7	40.9	20.5	17.9	0.0
Vacant Units by Geography	10,166	19.6	31.8	29.2	19.3	0.0
Businesses by Geography	18,049	5.1	30.3	25.0	39.1	0.6
Farms by Geography	633	2.4	14.1	36.5	47.1	0.0
Family Distribution by Income Level	57,860	22.5	17.7	18.0	41.8	0.0
Household Distribution by Income Level	86,769	25.3	16.0	15.6	43.1	0.0
Median Family Income MSA - 47380 Waco, TX MSA		\$54,026	Median Housing Value			\$112,021
			Median Gross Rent			\$780
			Families Below Poverty Level			14.7%

*Source: 2015 ACS and 2020 D&B Data
Due to rounding, totals may not equal 100.0%
(* The NA category consists of geographies that have not been assigned an income classification.*

Scope of Evaluation in Texas

FNBM has one AA which consists of McLennan County, in the state of Texas. The AA received a full-scope review. Refer to the Scope of the Evaluation Table in appendix A for a listing of all bank AAs under review. Consistent with the institution's primary lending focus, commercial business loans and residential real estate loans were analyzed.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN TEXAS

LENDING TEST

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

Conclusions for Area Receiving a Full-Scope Review

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

Distribution of Loans by Income Level of the Geography

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

Home Mortgage Loans

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.

The geographic distribution of home mortgage loans in the AA is excellent. The percentage of bank loans in LMI geographies exceeds the percentage of owner-occupied housing units and aggregate lending in those geographies.

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.

FNBM's distribution of small business loans by income category of different geographies is poor. The sample identified no small business loans in low-income geographies, which reflects lending significantly lower than the percentage of businesses and the aggregate percentage of lending in those geographies. Small business loans in moderate-income geographies are lower than the percentage of businesses and the aggregate percentage of lending in those geographies.

Distribution of Loans by Income Level of the Borrower

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

Home Mortgage Loans

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.

The borrower distribution of home mortgage loans in the AA is reasonable given the performance context. The percentage of bank loans to low-income borrowers is significantly lower than the percentage of low-income families but exceeds the aggregate percentage of lending. The percentage of bank loans to

moderate-income borrowers is near the percentage of moderate-income families but exceeds the aggregate lending to those borrowers.

Opportunities to lend to LMI families in the AA are limited given the high percentage of rental housing and an elevated poverty level. The 2015 U.S. Census data reflects 14.7 percent of the population live below the poverty level.

Small Loans to Businesses

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

The distribution of loans to businesses of different sizes in the AA reflects excellent distribution. The bank's percentage of loans to businesses with revenues less than or equal to \$1 million meets the percentage of businesses identified as having revenues less than or equal to \$1 million but exceeds the aggregate lending for those businesses.

The bank originated 650 Paycheck Protection Program (PPP) loans totaling \$47.4 million during 2020 and 2021. FNBM was an active lender in the program, providing PPP loans to small businesses throughout the community during the COVID-19 pandemic.

Responses to Complaints

FNBM received no complaints related to the institution's CRA performance during the evaluation period.

COMMUNITY DEVELOPMENT TEST

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

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank exhibits excellent responsiveness to community development needs in the state 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.

<i>Community Development Loans</i>				
Assessment Area	Total			
	#	% of Total #	\$(000's)	% of Total \$
McLennan County	16	64.0	11,830	39.4
Broader Statewide & Regional	9	36.0	18,207	60.6

The bank's level of CD lending demonstrates excellent responsiveness, considering the bank's capacity and the need and availability of such opportunities for community development lending in the bank's AA. During the evaluation period, the bank originated or renewed 16 CD loans in the AA, totaling \$11.8 million representing approximately 16.3 percent of tier 1 capital.

Noteworthy CD loans include:

- A \$4.4 million loan to revitalize a small business located in Downtown Waco, which is primarily a LMI geography. The business's new retail construction will create jobs in the LMI CT.
- A \$3.2 million loan to construct a new school facility located in a LMI geography of Waco that will primarily serve LMI individuals.

The institution also originated nine community development loans in the broader statewide area totaling \$18.2 million, or 25.1 percent of tier 1 capital. Noteworthy examples of these loans include:

- A \$5.4 million loan to revitalize a local church in a low-income CT which also operates a 501(c)(3) to meet the needs of LMI families in the area of San Antonio, TX.
- \$1.7 million to purchase and rehabilitate a shopping center which will provide jobs and economic development to the LMI geography of Crockett, TX.

Number and Amount of Qualified Investments

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
McLennan County AA	0	0	3	749	3	100.0	749	100.0	0	0

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

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

The level of qualified investments and donations in the AA demonstrates adequate responsiveness to the needs of the community. During the evaluation period, the institution made three investments and 50 donations totaling \$813 thousand. Current period investments include certificate of deposits to community development credit unions that primarily lend or facilitate lending to promote community development. Donations were to local organizations which provide community services to LMI individuals and to small businesses to revitalize LMI geographies in the AA. Total investments and donations represent 1.1 percent of allocated tier 1 capital.

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

Extent to Which the Bank Provides Community Development Services

The level of community development services in the AA is excellent. Twenty-two employees provided 1464 hours of service to local organizations as board members, grant reviewers, and financial literacy instructors in an LMI school district.

Noteworthy services include:

- Employees serving on the board of McGregor Downtown Exchange Board and NeighborWorks Waco.
- An employee helped provide clothing and necessities to LMI individuals with the Salvation Army.
- An employee taught financial literacy classes to students at McGregor ISD.
- An employee provided grant review services to small businesses.

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:	01/01/19 to 12/31/21	
Bank Products Reviewed:	Home mortgage, small business Community development loans, qualified investments/donations, community development services	
Affiliate(s)	Affiliate Relationship	Products Reviewed
N/A		
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
Texas		
McLennan County	Full-scope	

Appendix B: Summary of MMSA and State Ratings

RATINGS First National Bank of McGregor			
Overall Bank:	Lending Test Rating*	CD Test Rating	Overall Bank/State/Multistate Rating
First National Bank of McGregor	Satisfactory	Outstanding	Satisfactory
MMSA or State:			
Texas	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 O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																				2019-2021		
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			
McLennan County	324	65,720	100.0	9,331	4.5	8.0	3.5	22.1	23.8	13.8	26.9	19.4	19.6	46.4	48.8	63.1	0.0	0.0	0.0			
Total	324	65,720	100.0	9,331	4.5	8.0	3.5	22.1	23.8	13.8	26.9	19.4	19.6	46.4	48.8	63.1	0.0	0.0	0.0			

Source: 2015 ACS; 01/01/2019 - 12/31/2021 Bank Data, 2020 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																				2019-2021		
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			
McLennan County	324	65,720	100.0	9,331	22.5	3.4	2.6	17.7	12.3	10.9	18.0	17.0	18.2	41.8	46.3	47.1	0.0	21.0	21.1			
Total	324	65,720	100.0	9,331	22.5	3.4	2.6	17.7	12.3	10.9	18.0	17.0	18.2	41.8	46.3	47.1	0.0	21.0	21.1			

Source: 2015 ACS; 01/01/2019 - 12/31/2021 Bank Data, 2020 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																			2019-2021		
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		
McLennan County	30	8,056	100	3,627	5.1	0	4.5	30.3	16.7	28.5	25.0	36.7	26.5	39.1	46.7	39.9	0.6	0	0.5		
Total	30	8,056	100	3,627	5.1	0	4.5	30.3	16.7	28.5	25.0	36.7	26.5	39.1	46.7	39.9	0.6	0	0.5		

*Source: 2021 D&B Data; 01/01/2021 - 12/31/2021 Bank Data; 2020 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												2019-2021	
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		
McLennan County	30	8,056	100.0	3,627	83.8	80.0	32.7	4.9	20.0	11.4	0		
Total	30	8,056	100.0	3,627	83.8	80.0	32.7	4.9	20.0	11.4	0		

*Source: 2020 D&B Data; 01/01/2019 - 12/31/2021 Bank Data; 2020 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%*