



PUBLIC DISCLOSURE

January 8, 2020

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

The Commercial National Bank of Brady
Charter Number 8573

105 East Second Street
Brady, Texas 76825

Office of the Comptroller of the Currency
San Antonio North Field Office
10001 Reunion Place, Suite 250,
San Antonio, Texas 78216-4165

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 Commercial National Bank of Brady (CNBB) is a single-state institution with two assessment areas (AAs), which were combined and treated as one AA for Community Reinvestment Act (CRA) evaluation purposes.

The major factors that support this rating include:

- The loan-to-deposit ratio is reasonable at 52 percent.
- A majority of loans, 84 percent by number, were made within the AA.
- The bank exhibits excellent distribution of loans to geographies of different income levels within the AA.
- The bank exhibits an excellent distribution of loans to individuals and businesses of different income levels within the AA, given the products offered.

Loan-to-Deposit Ratio

Considering the bank's size, financial condition, and credit needs of the AA(s), the loan-to-deposit ratio is reasonable.

CNBB's quarterly average loan-to-deposit (LTD) ratio exceeded the average among similarly situated institutions (SSIs) and is reasonable when considering the bank's market share, size, and competition within McCulloch and San Saba counties. CNBB's average LTD ratio was 52 percent during the evaluation period and exceeded the average of 45 percent for the three SSIs within the market area used for comparison. CNBB's average LTD ratio fluctuated between a low of 49 percent and a high of 58 percent. The SSIs average LTD ratio fluctuated between a low of 18 percent and high of 67 percent and had asset sizes ranging from \$61 million to \$177 million. We found the best comparison to CNBB was Brady National Bank based on location, asset size, and deposit market share. CNBB's average LTD ratio exceeded Brady National Bank's average LTD ratio of 49 percent.

Lending in Assessment Area

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

CNBB originated and purchased 84 percent of its total loans by number inside its AA during the evaluation period. Due to the relatively small dollar size of consumer loans when compared to business loans, more weight was placed on the percentage by number in determining that the majority of bank loans are inside its AA. 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.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Small Business 2016	15	75	5	25	20	262	41	376	59	638
Small Business 2017-2018	16	80	4	20	20	479	14	2,849	86	3,328
Consumer 2016	18	90	2	10	20	58	91	6	9	64
Consumer 2017-2018	18	90	2	10	20	28	60	19	40	47
Total	67	84	13	16	80	827	20	3,250	80	4,077

Description of Institution

CNBB is a \$154 million, an intrastate financial institution, is wholly-owned by Commercial National Corporation, a one-bank holding company headquartered in Brady, Texas. CNBB has two branches in Brady and San Saba. CNBB has delineated two AAs, all of McCulloch County and San Saba County, and includes all 5 census tracts contained within the two counties. These two AAs were combined and treated as one AA for CRA evaluation purposes. During the evaluation period, CNBB did not engage in any mergers or acquisitions, has not opened or closed any branch offices, and had no affiliates or related organization.

CNBB offers traditional banking products and services at both locations from Monday through Saturday. Both locations have drive-in facilities and an automatic teller machine (ATM) on premise. Customers have 24-hour service through the mobile application, Internet and telephone banking, and can retrieve account balances, transfer funds, and utilize bill payment services among other services.

At December 31, 2018, CNBB had total assets of \$154 million. Net loans totaled \$81 million or 53 percent of total assets. By dollar volume, commercial loans (including commercial real estate) represented 36 percent of outstanding loans; farm and agriculture loans represented 22 percent; consumer loans represented 5 percent; and 1 to 4 residential real estate represented 36 percent. Tier 1 capital totaled \$18.7 million and total assets averaged \$157 million during quarter resulting in a Tier 1 leverage ratio of 11.9 percent. The bank provided a list of loans originated from January 1, 2016, to December 1, 2018, which we used to identify primary products for our CRA evaluation. We found that by number consumer loans represented the largest percentage of originations each year, ranging from 70 to 72 percent. By dollar volume commercial loans (including commercial real estate) represented the largest percentage of originations each year, ranging from 32 to 40 percent, and the second largest percentage of by number. These two primary products form the basis of our evaluation.

Based on its financial condition and size, there are no financial or legal impediments hindering the bank's ability to help meet the credit needs in its AA. The current business strategy is to continue to meet the needs of the community through originating loans of all types and remaining active in local community organizations. The bank received a "Satisfactory" rating on its prior CRA Performance Evaluation dated September 14, 2015.

Scope of the Evaluation

Evaluation Period/Products Evaluated

We evaluated CNBB lending activities using Small Bank CRA examination procedures. The examination scope covered loans originated from January 1, 2016 to December 1, 2018. We used the bank's list of originations by loan type for the evaluation period to identify primary products. We found that by number consumer loans represented the largest percentage of originations each year, ranging from 70 to 72 percent. By dollar volume commercial loans, including commercial real estate, represented the largest percentage of originations each year, ranging from 32 to 40 percent. These two primary products were consistent with bank's lending strategy and form the basis of our evaluation. We combined both McCulloch County and San Saba County AAs into one AA for the purposes of our CRA evaluation. We selected a random sample of 40 consumer loans and 40 commercial loans (including commercial real estate). We used these 80 loans to calculate the percentage of loans originating inside the AA. We replaced loans originating outside the AA with loans originating inside the AA to evaluate borrower and geographic distributions. We analyzed 2016 loans based on 2010 US Census data and 2016 Dunn & Bradstreet information. We analyzed 2017-2018 loans based on the 2011 - 2015 American Community Survey (ACS) data and 2018 Dunn & Bradstreet information. For CRA purposes, the ACS replaces the decennial census.

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.

CNBB has delineated two AAs and operates in one state. Both McCulloch County and San Saba County AAs are contiguous, non-MSA, and were combined into one AA for our CRA evaluation purposes. The combined AAs were evaluated as full-scope. Refer to the "Scope" section under the State Rating for details regarding the full-scope review. 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. The MMSA rating and state ratings are based on performance in all bank AAs. CNBB has only two AAs and only operates in the state of Texas. For the purposes of our CRA evaluation we combined both AAs into one AA and issued one assessment rating. In arriving at our conclusion, we placed equal weight on consumer and commercial loans, as they represent the primary lending products of the bank by count and dollar volume of originations.

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 Texas¹: Satisfactory

The Lending Test is rated: Satisfactory

The major factors that support this rating include:

- The bank's loan-to-deposit ratio is reasonable.
- A majority of the bank's loans are made inside its AA.
- The bank exhibits excellent distribution of loans to geographies of different income levels within the AA.
- The bank exhibits an excellent distribution of loans to individuals and businesses of different income levels with the AA, given the products offered.

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

Description of Institution's Operations in Texas

As noted previously, CNBB operates only in McCulloch and San Saba County in Texas. It has two full service branches with onsite ATMs. CNBB has delineated two AAs, all of McCulloch County and San Saba County, and includes all 5 census tracts contained within the two counties. These two AAs were combined and treated as one AA for CRA evaluation purposes. CNBB faces strong competition from two national banks and one state bank with offices in the combined AA. In addition to these local financial institutions, two privately-owned cooperatives specializing in agricultural loans have office in the AA. CNBB had total deposits of \$132.7 million at June 30, 2019 and ranks first among the four institutions in the combined AA with a deposit market share of 39 percent. The other three financial institutions only had one office in the AA, while CNBB has two.

We contacted two community development organization during the examination. The contacts reported that institutions in McCulloch and San Saba County are meeting the demands of the community and were not aware of any unmet services or financial needs. Generally, they identified personal loans, home loans, and agriculture loans as the primary needs in the area. The Brady contact mentioned that recently there were several closures of sand mining operations and hoped that the local financial institutions will support the community members through lending if they face difficulty.

CNBB's business focus is to continue to meet the needs of the community through originating loans of all types and remaining active in local community organizations. We found that by number consumer loans represented the largest percentage of originations each year, ranging from 70 to 72 percent. By dollar volume commercial loans (including commercial real estate) represented the largest percentage of originations each year, ranging from 32 to 40 percent, and the second largest percentage of by number. These two primary products form the basis of our evaluation.

The U.S. Bureau of Labor Statistics website shows a seasonally-adjusted unemployment rate of 3.9 percent for the nation and an unemployment rate of 3.7 percent for the state of Texas at December 31, 2018. The December 31, 2018 unemployment rate for McCulloch County is 3.3 and San Saba County is 3.0, both lower than the national and Texas rates.

Principal communities in McCulloch County include the cities of Brady, Melvin, Voca, Rochelle, and Lohn. The city of Brady is the largest community and serves as the county seat. In 2016, McCulloch county consisted of two upper-income CTs and one middle-income CT designated as distressed. In 2018, the county consisted of two middle income CTs and one moderate-income CT. As of 2018, 550 firms were located in the county with primary industries identified as services (36 percent), retail trade (15 percent), and agriculture (9 percent). Brady ISD, Load Craft Industries, Walmart, and the City of Brady are the county's primary employers. Of the total firms, 82 percent are single location businesses with their sole operation located in McCulloch County. The majority of firms, 63 percent, had 4 or fewer employees and 76 percent have annual revenues below \$1 million.

Principal communities in San Saba County include the cities of San Saba and Richland Springs. San Saba is the largest community and serves as the county seat. In 2016, San Saba county consisted of two middle-income CTs, both designated as distressed. In 2018, the county consisted of one moderate-income CT and one middle-income CT designated as distressed. As of 2018, 492 firms were located in the county with primary industries identified as services (36 percent), retail trade (17 percent), and agriculture (11 percent). San Saba is known as the "Pecan Capital of the World."

The following table reflects demographics data for the combined AAs.

Table A – Demographic Information of the Assessment Area						
2016 Assessment Area: McCulloch and San Saba Combined						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	5	0.0	0.0	60.0	40.0	0.0
Population by Geography	14,414	0.0	0.0	80.5	19.5	0.0
Housing Units by Geography	7,458	0.0	0.0	76.6	23.4	0.0
Owner-Occupied Units by Geography	3,867	0.0	0.0	76.0	24.0	0.0
Occupied Rental Units by Geography	1,353	0.0	0.0	87.1	12.9	0.0
Vacant Units by Geography	2,238	0.0	0.0	71.2	28.8	0.0
Businesses by Geography	964	0.0	0.0	87.3	12.7	0.0
Farms by Geography	123	0.0	0.0	69.9	30.1	0.0
Family Distribution by Income Level	3,503	26.7	15.6	17.8	39.9	0.0
Household Distribution by Income Level	5,220	29.9	16.0	17.4	36.6	0.0
Median Family Income Non-MSAs - TX		\$47,817	Median Housing Value			\$77,108
			Median Gross Rent			\$494
			Families Below Poverty Level			16.6%

Source: 2010 U.S. Census and 2016 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.

Table A – Demographic Information of the Assessment Area						
2017-2018 Assessment Area: McCulloch and San Saba Combined						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	5	0.0	40.0	60.0	0.0	0.0
Population by Geography	14,166	0.0	56.0	44.0	0.0	0.0
Housing Units by Geography	7,456	0.0	46.8	53.2	0.0	0.0
Owner-Occupied Units by Geography	4,041	0.0	50.7	49.3	0.0	0.0
Occupied Rental Units by Geography	1,230	0.0	60.8	39.2	0.0	0.0
Vacant Units by Geography	2,185	0.0	31.7	68.3	0.0	0.0
Businesses by Geography	938	0.0	69.9	30.1	0.0	0.0
Farms by Geography	104	0.0	27.9	72.1	0.0	0.0
Family Distribution by Income Level	3,516	23.2	21.2	20.6	35.0	0.0
Household Distribution by Income Level	5,271	23.9	16.2	20.8	39.1	0.0
Median Family Income Non-MSAs - TX		\$52,076	Median Housing Value			\$76,444
			Median Gross Rent			\$606
			Families Below Poverty Level			11.7%

Source: 2015 ACS Census and 2018 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

We evaluated CNBB lending activities using Small Bank CRA examination procedures. CNBB has two assessment areas, McCulloch County and San Saba County, and only operates in Texas. Both AAs are non-MSA, contiguous, include all census tracts, and contain a full-service branch. We selected the two AAs for a full-scope review. We combined both McCulloch County and San Saba County AAs into one AA for the purposes of our CRA evaluation. We selected a random sample of 40 consumer loans and 40 commercial loans (including commercial real estate). We used these 80 loans to calculate the percentage of loans originating inside the AA. We replaced loans originating outside the AA with loans originating inside the AA to evaluate borrower and geographic distributions. We analyzed 2016 loans based on 2010 US Census data and 2016 Dunn & Bradstreet information. We analyzed 2017-2018 loans based on the 2011 - 2015 American Community Survey (ACS) data and 2018 Dunn & Bradstreet information. For CRA purposes, the ACS replaces the decennial census.

LENDING TEST

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

Based on full-scope review, the bank's lending performance in the state of Texas is reasonable. The loan analysis was based on consumer loans and commercial loans (including commercial real estate) as they accounted for the majority of originations by number and dollar volume, respectively, during the evaluation period. An analysis of home mortgage loans and loans to farms would not be meaningful, given their relatively low level of originations over the period when compared to the two primary products, and were omitted from this evaluation.

Distribution of Loans by Income Level of the Geography

The bank exhibits excellent geographic distribution of loans in the AA, overall.

Small Loans to Businesses

Refer to Table Q in 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 distribution of business loans to geographies of different income levels in the AA was reasonable for 2016 and excellent for 2017-2018. For the 2016 sample, CNBB originated 60 percent of loans to businesses in the middle-income census tract (CT). This compares reasonably to the 2016 demographic data indicating 87.3 percent of businesses were in the middle-income CT—note there were no low or moderate-income CTs in the AA for 2016. For the 2017-2018 sample, CNBB originated 85 percent of loans to businesses in the moderate-income CT, which compares favorably to the 2017-2018 demographic data indicating 69.9 percent of businesses were in the moderate-income CT.

Consumer Loans

Refer to Table U in appendix D for the facts and data used to evaluate the geographic distribution of the bank's consumer loan originations and purchases.

The distribution of consumer loans to geographies of different income levels within the AA is excellent. For the 2016 sample, CNBB originated 90 percent of consumer loans to borrowers in the middle-income CT, which compares favorably to the 2016 demographic data indicating 78.9 percent of households were in the middle-income CT—note there were no low or moderate-income CTs in the AA for 2016. For the 2017-2018 sample, CNBB originated 70 percent of consumer loans to borrowers in the moderate-income CT, which compares favorably to the 2017-2018 demographic data indicating 53.1 percent of households were in the moderate-income CT.

Distribution of Loans by Income Level of the Borrower

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

Small Loans to Businesses

Refer to Table R in 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 business of different sizes within the AA is excellent. CNBB originated 100 percent of loans to business with revenues less than or equal to \$1 million in both the 2016 and 2017-2018 samples. This compares favorably to demographic data indicating 79.6 and 77.7 percent, respectively, of business in the AA had revenues less than or equal to \$1 million at origination.

Consumer Loans

Refer to Table V in appendix D for the facts and data used to evaluate the borrower distribution of the bank's consumer loan originations and purchases.

The distribution of consumer loans to individuals of different income level within the AA is excellent. For the 2016 sample, CNBB originated 40 percent of consumer loans to low-income borrowers and 25 percent to moderate-income borrowers. This compares favorably to the 2016 demographic data which reflects 29.9 percent of households in the AA were low-income and 16 percent were moderate-income. For the 2017-2018 sample, CNBB originated 35 percent of consumer loans to low income borrowers and 40 percent to moderate-income borrowers. This compares favorably to the 2017-2018 demographic data which reflects 23.9 percent of households were low-income and 16.2 percent were moderate-income.

Responses to Complaints

Commercial NB did not receive any complaints related to its CRA performance between September 14, 2015 (date of the previous CRA examination) and January 8, 2020 (date of current examination).

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”.

Time Period Reviewed:	1/1/2016 to 12/31/2018	
Bank Products Reviewed:	Consumer Loans – 2016, 2017, and 2018 Small Loans to Businesses – 2016, 2017, and 2018	
Affiliate(s)	Affiliate Relationship	Products Reviewed
Not applicable	Not applicable	Not applicable
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
McCulloch Assessment Area	Full Scope	County of McCulloch
San Saba Assessment Area	Full Scope	County of San Saba

Appendix B: Summary of MMSA and State Ratings

RATINGS	Commercial National Bank of Brady
Overall Bank:	Lending Test Rating
Commercial National Bank of Brady	Satisfactory
MMSA or State:	
Texas	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/assessment area.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Appendix D: Tables of Performance Data

Content of Standardized Tables

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

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

- Table O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents aggregate peer data for the years the data is available.
- Table P. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MMSA/assessment area. The table also presents aggregate peer data for the years the data is available.
- Table Q. Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses that were originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) in those geographies. Because aggregate small business data are not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank’s assessment area.
- Table R. Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenue** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to: 1) the percentage distribution of businesses with revenues of greater than \$1 million; and, 2) the percentage distribution of businesses for which revenues are not available. The table also presents aggregate peer small business data for the years the data is available.
- Table S. Assessment Area Distribution of Loans to Farms by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-,

and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents aggregate peer data for the years the data is available. Because aggregate small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.

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

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography														2016	
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	% Businesses	% Bank Loans	% Businesses	% Bank Loans	% Businesses	% Bank Loans	% Businesses	% Bank Loans	
McCulloch & San Saba Combined AA	20	779,272	100	150	0.0	0.0	0.0	0.0	87.3	60	12.7	40	0.0	0.0	
Total	20	779,272	100	150	0.0	0.0	0.0	0.0	87.3	60	12.7	40	0.0	0.0	

*Source: 2016 D&B Data; 01/01/2016 - 12/31/2016 Bank Data; 2016 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0*

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography														2017-18	
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	% Businesses	% Bank Loans	% Businesses	% Bank Loans	% Businesses	% Bank Loans	% Businesses	% Bank Loans	
McCulloch & San Saba Combined AA	20	505,111	100	159	0.0	0.0	69.9	85	30.1	15	0.0	0.0	0.0	0.0	
Total	20	505,111	100	159	0.0	0.0	69.9	85	30.1	15	0.0	0.0	0.0	0.0	

*Source: 2018 D&B Data; 01/01/2017 - 12/31/2018 Bank Data; 2017 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0*

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2016	
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	
McCulloch & San Saba Combined AA	20	779,272	100	150	79.6	100	40.0	5.3	0.0	15.1	0.0	
Total	20	779,272	100	150	79.6	100	40.0	5.3	0.0	15.1	0.0	

*Source: 2016 D&B Data; 01/01/2016 - 12/31/2016 Bank Data; 2016 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0*

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2017-18	
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	
McCulloch & San Saba Combined AA	20	505,111	100	159	77.1	100	38.4	5.1	0.0	17.2	0.0	
Total	20	505,111	100	159	77.7	100	38.4	5.1	0.0	17.2	0.0	

*Source: 2018 D&B Data; 01/01/2017 - 12/31/2018 Bank Data; 2017 CRA 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													2016	
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	
McCulloch & San Saba Combined AA	20	66,207	100	0.0	0.0	0.0	0.0	78.9	90	21.1	10	0.0	0.0	
Total	20	66,207	100	0.0	0.0	0.0	0.0	78.9	90	21.1	10	0.0	0.0	

*Source: 2010 U.S. Census; 01/01/2016 - 12/31/2016 Bank Data.
Due to rounding, totals may not equal 100.0*

Table U: Assessment Area Distribution of Consumer Loans by Income Category of the Geography													2017-18	
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	
McCulloch & San Saba Combined AA	20	31,955	100	0.0	0.0	53.1	70	46.9	30	0.0	0.0	0.0	0.0	
Total	20	31,955	100	0.0	0.0	53.1	70	46.9	30	0.0	0.0	0.0	0.0	

*Source: 2015 ACS Census; 01/01/2017 - 12/31/2018 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													2016	
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	
McCulloch & San Saba Combined AA	20	66,207	100	29.9	40	16.0	25	17.4	25	36.6	10	0.0	0.0	
Total	20	66,207	100	29.9	40	16.0	25	17.4	25	36.6	10	0.0	0.0	

*Source: 2010 U.S. Census; 01/01/2016 - 12/31/2016 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													2017-18	
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	
McCulloch & San Saba Combined AA	20	31,955	100	23.9	35	16.2	40	20.9	10	39.1	15	0.0	0.0	
Total	20	31,955	100	23.9	35	16.2	40	20.9	10	39.1	15	0.0	0.0	

*Source: 2015 ACS Census; 01/01/2017 - 12/31/2018 Bank Data.
Due to rounding, totals may not equal 100.0*