



PUBLIC DISCLOSURE

July 13, 2020

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

BTH Bank, National Association
Charter Number: 10646

412 East Goode Street
Quitman, TX 75783

Office of the Comptroller of the Currency

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Longview, TX 75604-2516

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 Community Reinvestment Act (CRA) Rating

Bank’s CRA Rating: This institution is rated Satisfactory.

The following table indicates the performance level of BTH Bank, National Association (Bank) with respect to the lending, investment, and service tests:

Performance Levels	BTH Bank, National Association Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding	X		
High Satisfactory			
Low Satisfactory		X	X
Needs to Improve			
Substantial Noncompliance			

* The lending test is weighted more heavily than the investment and service tests when arriving at an overall rating.

The major factors that support this rating include:

- The lending test rating is based on the significant level of community development lending, a majority of the Bank’s loans located within the assessment area (AA), the good lending activity, and a good level of geographic and borrower lending.
- The investment test rating is based on the performance across all rating areas which was adequate. The Bank has an adequate level of qualified community development investments and grants across the rating areas.
- The service test rating is based on the accessibility of branch offices and the Bank having an adequate level of community development services.

Lending in Assessment Area

A majority of the Bank’s loans are in its AA.

The Bank originated and purchased 74.6 percent of its total loans inside the Bank’s AAs during the evaluation period. This analysis is performed at the Bank, rather than the AA, level. This percentage does not include extensions of credit by affiliates that may be considered under the other performance criteria.

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		
	#	%	#	%		\$	%	\$	%	
Home Mortgage	550	74.8	185	25.2	735	184,133	68.3	85,373	31.7	269,506
Small Business	1,650	74.4	567	25.6	2,217	318,918	65.1	170,912	34.9	489,830
Small Farm	38	79.2	10	20.8	48	3,368	81.6	758	18.4	4,126
Total	2,238	74.6	762	25.4	3,000	506,419	66.3	257,043	33.7	763,462

Home mortgage loans and small business loans are considered primary products, as they have a greater direct impact and are more responsive to credit needs of all AAs, including low- and moderate-income (LMI) communities in the Bank's AAs. Conclusions are factored into the overall analysis of the geographic distribution of lending by income level of geography.

Description of Bank

BTH Bank, N.A. (BTH or Bank) is an intrastate national bank headquartered in Quitman, Texas, and wholly owned by BT Holdings, Incorporated (BHI). The Bank was chartered in 1914. BHI is a one-bank holding company. As of December 31, 2019, BTH had total assets of \$1.8 billion and tier 1 capital of \$247.9 million.

As of December 31, 2019, total loans were \$1.3 billion representing 74.9 percent of total assets. The balance of the loan portfolio consisted of approximately 47.7 percent commercial loans (\$640.3 million), 27.0 percent one- to four-family residential loans (\$363.2 million), 24.4 percent commercial real estate loans (\$327.1 million), and 0.9 percent consumer loans (\$12.7 million).

In January 2013, BTH's management team changed the Bank's strategy to focus on originating loans for commercial, industrial, professional, and executive relationships with consumer services being an accommodation to these customers. With this strategy, the Bank grew from total assets of \$910 million as of December 31, 2015, to \$1.8 billion as of December 31, 2019.

BTH currently operates 13 full-service branch offices and 11 deposit-taking automated teller machines (ATM) across five AAs in the State of Texas. In the "Description of Bank's Operations in Texas" below is a detailed description of the five AAs. On October 10, 2017, BTH opened a full-service banking center in McKinney, Texas. On October 18, 2017, the Bank opened a temporary banking center in Ft. Worth, Texas. The permanent, full-service banking center in Ft. Worth opened June 2019. There were no permanent closures of any branches during the evaluation period.

BTH offers a variety of commercial and retail financial services products. Retail banking services include external account verification and card valet. The Bank's Card Valet App allows customers to receive real-time alerts to keep them informed of all account transactions, including turning their debit card on or off. In addition to branches and ATMs, the Bank's delivery systems include online banking and mobile banking.

There were no legal or financial factors impeding the Bank's ability to help meet credit needs in its AAs during the evaluation period. BTH's CRA performance was rated "Satisfactory" in the last public evaluation dated May 2017.

Scope of the Evaluation

Evaluation Period/Products Evaluated

This Performance Evaluation (PE) assesses the Bank's performance under the large community bank lending, investment, and service tests. In evaluating the Bank's lending performance, we reviewed residential mortgage loans subject to filing under the Home Mortgage Disclosure Act (HMDA), small loans to businesses as reported under the CRA, and community development loans. We also evaluated CRA qualified investments including donations and grants as well as retail and community development services. The Bank reported some farm loans, but there was not enough activity to provide for meaningful analysis. Therefore, tables for this product are not included in Appendix D. However, we included farm loans in the analysis of loans inside the AA and on the lending activity table.

The evaluation period for the lending test is January 1, 2017, through December 31, 2019. The review period for community development loans, the investment test, and the service test is May 1, 2017, through December 31, 2019. Our conclusions related to community development loans, qualified investments including donations, and community development services were based on the number and dollar amounts made during the evaluation period. In addition, we considered the level of innovation, complexity, responsiveness to community credit needs, and the degree to which these instruments are not routinely provided by private investors.

For geographic and borrower distribution analyses, loans originated in 2017 through 2019 are compared to the 2015 American Community Survey (ACS) census data for mortgages and the 2018 Dunn & Bradstreet (D&B) Data for loans to small businesses.

Bank and branch deposit data is based on information from the Federal Deposit Insurance Corporation (FDIC). The distribution of bank branches is compared to U.S. Census 2015 ACS population estimates.

Selection of Areas for Full-Scope Review

In each state where the Bank has an office, one or more AAs within that state was selected for a full-scope review. For purposes of this evaluation, Bank-delineated AAs 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 the State of Texas section 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 based on the performance in the State of Texas. The state rating is based on performance in all bank AAs. Refer to the "Scope" section under the State Rating section for details regarding how the areas were weighted in arriving at the respective ratings.

Additionally, when evaluating the Bank's performance under the lending test, greater weight was placed on the Bank's distribution of small business loans than the distribution of home mortgage loans. For most

rating areas, small business loans represent the Bank's primary loan product and business focus. In reviewing the small business loans, greater weight was placed on small business loans as the Bank's primary loan product in terms of volume and business focus and based on the small business credit needs in all AAs.

Generally, equal emphasis is given to the geographic distribution of loans and lending by borrower income level.

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 Consumer Financial Protection Bureau, as applicable.

The OCC has not identified that this Bank engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

The OCC will consider any information that this Bank engaged in discriminatory or other illegal credit practices, identified by or provided to the OCC before the end of the Bank's next PE in that subsequent evaluation, even if the information concerns activities that occurred during the evaluation period addressed in this PE.

State Rating

State of Texas

CRA rating for the State of Texas¹: Satisfactory

The Lending Test is rated: Outstanding

The Investment Test is rated: Low Satisfactory

The Service Test is rated: Low Satisfactory

The major factors that support this rating include:

- Lending levels reflect good responsiveness to meeting the credit needs of the Bank's AAs.
- An excellent distribution of loans by income level of the borrowers, given the performance context.
- A good geographic distribution of loans, given performance context and considering the majority of lending was inside the Bank's AAs.

¹ This rating reflects performance within the multistate metropolitan statistical area. The statewide evaluations do not reflect performance in the parts of those states contained within the multistate metropolitan statistical area.

- An excellent level of community development loans that are responsive to community needs given the Bank’s capacity and the opportunities in its AAs. The level of community development loans had a significantly positive impact on the overall lending test.
- An adequate level of qualified investments, including grants and donations.
- The Bank’s branches accessible to geographies and individuals of different income levels.
- The Bank provides an adequate level of community development services that were responsive to community needs.

Description of Bank’s Operations in Texas

BTH has five AAs within the State of Texas. These AAs are comprised of the Dallas AA, Longview AA, NonMSA AA, Tyler AA, and Ft. Worth AA. The AAs, such as the Dallas AA and Ft. Worth AA consist of partial MSAs while the Longview AA and Tyler AA consist of whole MSAs. The non-MSA AA were combined whole counties of Panola and Wood for analysis purposes.

The Bank’s primary business strategy is to focus on originating business loans, such as commercial and industrial loans, and commercial real estate loans. In addition, BTH has a single-family mortgage department that originates one- to four-family residential loans. The Bank’s competitors include other local community banks and credit unions in its markets, large banks with a nationwide footprint, and nonbank financial entities that compete for residential and business loans, for example, mortgage companies.

BTH has a total of 13 branches all in Texas with three branches in the Dallas AA, three branches in the Longview AA, and four branches in the non-MSA AA, two branches in the Tyler AA, and one in the Ft. Worth AA. In addition, BTH has a total of 11 ATMs in Texas with two in the Dallas AA, three in the Longview AA, four in the non-MSA AA, and two in the Tyler AA. Based on FDIC Deposit Market Share data as of June 30, 2019, BTH had a 0.2 percent deposit market share in Texas.

The following tables depict the demographic information for the full-scope AAs in Texas.

Dallas AA

Table A – Demographic Information of the Assessment Area						
Assessment Area: Dallas AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	272	10.3	14.0	19.9	54.0	1.8
Population by Geography	1,183,438	11.4	15.5	18.6	53.8	0.7
Housing Units by Geography	516,912	11.7	14.1	19.9	53.3	0.9
Owner-Occupied Units by Geography	232,775	2.3	8.9	15.9	72.4	0.5
Occupied Rental Units by Geography	242,664	19.3	19.0	23.9	36.5	1.3
Vacant Units by Geography	41,473	19.5	15.3	19.1	44.8	1.3
Businesses by Geography	201,769	5.0	14.0	21.4	57.8	1.8

Farms by Geography	2,595	5.0	14.1	18.4	60.5	1.9
Family Distribution by Income Level	282,181	19.7	13.2	14.8	52.3	0.0
Household Distribution by Income Level	475,439	21.3	15.1	16.2	47.5	0.0
Median Family Income MSA - 19124 Dallas-Plano-Irving, TX		\$71,149	Median Housing Value			\$267,716
			Median Gross Rent			\$1,065
			Families Below Poverty Level			9.4%
<i>Source: 2015 ACS and 2019 D&B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The Dallas AA is comprised of portions of Dallas and Collin Counties in Texas. The AA meets the requirement of the regulation and does not arbitrarily exclude LMI census tracts (CTs). According to the 2010 U.S. Census data, the AA consists of 272 CTs of which 28 are low-income and 38 are moderate-income CTs.

The Dallas AA accounts for 32.9 percent of the Bank's total deposits. BTH deposits ranked 35th out of 125 FDIC insured financial institutions in the Dallas AA. The primary competitors include Bank of America (33.1 percent) with 86 offices, JPMorgan Chase (22.8 percent) with 128 offices, and Texas Capital Bank, N.A. (8.1 percent) and six offices.

BTH made 31.1 percent of its mortgage and business loans in the AA compared to total Bank loans during the evaluation period.

Economic Conditions

According to the U.S. Bureau of Labor and Statistics, as of December 2019 the unemployment rate in the Dallas AA was 3.3 percent, down from 3.8 percent in December 2016. The national unemployment rate as of December 2019 was 3.8 percent, and 3.5 percent for the State of Texas. Major employers included Walmart Stores, AT&T, and Baylor Scott and White Health.

The Dallas-Plano-Irving MSA has been one of the best performing metro divisions in the country in terms of job growth. Companies such as Uber and Charles Schwab announced intentions to move major operations to the area. Many companies often relocate to the Dallas AA because of its central location, highly educated labor force, lower costs of living and doing business, and the demand generated by its perennially strong economy. In 2019, DFW Airport was the fourth busiest in the country with passenger traffic amounting to 75 million. Regarding the Dallas AA's housing units, 52.6 percent are owner occupied, 39.0 percent are renter occupied, and 8.3 percent are vacant.

Community Contacts

Community credit needs in the full-scope AA were determined by reviewing recent housing and demographic information, CRA PEs from other banks operating in the Bank's AA, and discussions with one community contact with an organization that provides services to the AA. The community contact for the Dallas AA was a 501(c)(3) nonprofit organization that focuses on homeownership and economic development by building partnerships that provide homeownership opportunities, job training, economic development, community education, and advocacy. The most critical need identified from this contact

was associated with affordable housing, renovation of existing homes and businesses, and development of vacant properties/lots as immediate credit needs of the area.

Longview AA

Table A – Demographic Information of the Assessment Area						
Assessment Area: Longview AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	40	2.5	12.5	57.5	25.0	2.5
Population by Geography	192,500	2.1	10.0	61.4	26.5	0.0
Housing Units by Geography	77,541	1.9	9.0	61.4	27.7	0.0
Owner-Occupied Units by Geography	45,127	0.9	7.6	59.7	31.9	0.0
Occupied Rental Units by Geography	23,470	4.1	11.4	63.1	21.3	0.0
Vacant Units by Geography	8,944	1.0	10.3	65.2	23.5	0.0
Businesses by Geography	14,769	6.6	8.0	56.4	28.8	0.2
Farms by Geography	372	2.2	4.6	60.8	32.3	0.3
Family Distribution by Income Level	47,674	21.5	16.2	18.8	43.5	0.0
Household Distribution by Income Level	68,597	23.9	15.3	17.3	43.5	0.0
Median Family Income MSA - 30980 Longview, TX MSA		\$56,456	Median Housing Value			\$122,791
			Median Gross Rent			\$763
			Families Below Poverty Level			13.6%
<i>Source: 2015 ACS and 2019 D&B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The Longview AA is comprised of Gregg, Harrison, and Rusk counties in Texas. The AA meets the requirement of the regulation and does not arbitrarily exclude LMI CTs. According to the 2010 U.S. Census data, the AA consists of 40 CTs of which one is low-income and five are moderate-income CTs. All of the LMI CTs are in Gregg County with Harrison and Rusk counties having no LMI CTs. With the latest Office of Management and Budget (OMB), Harrison county was added to the Longview MSA.

The Longview AA accounts for 23.9 percent of the Bank's total deposits. BTH deposits ranked fifth out of 23 FDIC insured financial institutions in the Longview AA. The primary competitors include Texas Bank and Trust Company (23.8 percent) with eight offices, VeraBank, N.A. (16.6 percent) with 13 offices, and JP Morgan Chase (7.8 percent) with four offices.

BTH made 29.9 percent of its mortgage and business loans in the AA compared to total Bank loans during the evaluation period.

Economic Conditions

According to the U.S. Bureau of Labor and Statistics as of December 2019, the unemployment rate in the Longview AA was 3.8 percent, down from 6.1 percent in December 2016. The national unemployment

rate as of December 2019 was 3.8 percent, and 3.5 percent for the State of Texas. Major employers included Christus Good Shepherd Health System, Eastman Chemical, and Walmart Stores.

The three economic drivers for the Longview AA is energy, logistics, and manufacturing. The strengths of the area are low living and business costs and access to low-cost natural gas. However, the weaknesses for the area include low industrial diversity, below-average educational attainment, high poverty, an above average rate of uninsured population, and a contracting labor force. Regarding the Longview AA’s housing units, 56.3 percent are owner occupied, 27.9 percent are renter occupied, and 15.8 percent are vacant.

Community Contacts

Community credit needs in the full-scope AA were determined by reviewing recent housing and demographic information, CRA PEs from other banks operating in the Bank’s AA, and discussions with one community contact with an organization that provides services to the AA. The community contact for the Longview AA was an organization that focuses on recruiting businesses to relocate or open in the Kilgore area. The most critical need identified from this contact was the lack of housing in the area.

Non-MSA AA

Table A – Demographic Information of the Assessment Area						
Assessment Area: NonMSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	16	0.0	0.0	75.0	25.0	0.0
Population by Geography	66,612	0.0	0.0	79.9	20.1	0.0
Housing Units by Geography	31,896	0.0	0.0	78.6	21.4	0.0
Owner-Occupied Units by Geography	19,771	0.0	0.0	77.4	22.6	0.0
Occupied Rental Units by Geography	5,216	0.0	0.0	84.8	15.2	0.0
Vacant Units by Geography	6,909	0.0	0.0	77.6	22.4	0.0
Businesses by Geography	4,551	0.0	0.0	85.7	14.3	0.0
Farms by Geography	239	0.0	0.0	79.1	20.9	0.0
Family Distribution by Income Level	17,682	17.4	17.7	21.2	43.8	0.0
Household Distribution by Income Level	24,987	21.0	14.1	18.4	46.5	0.0
Median Family Income Non-MSAs - TX		\$52,198	Median Housing Value			\$103,395
			Median Gross Rent			\$719
			Families Below Poverty Level			10.4%

*Source: 2015 ACS and 2019 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.*

The non-MSA AA is comprised of Panola and Wood Counties in Texas. The AA meets the requirement of the regulation and does not arbitrarily exclude LMI geographies. According to the 2010 U.S. Census data, the non-MSA AA consists of 16 CTs with no LMI CTs.

The non-MSA AA accounts for 27.1 percent of the Bank's total deposits. BTH deposits ranked 1st out of 11 FDIC insured financial institutions in the non-MSA AA. The primary competitors include First State Bank and Trust Company (25.2 percent) with one office, The City National Bank of Sulphur Springs (15.2 percent) with six offices, and Mineola Community Bank, S.S.B. (9.1 percent) with three offices.

BTH made 9.6 percent of its mortgage and business loans in the AA compared to total Bank loans during the evaluation period.

Economic Conditions

The unemployment rates for Panola and Wood counties are substantially higher than for Dallas and Longview AAs. The Panola unemployment rate is 9 percent and the Wood unemployment rate is 7.6 percent. The national unemployment rate as of December 2019 was 3.8 percent, and 3.5 percent for the State of Texas.

Community Contacts

Community credit needs in the full-scope AA were determined by reviewing recent housing and demographic information, CRA PEs from other banks operating in the Bank's AA, and discussions with one community contact with an organization that provides services to the AA. The community contact for the non-MSA AA was an organization in Panola County that focuses on economic development by recruiting new businesses and industries and to assist with the overall quality of life in the area. The most critical need identified from this contact was small dollar lending and residential lending.

Scope of Evaluation in Texas

The evaluation period for our review of loans, investments, and services is January 1, 2017 through December 31, 2019. The evaluation period for community development loans and services is from May 1, 2017 through December 31, 2019. The conclusions related to community development loans, qualified investments including donations, and community development services were based on the number and dollar amounts made during the evaluation period. In addition, the conclusions considered the level of innovation, complexity, responsiveness to community credit needs and the degree to which these instruments are not routinely provided by private investors.

As discussed earlier, the Dallas AA, Longview AA, and non-MSA AA were selected as full-scope AAs. Limited-scope areas reviewed were the Tyler and Ft. Worth AAs. The full scope AAs were selected because they represented markets the Bank had the most deposit concentrations at 83.9 percent and 10 of the Bank's 13 branches. Refer to the table in Appendix A for a list of all AAs under review.

With an evaluation period end date of December 31, 2019, qualifying activities performed in response to the significant impact of the coronavirus pandemic across the United States are not addressed in this evaluation. Bank qualifying activities will be considered in the subsequent evaluation.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN TEXAS

LENDING TEST

The Bank's performance under the lending test in Texas is rated Outstanding. The state rating is based on performance in AAs receiving full-scope reviews.

Conclusions for Areas Receiving a Full-Scope Reviews

Based on full-scope reviews, the Bank's performance in the Dallas AA, Longview AA, and non-MSA AA is excellent. The level of community development lending had a significantly positive impact on lending performance when considering the impact of responsiveness and initiatives.

Lending Activity

Lending levels reflect good responsiveness to the AAs credit needs.

Number of Loans*							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	%State Loans	%State Deposits
Dallas AA	135	550	1	8	694	30.7	32.9
Longview AA	135	523	3	7	668	29.5	23.9
NonMSA AA	79	133	28	2	242	10.7	27.1
Tyler AA	187	400	6	5	598	26.4	15.1
Ft Worth AA	14	44	0	2	60	2.7	1.0

*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

Dollar Volume of Loans*							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	%State* Loans	%State Deposits
Dallas AA	101,393	140,012	125	12,626	254,156	44.2	32.9
Longview AA	27,565	84,084	805	20,617	133,071	23.1	23.9
NonMSA AA	9,219	15,932	1,779	9,000	35,930	6.2	27.1
Tyler AA	50,280	64,600	659	15,072	130,611	22.7	15.1
Ft Worth AA	5,135	14,290	0	1,847	21,272	3.7	1.0

*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

Dallas AA

BTH's lending activity in the Dallas AA is good considering the competition for all types of loans in the Bank's AA and the Bank's business strategy. The Bank's good performance in originating home mortgage loans and small loans to businesses supports this conclusion. Please refer to the "Distribution of Loans by Income Level of the Geography" and "Distribution of Loans by Income Level for the Borrower" sections of this PE for more information.

Based upon FDIC Deposit Market Share data as of 2019, BTH achieved a 0.2 percent market share of deposits, ranking 35th among 125 financial institutions in the AA. Based upon 2018 Peer Mortgage Data, BTH achieved an 0.1 percent market share of mortgage loans, ranking 149th among 750 reporting lenders. The top five mortgage lenders had 26.3 percent of the total market share. Given the competition from the

other reporting lenders in the AA, and the Bank's market share and lender rankings for each product, overall home mortgage lending activity is good.

In 2018, BTH achieved approximately a 0.2 percent market share of small loans to businesses, ranking 32nd among 215 reporting lenders. The top five lenders in the market share of small business loans were Chase Bank (20.7 percent), American Express Bank (20.2 percent), Bank of America (10.5 percent), Citibank (7.8 percent), and Wells Fargo Bank (5.8 percent). The Bank's small business lending activity is good given the Bank's market share and ranking when compared to its deposit market share and small business lending competition within the AA. The top five lenders for small business lending consisted of the nation's largest lenders, which collectively had a market share of 65.0 percent.

Longview AA

BTH's lending activity in the Longview AA is good considering the competition for all types of loans in the Bank's AA and the Bank's business strategy. The Bank's good performance in originating home mortgage loans and small loans to businesses supports this conclusion. Please refer to the "Distribution of Loans by Income Level of the Geography" and "Distribution of Loans by Income Level for the Borrower" sections of this PE for more information.

Based upon FDIC Deposit Market Share data as of 2019, BTH achieved a 6.5 percent market share of deposits, ranking 5th among 23 financial institutions in the AA. Based upon 2018 Peer Mortgage Data, BTH achieved a 1.2 percent market share of mortgage loans, ranking 24th among 72 reporting lenders. The top five mortgage lenders had 24.2 percent of the total market share. Given the competition from the other reporting lenders in the AA, and the Bank's market share and lender rankings for each product, overall home mortgage lending activity is good.

In 2018, BTH achieved approximately a 2.6 percent market share of small loans to businesses, ranking 9th among 79 reporting lenders. The top five lenders in the market share of small business loans were Texas Bank and Trust (14.5 percent), American Express National Bank (11.6 percent), Verabank, N.A. (10.2 percent), Chase Bank (8.7 percent), and Austin Bank N.A. (8.6 percent). The small business lending activity is good given the bank's market share and ranking when compared to its deposit market share and small business lending competition within the AA. The top five lenders for small business lending consisted of the nation's largest lenders, which collectively had a market share of 53.6 percent.

Non-MSA AA

BTH's lending activity in the non-MSA AA is good considering the competition for all types of loans in the Bank's AA and the Bank's business strategy. The Bank's adequate performance in originating home mortgage loans and small loans to businesses supports this conclusion. Please refer to the "Distribution of Loans by Income Level of the Geography" and "Distribution of Loans by Income Level for the Borrower" sections of this PE for more information.

Based upon FDIC Deposit Market Share data as of 2019, BTH achieved a 26.1 percent market share of deposits, ranking first among 11 financial institutions in the AA. Based upon 2018 Peer Mortgage Data, BTH achieved a 1.8 percent market share of mortgage loans, ranking 10th among 36 reporting lenders. The top five mortgage lenders had 24.8 percent of the total market share. Given the competition from the other reporting lenders in the AA, and the Bank's market share and lender rankings for each product, overall home mortgage lending activity is adequate.

In 2018, BTH achieved approximately a 6.0 percent market share of small loans to businesses, ranking 5th among 63 reporting lenders. The top five lenders in the market share of small business loans were American Express National Bank (14.9 percent), Chase Bank (10.1 percent), Capital One Bank, N.A. (7.3 percent), Austin Bank N.A. (6.3 percent), and BTH (6.0 percent). The small business lending activity is good given the Bank's market share and ranking when compared to its deposit market share and small business lending competition within the AA. The top five lenders for small business lending consisted of the nation's largest lenders, which collectively had a market share of 44.6 percent.

Distribution of Loans by Income Level of the Geography

The Bank exhibits an excellent geographic distribution of loans in its AAs.

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.

Dallas AA

The distribution of the Bank's home mortgage lending in 2017-2019 was good. The Bank's proportion of loans exceeds the percentage of owner-occupied housing units in low-income CTs but was well below in moderate-income CTs. The Bank's proportion of loans was near to the aggregate distribution in low-income CTs, and well below in moderate-income CTs.

Longview AA

The distribution of the Bank's home mortgage lending in 2017-2019 was excellent. The Bank's proportion of loans exceeds the percentage of owner-occupied housing units in low-income CTs and was near to in moderate-income CTs. The Bank's proportion of loans exceeds the aggregate distribution in LMI CTs.

Non-MSA AA

The non-MSA AA does not have any LMI CTs. Therefore, a review of mortgage loans by CTs is not applicable.

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.

Dallas AA

During the 2017-2019 evaluation period, the distribution of small loans to businesses in LMI CTs was excellent. The proportion of the Bank's loans was near to the percentage of businesses in low-income CTs and exceeds the percentage of businesses in moderate-income CTs. The proportion of Bank's loans to businesses in low-income CTs was below the aggregate distribution of loans in those CTs and exceeded the distribution of loans in moderate-income CTs.

Longview AA

During the 2017-2019 evaluation period, the distribution of small loans to businesses in LMI CTs was excellent. The proportion of Bank's loans was near to the percentage of businesses in low-income CTs and exceeds the percentage of businesses in moderate-income CTs. The proportion of Bank's loans to businesses in low-income CTs was near to the aggregate distribution of loans in those CTs and exceeded the distribution of loans in moderate-income CTs.

Non-MSA AA

The non-MSA AA does not have any LMI CTs. Therefore, a review of small business loans by CTs is not applicable.

Lending Gap Analysis

The OCC evaluated the lending distribution in the AA to determine if any unexplained, conspicuous gaps existed. The review included summary reports, maps, and an analysis of the Bank's home mortgage and small business lending activity over the evaluation period to identify any gaps in the geographic distribution of loans. No unexplained, conspicuous gaps were identified.

Distribution of Loans by Income Level of the Borrower

The Bank exhibits a good distribution of loans among individuals of different income levels and businesses 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.

Dallas AA

The distribution of the Bank's home mortgage lending in 2017-2019 was poor. The proportion of loans was significantly below the percentage of low-income families and well below the percentage of moderate-income families. The proportion of loans was significantly below the aggregate distribution of loans to low-income families and below the aggregate distribution to moderate-income families.

Longview AA

The distribution of the Bank's home mortgage lending in 2017-2019 was adequate. The proportion of loans was well below the percentage of low-income families and below the percentage of moderate-income families. The proportion of loans near to the aggregate distribution of loans to low-income families and near to the aggregate distribution to moderate-income families.

Non-MSA AA

The distribution of the Bank's home mortgage lending in 2017-2019 was adequate. The proportion of loans was well below the percentage of low-income families and below the percentage of moderate-

income families. The proportion of loans was near to the aggregate distribution of loans to low-income families and near to the aggregate distribution to moderate-income families.

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 origination and purchase of small loans to businesses.

Dallas AA

During the 2017-2019 evaluation period, the distribution of the Bank's small loans to businesses by revenue was good. The proportion of loans was below the percentage of small businesses, but exceeded the aggregate distribution of loans to those businesses.

Longview AA

During the 2017-2019 evaluation period, the distribution of the Bank's small loans to businesses by revenue was good. The proportion of loans was below the percentage of small businesses, but exceeded the aggregate distribution of loans to those businesses.

Non-MSA AA

During the 2017-2019 evaluation period, the distribution of the Bank's small loans to businesses by revenue was good. The proportion of loans was below the percentage of small businesses, but exceeded the aggregate distribution of loans to those businesses.

Community Development Lending

The Bank made a significant level of community development loans, which had a positive impact on lending performance.

The Lending Activity Tables, shown above, set forth the information and data used to evaluate the Bank's level of community development lending. These tables include all community development loans, including multifamily loans that also qualify as community development loans.

Dallas AA

The Bank originated a significant number of community development loans, which had a positive impact on lending performance in the AA. The evaluation considered the lending opportunities with direct benefit within the AA and the Bank's capacity to address these needs.

BTH originated eight community development loans totaling \$12.6 million and representing 15.5 percent of allocated tier one capital. Community development loans originated exhibited good responsiveness to the credit and community needs in the AA. Loans primarily supported affordable housing and economic development in the AA.

Examples of community development loans originated during the evaluation period include:

- \$3.5 million loan to a nonprofit organization funding an addition to a homeless shelter that will increase its capacity to house 50 additional families.

- \$1.8 million loan to purchase a vacant building for a new restaurant in a low-income CT. In addition, the restaurant will create at least 40 new permanent jobs.
- \$6.0 million loan made to construct a new movie theater and restaurant in a low-income CT which will create 138 permanent jobs.

Longview AA

The Bank originated a significant number of community development loans, which had a positive impact on lending performance in the AA. The evaluation considered the lending opportunities with direct benefit within the AA and the Bank's capacity to address these needs.

BTH originated seven community development loans totaling \$20.6 million and representing 34.8 percent of allocated tier one capital. Community development loans originated exhibited excellent responsiveness to the credit and community needs in the AA. Loans primarily supported affordable housing and economic development in the AA. The Bank's community development loans in this AA worked to create or to retain at least 117 LMI jobs.

Examples of community development loans originated during the evaluation period include:

- \$3.0 million loan to purchase a manufacturing plant which was going to be closed by the former owners. As a result, 55 LMI jobs were retained.
- \$3.0 million loan to a local economic district to purchase a manufacturing facility, which created 27 LMI jobs.
- \$8.0 million loan to finance a new hotel which created 25 new LMI jobs.

Non-MSA AA

The Bank originated a significant amount of community development loans, which had a positive impact on lending performance in the AA. The evaluation considered the lending opportunities with direct benefit within the AA and the Bank's capacity to address these needs.

BTH originated two community development loans totaling \$9.0 million and representing 13.4 percent of allocated tier one capital. Community development loans originated exhibited good responsiveness to the credit and community needs in the AA. These loans primarily supported economic development in the AA.

Examples of community development loans originated during the evaluation period include:

- \$6.0 million loan for a manufacturing facility which created jobs for over 200 people, which 183 are LMI.
- \$3.0 million loan for a company to expand its business. This expansion created at least eight LMI jobs.

Broader Statewide & Distressed Area:

The Bank originated a significant community development loan in the broader statewide area, which had a positive impact on lending performance. The evaluation considered the lending opportunities with direct benefit within the AA and the Bank's capacity to address these needs.

BTH originated a community development loan totaling \$7.9 million. This loan exhibited an excellent responsiveness to the credit and community needs and primarily supported revitalization and stabilization

of Marion county, Texas, which is adjacent to the Bank's Longview AA. Marion county was designated by the Federal Financial Institutions Examination Council (FFIEC) as a middle-income CT but distressed. The Bank's loan financed a nursing home and an assisted living facility in Jefferson, Texas. Both facilities are in a Texas Enterprise Zone and supports the area's economic development with the retention of 1,456 area jobs.

Product Innovation and Flexibility

The Bank makes limited use of innovative and/or flexible lending practices in order to serve AAs credit needs.

BTH's board of directors authorized a single-family residential mortgage loan program for LMI individuals that was innovative and allowed for flexible lending practices. The program allowed a loan-to-value up to 95 percent, and debt-to-income ratio up to 42 percent. In addition, some closing fees were discounted and the program offered an attractive in-house fixed interest rate. Since May 2017, the Bank originated seven of these loans for \$729,800.

The Bank purchased 14 single-family mortgage loans to LMI families totaling \$493,536 from a nonprofit. This allowed the nonprofit to free up its liquidity to build more homes and make additional loans. The Bank continues to service these loans which are financed at zero percent interest.

The Bank's strategy is to generate business loans. As part of the strategy, BTH is an authorized SBA lender under the SBA Express and SBA Export Express programs. SBA Express is an SBA 7(a) loan program with accelerated turnaround time for SBA review. Maximum loan amounts are \$350,000 and provide a 50 percent SBA guarantee with up to a 90 percent SBA guarantee. The Bank's lending policies are flexible to the extent the Bank has not generated any loans under these programs during our review period.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the Bank's performance under the lending test in the Tyler and Ft. Worth AAs is consistent with the Bank's overall performance under the lending test in the full-scope areas. Refer to Tables O, P, Q, and R in appendix D for the facts and data that support these conclusions.

INVESTMENT TEST

The Bank's performance under the investment test in Texas is rated Low Satisfactory.

Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, the Bank's performance in the Dallas AA is good. Performance in the Longview AA and non-MSA AA is adequate. For the non-MSA AA, investment opportunities were limited. Overall, in the full-scope AAs, the Bank has an adequate level of qualified community development investments and grants.

The Bank exhibits adequate responsiveness to credit and community economic development needs.

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Dallas AA	1	2,000	12	2,967	13	17.6	4,967	27.0	0	0
Longview AA	0	0	22	2,399	22	29.7	2,399	13.1	0	0
NonMSA AA	1	306	7	18	8	10.8	324	1.8	0	0
Tyler AA	0	0	27	7,764	27	36.5	7,764	42.3	0	0
Ft Worth AA	0	0	4	2,908	4	5.4	2,908	25.8	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.

Dallas AA

Performance in the Dallas AA is good. During the evaluation period, qualified investments totaled \$4.9 million, and included one prior period investment and two current period investments. The prior period investment was to invest in a Small Business Investment Company fund which promoted small business lending. The two current period investments were mortgage backed securities, targeting LMI individuals or persons living in LMI CTs. In addition, the Bank made 10 donations to local organizations providing services to LMI individuals. Two of the 10 donations also provided affordable housing to LMI individuals.

Total investments and donations/grants represent 6.1 percent of allocated tier one capital. Allocated tier one capital is calculated by adjusting the tier one capital amount from the December 31, 2019 call report by the percent of deposits in the AA.

Longview AA

Performance in the Longview AA is adequate. During the evaluation period, qualified investments totaled \$2.4 million and consisted of one current investment. This investment was for general improvements in the AA, which included updates to local fire and police departments, as well as improvements to local parks. The majority of these occurred in LMI CTs in the AA. In addition, the Bank made 21 donations to local organizations providing services to LMI individuals. Several of these also provided affordable housing to LMI individuals.

Total investments and donations/grants represent 4.1 percent of allocated tier one capital.

Non-MSA AA

Performance in the non-MSA AA is adequate. A review of the investment opportunities in Wood and Panola counties found there are very limited opportunities in this AA. In addition, the non-MSA does not have any LMI CTs. The primary investment opportunity in this area is school or hospital bonds. New bond opportunities were not available during this evaluation period. The Bank invested in these types of bonds in the past. In addition, the area is rural. The southern border for Wood county borders Smith county, which is in the Tyler AA. Many LMI persons in Wood county traditionally seek assistance in Tyler, as there are more organizations available in this city.

During this CRA evaluation period, qualified investments totaled \$306,000 and consisted of one prior period investment. This investment was for a school bond in the AA, which provided improvements to three schools, two with greater than 60 percent economically disadvantaged students. In addition, the Bank made seven donations to local organizations providing services to LMI individuals.

Total investments and donations/grants represent 1 percent of allocated tier one capital.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, BTH’s performance under the investment test in the Ft. Worth and Tyler AAs is stronger than the Bank’s overall performance under the investment test in the full-scope areas. The investments in these two areas consisted entirely of school bonds for schools with the number of students that were economically disadvantaged exceeding 50 percent. The donations in both areas were similar with the donations in the full-scope AAs, with the majority of organizations providing services targeted to LMI individuals, with a few providing affordable housing.

SERVICE TEST

The Bank’s performance under the service test in Texas is rated Low Satisfactory.

Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, the Bank’s performance in the Longview AA and non-MSA AA is good while the Dallas AA performance is adequate.

Retail Banking Services

Service delivery systems are reasonably accessible to geographies and individuals of different income levels in the Bank’s AAs.

Distribution of Branch Delivery System											
Assessment Area	Deposits % of Rated Area Deposits in AA	Branches						Population			
		# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				% of Population within Each Geography*			
				Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Dallas AA	32.9	3	23.0	0.0	0.0	0.0	100.0	11.4	15.5	18.6	53.8
Longview AA	23.9	3	23.1	0.0	0.0	100.0	0.0	2.1	9.9	61.4	26.6
NonMSA AA	27.1	4	30.8	0.0	0.0	100.0	0.0	0.0	0.0	79.9	20.1
Tyler AA	15.2	2	15.4	0.0	0.0	50.0	50.0	2.4	25.7	39.9	32.0
Ft Worth AA	0.9	1	7.7	0.0	0.0	100.0	0.0	13.4	25.0	18.5	43.0

* Some of the Population for Low, Mod, Mid, and Upp may not add up to 100 percent due to unknown tracts in the AA.

Distribution of Branch Openings/Closings						
Assessment Area	# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)			
			Low	Mod	Mid	Upp
Dallas AA	0	0				
Longview AA	0	0				
NonMSA AA	0	0				

Tyler AA	0	0				
Ft Worth AA	1	1				

Dallas AA

BTH's branch distribution and retail service performance is adequate.

Service delivery systems are reasonably accessible to essentially all portions of the AA. The Bank has three branches within the AA, with no branches in LMI CTs. The percentage of the Bank's branches in LMI geographies is below the percentage of population living in the LMI geographies. However, the three branches are near to 22 low-income CTs and 20 moderate-income CTs. Additionally, almost 24 percent of the loans made in the AA during the evaluation period were made to businesses or individuals in LMI CTs. The Bank has two deposit taking ATMs located in the AA, with no ATMs in LMI CTs. The ATMs are located at the Dallas and Plano branches. The percentage of ATMs in LMI CTs is below the level of population in the LMI areas. ATM distribution is consistent with the Bank's branch distribution.

The Bank did not open or close any branches within the AA.

Services, including where appropriate, business hours, do not vary in a way that inconveniences the AA, particularly LMI CTs and/or individuals. All branches operate during traditional banking hours.

The Bank complements its traditional service delivery methods with certain alternative retail delivery systems such as deposit-taking ATMs, remote deposit capture, direct deposit, mobile banking, and online banking.

Longview AA

BTH's branch distribution and retail service performance is good.

Service delivery systems are accessible to essentially all portions of the AA. The Bank has three branches within the AA, with no branches in LMI CTs. The percentage of the Bank's branches in LMI geographies is below the percentage of population living in the LMI geographies. However, the Bank has one branch that is near to all the LMI CTs in the AA. The Longview AA only has one low-income CTs and five moderate-income CTs. Additionally, almost 21 percent of the loans made in the AA during the evaluation period were made to businesses or individuals in LMI CTs. Further, the Kilgore branch location was originally located in a moderate-income CT; however, the city was re-mapped and the CT is now a middle-income CT with no LMI CTs in the city of Kilgore. The Henderson branch is located in Rusk county which has no LMI CTs. The Bank has three deposit taking ATMs located in the AA, with no ATMs in LMI CTs. The percentage of ATMs in LMI CTs is below the level of population in the LMI areas. ATM distribution is consistent with the Bank's branch distribution.

The Bank did not open or close any branches within the AA.

Services and, including where appropriate, business hours, do not vary in a way that inconveniences the AA, particularly LMI CTs and/or individuals. All branches operate during traditional banking hours with some offering Saturday hours.

The Bank complements its traditional service delivery methods with certain alternative retail delivery systems such as deposit-taking ATMs, remote deposit capture, direct deposit, mobile banking, and online banking.

Non-MSA AA

BTH's branch distribution and retail service performance is good.

Service delivery systems are accessible to essentially all portions of the AA. The Bank has four branches within the AA. There are no LMI CTs in the AA. The bank has five deposit taking ATMs located in the AA located at the four branches and one stand-alone ATM. ATM distribution is consistent with the Bank's branch distribution.

The Bank did not open or close any branches within the AA.

Services and, including where appropriate, business hours, do not vary in a way that inconveniences the AA, particularly LMI CTs and/or individuals. All branches operate during traditional banking hours with all offering Saturday hours.

The Bank complements its traditional service delivery methods with certain alternative retail delivery systems such as deposit-taking ATMs, remote deposit capture, direct deposit, mobile banking, and online banking.

Community Development Services

The Bank provides an adequate level of community development services.

Dallas AA

BTH provides a poor level of community development services in the Dallas AA.

Community development services were effective and responsive in helping the Bank address community needs. However, the Bank conducted or supported a limited level of community development services.

BTH employees from various lines of business provided technical assistance to three different community development organizations totaling 83 hours during the evaluation period. BTH staff taught financial literacy courses and served on boards and committees for organizations that promote community services targeted to LMI individuals and families.

Examples of some of these services include:

- An employee served on the finance committee of an organization that provides multi-year college scholarships and guidance to LMI students.
- Employees taught a financial literacy course at several schools where greater than 51 percent of the students were economically disadvantaged.

Longview AA

BTH provides an adequate level of community development services in the Longview AA.

Community development services were effective and responsive in helping the Bank address community needs. The Bank conducted or supported an adequate level of community development services, consistent with its capacity and expertise to conduct specific activities.

BTH employees from various lines of business provided technical assistance to nine different community development organizations totaling 395 hours during the evaluation period. BTH staff taught financial literacy courses and served on boards and committees for organizations that promote community services targeted to LMI individuals and families.

Examples of some of these services include:

- An employee served as committee chair of an organization which raised funds for projects that serve LMI women and families.
- Employees provided a financial literacy curriculum to several schools with a majority LMI students.

Non-MSA AA

BTH provides an adequate level of community development services in the non-MSA AA.

Community development services were effective and responsive in helping the Bank address community needs. The Bank conducted or supported an adequate level of community development services, consistent with its capacity and expertise to conduct specific activities.

BTH employees from various lines of business provided technical assistance to four different community development organizations totaling 125 hours during the evaluation period. BTH staff taught financial literacy courses and served on boards and committees for organizations that promote community services and economic development targeted to LMI individuals and families.

Examples of some of these services include:

- An employee served on the board of an organization that manages the property, plant, equipment, and cash investments for the direct benefit of a mental health center. The center provides mental health services to LMI individuals.
- An employee taught a financial literacy course at a school where greater than 51 percent of the students are economically disadvantaged.
- An employee served on the board of an organization that promotes the creation and retention of LMI jobs.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance in the Ft. Worth AA is weaker than the Bank's overall Low Satisfactory under the service test. The weaker performance did not have an impact on the Bank's overall service test performance for the state. Performance in the Tyler AA is consistent with the Bank's overall performance in the state is considered adequate.

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 AAs 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:	01/01/2017 to 12/31/2019	
Bank Products Reviewed:	Home mortgage, small business – 01/01/2017 to 12/31/2019 Community development loans, qualified investments, community development services – 05/01/2017 to 12/31/2019	
Affiliate(s)	Affiliate Relationship	Products Reviewed
None		
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
State of Texas		
Dallas AA	Full-Scope	Counties of Dallas and Collin*
Longview AA	Full-Scope	Counties of Gregg, Harrison**, and Rusk
NonMSA AA	Full-Scope	Counties of Panola and Wood
Tyler AA	Limited-Scope	Smith County
Ft. Worth AA	Limited-Scope	Tarrant County*

* Partial Counties

** Harrison entered AA in 2018

Appendix B: Summary of MMSA and State Ratings

RATINGS: BTH Bank, National Association				
Overall Bank:	Lending Test Rating*	Investment Test Rating	Service Test Rating	Overall Bank/State/Multistate Rating
	Outstanding	Satisfactory	Satisfactory	Satisfactory
State:				
State of Texas	Outstanding	Low Satisfactory	Low Satisfactory	Satisfactory

(*) The lending test is weighted more heavily than the investment and service tests 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: 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 non-visible 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: Affordable housing (including multifamily rental housing) for LMIs; community services targeted to LMIs; 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 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: A loan 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 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 an 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 §1003.2 of this title, and that is not an excluded transaction under §1003.3(c)(1) through (10) and (13) of this title.

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 financial 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 MFI is determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. The MFI is the point at which half of the families have income above, and half below, a range of incomes. Also, the MFI determined by the 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 OMB, 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 OMB, 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 MFI 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 MFI 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.

Multi-state MSA (MMSA): Any MMSA or multistate combined statistical area, as defined by the OMB.

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 MMSA. For a financial institution with domestic branches in only one state, the financial institution's CRA rating would be the state rating. If a financial institution maintains domestic branches in more than one state, the financial institution will receive a rating for each state in which those branches are located. If a financial institution maintains domestic branches in two or more states within an MMSA, the financial institution will receive a rating for the MMSA.

Small Loan to Business: 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 to Farm: 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 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 MFI 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 loans are treated the same 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 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/AA. 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 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 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. 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 AA.

- 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 \$500,000) 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/AA.

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography **2017-19**

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
Dallas AA	135	101,393	24.5	33,596	2.3	3.0	3.1	8.9	2.2	7.6	15.9	4.4	16.1	72.4	90.4	72.6	0.5	0.0	0.6
Ft Worth AA	14	5,135	2.5	4,367	7.5	7.1	7.0	23.4	7.1	20.4	21.7	35.7	23.8	47.4	50.0	48.8	0.0	0.0	0.0
Longview AA	135	27,565	24.5	3,914	0.9	1.5	0.5	7.6	6.7	4.0	59.7	49.6	57.8	31.9	42.2	37.7	0.0	0.0	0.0
NonMSA AA	79	9,219	14.4	1,155	0.0	0.0	0.0	0.0	0.0	0.0	77.4	74.7	83.4	22.6	25.3	16.6	0.0	0.0	0.0
Tyler AA	187	50,821	34.1	5,296	0.9	0.5	0.6	19.9	4.8	13.7	40.9	29.9	39.6	38.3	64.7	46.2	0.0	0.0	0.0
Total	550	194,133	100.0	48,328	2.3	1.5	2.9	11.0	4.0	9.0	28.1	35.1	24.4	58.3	59.5	63.4	0.3	0.0	0.3

Source: 2015 ACS Census; 01/01/2017 - 12/31/2019 Bank Data, 2018 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 **2017-19**

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
Dallas AA	135	101,393	24.5	33,596	19.7	0.0	1.9	13.2	1.5	7.4	14.8	0.0	14.3	52.3	65.9	62.1	0.0	32.6	14.3
Ft Worth AA	14	5,135	2.5	4,367	28.6	0.0	5.0	15.7	0.0	11.5	16.9	0.0	17.5	38.8	50.0	46.2	0.0	50.0	19.8
Longview AA	135	27,565	24.5	3,914	21.5	5.2	4.0	16.2	7.4	13.1	18.8	5.9	20.1	43.5	67.4	44.4	0.0	14.1	18.4
NonMSA AA	79	9,219	14.4	1,155	17.4	3.8	4.1	17.7	10.1	11.7	21.2	22.8	19.5	43.8	59.5	46.3	0.0	3.8	18.4
Tyler AA	187	50,821	34.1	5,296	21.9	1.6	4.6	17.7	6.4	14.5	18.7	8.6	20.3	41.7	67.9	44.0	0.0	15.5	16.6
Total	550	194,133	100.0	48,328	20.8	2.4	2.7	14.5	5.8	9.1	16.1	7.6	15.9	48.6	65.6	56.9	0.0	18.5	15.5

Source: 2015 ACS Census; 01/01/2017 - 12/31/2019 Bank Data, 2018 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 **2017-19**

Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
Dallas AA	550	140,012	33.3	52,168	5.0	3.8	5.5	14.0	24.5	17.3	21.4	17.3	19.6	57.8	51.3	55.4	1.8	3.1	2.2
Ft Worth AA	44	14,290	2.7	5,060	4.1	4.5	4.0	13.6	18.2	15.4	14.3	9.1	22.7	68.0	68.2	57.9	0.0	0.0	0.0
Longview AA	523	84,084	31.7	4,715	6.6	5.5	6.6	8.0	17.6	7.1	56.4	35.4	56.7	28.8	39.0	29.3	0.2	2.5	0.2
NonMSA AA	133	15,932	8.1	903	0.0	0.0	0.0	0.0	0.0	0.0	85.7	94.7	84.8	14.3	5.3	15.2	0.0	0.0	0.0
Tyler AA	400	64,600	24.2	5,342	6.1	6.0	7.3	17.9	9.5	18.2	35.0	29.5	32.8	40.8	55.0	41.4	0.2	0.0	0.3
Total	1,650	318,918	100.0	68,188	5.0	4.6	5.5	13.7	16.5	16.3	24.8	32.0	24.3	55.1	45.0	52.2	1.4	1.8	1.7

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, "--" data not available.
 Due to rounding, totals may not equal 100.0%

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues **2017-19**

Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Dallas AA	550	140,012	33.3	52,168	85.7	47.6	41.0	5.8	50.2	8.5	2.2
Ft Worth AA	44	14,290	2.7	5,060	83.2	45.5	42.3	5.8	54.5	10.9	0.0
Longview AA	523	84,084	31.7	4,715	80.6	43.8	43.1	5.6	55.1	13.8	1.1
NonMSA AA	133	15,932	8.1	903	85.2	54.9	35.9	3.8	45.1	11.0	0.0
Tyler AA	400	64,600	24.2	5,342	84.9	59.8	40.8	4.7	38.3	10.4	2.0
Total	1,650	318,918	100.0	68,188	85.1	49.9	41.2	5.7	48.5	9.2	1.6

*Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%*