



## **PUBLIC DISCLOSURE**

June 11, 2020

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

Lone Star Capital Bank, National Association  
Charter Number: 23730

150 N Loop 1604 E  
San Antonio, TX 78232

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

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

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## **Overall CRA Rating**

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

**The lending test is rated: Satisfactory.**

The major factors that support this rating include:

- The bank's loan-to-deposit (LTD) ratio is reasonable at 81 percent.
- The bank originated a majority of loans inside its assessment area (AA).
- The bank exhibits reasonable distribution of loans to geographies of different income levels, considering the demographics within the AAs.
- The bank exhibits reasonable distribution of loans to individuals of different income levels and businesses of different sizes, given the product lines offered by the bank.
- There were no Fair Lending or CRA-related complaints during the evaluation period.

## Loan-to-Deposit Ratio

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

Lone Star Capital Bank's (LCSB) quarterly average LTD ratio exceeded the average of among eight similarly situated institutions (SSIs) and is reasonable when considering the bank's market share, size, and competition within the AAs. LCSB's average LTD ratio was 81 percent and ranged from 76 percent to 85 percent. SSIs had an average LTD ratio of 74 percent and ranged from 35 percent to 92 percent. The table below compares the bank's average quarterly LTD with the eight peer institutions.

Institution	City	Total Assets (000s)	Average LTD Ratio
		31-Mar-20	
Texas Heritage Bank	Boerne	154,098	92
TexStar National Bank	Universal City	307,837	89
Texas Hill Country Bank	Bandera	171,132	88
R Bank	Round Rock	568,888	85
<b>Lone Star Capital Bank, N.A.</b>	<b>San Antonio</b>	<b>251,566</b>	<b>81</b>
Johnson City Bank	Johnson City	119,388	71
Arrowhead Bank	Llano	190,163	69
Llano National Bank	Llano	188,923	62
First State Bank of Burnet	Burnet	244,615	35

*Source: Quarterly Call Report data from December 31, 2015 through March 31, 2020*

## Lending in Assessment Area

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

The bank originated and purchased 68.4 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. Due to the low number of low to moderate-income census tracts (CTs) in the bank's AAs, more emphasis was placed on the results of this lending test in our analysis of the geographic distribution of lending activity.

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	49	55.7	39	44.3	88	14,823	42.0	20,444	58.0	35,267
Business Loans	57	85.1	10	14.9	67	22,230	94.6	1,279	5.4	23,509
<b>Total Loans</b>	<b>106</b>	<b>68.4</b>	<b>49</b>	<b>31.6</b>	<b>155</b>	<b>37,053</b>	<b>63.0</b>	<b>21,723</b>	<b>37.0</b>	<b>58,776</b>

*Source: Bank Data, 2017, 2018, and 2019 loan originations. Due to rounding, totals may not equal 100.0%*

## Description of Institution

LSCB is a full-service, intrastate bank, headquartered in San Antonio, Texas. It is independently owned institution and has no holding company. There were no mergers or acquisitions during the evaluation period.

LSCB has delineated two AAs covering 188 CTs and eight counties. For the purposes of our CRA evaluation, we separated one of the AAs into two. LSCB operates 7 branches – the main office in San Antonio, two other offices in San Antonio, and four additional branches located in Blanco, Johnson City, Marble Falls, and Dripping Springs. Over the evaluation period, the bank converted a loan production office to a full-service branch and closed an existing branch. Both changes occurred in 2018 and both offices were located in San Antonio. Each of the seven locations has an onsite automated teller machine (ATM) and a drive-up facility.

LSCB offers traditional loan and deposit products and services, including 24-hour bank-by-phone account access, a full suite of online banking products including BillPay, and mobile banking. As of March 31, 2020, the bank's assets totaled \$251 million and Tier 1 capital totaled \$27 million, for a leverage ratio of 11 percent. Net loans totaled \$181.8 million or 85 percent of total deposits and 72 percent to total assets. Commercial loans (including commercial and industrial loans and commercial real estate loans) represent 44 percent of gross loans and represent the largest segment. Residential loans (including 1-4 family construction) represent 36 percent of gross loans.

Based on its financial condition and size, there are no legal, financial, or other factors that inhibit LSCB's ability to meet credit needs in its AA. LSCB's current business strategy is to continue providing banking products and services to meet the needs of entrepreneurs, small businesses, professionals and executives, and real estate investors and operators. The prior CRA examination, dated May 2, 2016, assigned an overall Satisfactory rating to the lending performance of the bank.

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

We evaluated LSCB's lending activities using Small Bank Community Reinvestment Act (CRA) examination procedures. The examination scope covered loans originated from January 1, 2017 to December 31, 2019. 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.

We used the bank's list of originations by loan type for the evaluation period to identify primary products. We found that by number and dollar volume residential loans represented the largest percentage of originations each year. Residential loans (including construction loans) ranged from 37 percent to 42 percent of total loan originations by number and 59 percent to 69 percent by dollar amount. Commercial loans (including commercial and industrial loans and commercial real estate loans) represented a second primary product. Commercial loans, referred to as business loans throughout this report, ranged from 25 percent to 33 percent of total loan originations by number and 25 percent to 38 percent by dollar amount. Consumer loans represented a third primary product when considered by number of loan originations,

ranging from 28 percent to 31 percent total loan originations by number. However, due to the small dollar nature of these loans this product type only represented 2 percent of originations each year. Given residential loans and business loans were consistent with the bank's lending strategy and represented the majority of the bank's loans by number and dollar volume, these two primary products form the basis of our evaluation.

We tested Home Mortgage Disclosure ACT (HMDA) data for residential mortgages from January 1, 2017, through December 31, 2019, to verify the accuracy of data and found it reliable to use for this evaluation. To test the residential loans primary product we included HMDA data for 2017 through 2019 into our analysis, covering lending in the bank's combined AA.

To evaluate business loans, we selected a random sample of 67 loans from the bank's combined AA. We used the sample of business loans and the HMDA data to determine lending inside the AA. We then replaced business loans that were outside the AA with business loans made inside the AA to assess borrower and geographic distributions.

To evaluate the distribution of loans for the lending tests, we used demographics and geographies based on the 2011 - 2015 American Community Survey (ACS) data and 2018 Dunn & Bradstreet information. For CRA purposes, the ACS replaces the decennial census. Since demographics and geographic boundaries were not materially different during the evaluation period, this performance evaluation (PE) contains a single analysis of loan data for the 2017 to 2019 evaluation period.

### **Selection of Areas for Full-Scope Review**

In each state where the bank has an office, one or more of AAs within that state was selected for a full-scope review. For purposes of this evaluation, bank delineated assessment areas located within the same metropolitan statistical area (MSA), multistate metropolitan statistical area (MMSA), or combined statistical area (CSA) are combined and evaluated as a single AA. Similarly, bank delineated non-MSA AAs within the same state are combined and evaluated as a single area. These combined AAs may be evaluated as full- or limited-scope. Refer to the "Scope" section under each State Rating for details regarding how full-scope AAs were selected. Refer to appendix A, Scope of Examination, for a list of full- and limited-scope AAs.

LSCB has designated eight counties as their AAs. We selected the MSA AAs in San Antonio and Hays County for full scope reviews. We also completed a full scope review of Non-MSA AA.

### **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. Refer to the "Scope" section under each state and MMSA Rating section for details regarding how the areas were weighted in arriving at the respective ratings. LSCB has three AAs and only operates in the state of Texas. Each AA was selected for full scope review. For the purposes of the CRA evaluation, performance in all AAs was weighted equally. Equal weight was placed on residential and business loans in all AAs. More emphasis was placed on the number of loans over the dollar volume of loans in determining overall performance. Due to the low number of low to moderate-income CTs in the bank's AAs, more emphasis was placed on the results of bank's overall in and out lending test in conducting our analysis of geographic distributions.

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

Pursuant to 12 CFR 25.28(c) or 195.28(c), respectively, in determining a national bank's or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any AA by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Bureau of Consumer Financial Protection, as applicable.

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

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

## State Rating

### State of Texas

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

**The Lending Test is rated:** Satisfactory

The major factors that support this rating include:

- The bank's LTD ratio is reasonable.
- A majority of the bank's loans are made inside its AA.
- The bank exhibits reasonable distribution of loans to geographies of different income levels, considering the demographics within the AA.
- The bank exhibits reasonable distribution of loans to individuals of different income levels and businesses of different sizes, given the product lines offered by the bank.
- There were no Fair Lending or CRA-related complaints during the evaluation period.

### Description of Institution's Operations in Texas

As noted previously, LSCB only operates in the state of Texas. LSCB has delineated two AAs, a San Antonio AA and a Hill Country AA. For the purposes of our CRA evaluation, we separated the Hill Country AA into a Hays County AA and a Non-MSA AA, as discussed in the scope of evaluation section. The San Antonio AA will be referred to as the San Antonio MSA AA throughout this report. We selected the three AAs for full scope evaluation. The AAs meet regulatory requirements, do not reflect discrimination, and do not arbitrarily exclude any low or moderate-income census tracts.

There are no differences in lending focuses among the AAs. Residential loans and business loans are the bank's primary products among all AAs. However, the San Antonio MSA AA is the most populous and accounted for the majority of loans among HMDA data and our business loan sample. Additionally, although competition is present in all AAs, the San Antonio MSA AA is the most banked and very competitive.

#### San Antonio MSA Assessment Area:

The San Antonio MSA AA includes 161 CTs; 143 located in Bexar County, 12 in Comal County, and 6 in Kendall County. Only 1 of the CTs in the AA is designated as low-income, 31 are moderate-income, 43 are middle-income, 83 are upper-income, and 3 have no income designation. LSCB has its main office and two branches in this AA. The main office is located in an upper-income CT, and both branches are in moderate-income CTs.

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



Major employers include the military bases, HEB Grocery, USAA, CPS Energy, Rackspace, and Valero Corporation. Based on Bureau of Labor Statistics (BLS) data, the December 2019 unemployment rate for the San Antonio MSA was 3.1, which was slightly lower than the 3.5 percent unemployment rate for Texas and the United States during the same period. The December 2019 unemployment rate for Bexar County was 2.8, for Comal County was 2.7, and for Kendall County was 2.4.

The FDIC June 30, 2019 Deposit Market Share Report reflects 61 financial institutions in this AA. LSCB ranks 31<sup>st</sup> with a deposit market share of 0.09 percent. USAA Federal Savings Bank is first with a deposit market share of 64.72 percent and Frost Bank ranks second with a deposit market share of 7 percent. The AA is heavily banked.

We contacted a neighborhood affordable housing service, a nonprofit focused on affordable housing, and an economic development organization in this AA. The contacts said there has been a lot of economic activity in the area with increases in commercial real estate and residential developments along the I-35 corridor. The contacts all reported a need for affordable housing, especially around the cities inner core and south side. One contact explained that immigration from higher cost areas has increased the cost of housing faster than wages for local residents. One contact commented that the city is challenged in terms of affordable housing, due to the affordable housing stock being aged and requiring high repair costs that price out lower income individuals. One contact commented on the need for infrastructure development to continue to attract new businesses. The contacts said that overall financial institutions are meeting credit needs in the community.

**Table A – Demographic Information of the Assessment Area**

**Assessment Area: San Antonio MSA AA 2019**

<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	161	0.6	19.3	26.7	51.6	1.9
Population by Geography	845,796	0.4	18.7	27.4	53.4	0.0
Housing Units by Geography	342,133	0.4	20.2	28.3	51.1	0.0
Owner-Occupied Units by Geography	193,546	0.1	11.9	25.4	62.7	0.0
Occupied Rental Units by Geography	119,861	1.0	32.2	32.0	34.8	0.0
Vacant Units by Geography	28,726	0.7	26.3	32.2	40.8	0.0
Businesses by Geography	89,418	0.3	13.7	23.9	61.7	0.4
Farms by Geography	2,074	0.2	8.6	21.7	69.3	0.1
Family Distribution by Income Level	208,298	15.2	15.3	17.2	52.3	0.0
Household Distribution by Income Level	313,407	19.0	14.2	17.0	49.9	0.0
Median Family Income MSA - 41700 San Antonio-New Braunfels, TX MSA		\$62,228	Median Housing Value			\$202,358
			Median Gross Rent			\$960
			Families Below Poverty Level			8.0%

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.

**Hays County AA:**

The Hays County AA is a part of the Austin-Round Rock-Georgetown MSA. It includes nine CTs in Hays County. Five of the CTs are designated middle-income and four are designated upper income. The AA does not include any low or moderate-income CTs. The bank has one full-service branch located in an upper-income CT.

Major employers in the Austin-Round Rock-Georgetown MSA include the State of Texas, the University of Texas at Austin, HEB Grocery, the City of Austin, Dell Technologies, Federal Government, Austin and Round Rock Independent School Districts, St. David’s HealthCare, Apple, IBM, and Amazon. Based BLS data, the December 2019 unemployment rate for the Austin-Round Rock-Georgetown MSA was 2.6 percent, which was lower than the 3.5 percent unemployment rate for Texas and the United States during the same period. The December 2019 unemployment rate for Hays County was 2.5 percent.

The FDIC’s June 30, 2019 Deposit Market Share Report reflects 21 financial institutions in this AA. LSCB ranks 14<sup>th</sup> with deposit market share of 1.19 percent. Wells Fargo leads the market with a deposit market share of 28 percent, followed by Frost Bank 17 percent, JPMorgan Chase Bank at 11 percent, and Broadway National Bank at 8 percent.

We contacted a local economic development organization in this AA and they identified a need for additional student housing for the local university. The contact stated that overall, the local financial institutions are serving the credit needs of the local community.

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Hays County AA 2019</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	9	0.0	0.0	55.6	44.4	0.0
Population by Geography	58,667	0.0	0.0	57.6	42.4	0.0
Housing Units by Geography	23,350	0.0	0.0	62.6	37.4	0.0
Owner-Occupied Units by Geography	18,293	0.0	0.0	58.8	41.2	0.0
Occupied Rental Units by Geography	2,996	0.0	0.0	71.8	28.2	0.0
Vacant Units by Geography	2,061	0.0	0.0	82.1	17.9	0.0
Businesses by Geography	8,134	0.0	0.0	55.0	45.0	0.0
Farms by Geography	311	0.0	0.0	57.6	42.4	0.0
Family Distribution by Income Level	16,324	11.9	14.7	20.6	52.8	0.0
Household Distribution by Income Level	21,289	14.3	11.3	16.8	57.6	0.0
Median Family Income MSA - 12420 Austin-Round Rock-Georgetown, TX MSA		\$78,997	Median Housing Value			\$272,663
			Median Gross Rent			\$1,087
			Families Below Poverty Level			5.2%
<i>Source: 2015 ACS and 2019 D&amp;B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

Non-MSA AA:

The Non-MSA AA includes 18 CTs; two in Blanco County, eight in Burnet County, five in Gillespie County and three in Llano County. There are no CTs designated as low-income, only one is moderate-income, eight are middle-income, and 9 are upper-income. LSCB has three branches located in this AA; two in Blanco County with one in a middle-income CT and the other in an upper-income CT; and one in an upper-income CT in Burnet County.

Geographically, Burnet County is located northwest of the City of Austin and north of the City of San Antonio. The major employers in this county include Burnet Consolidated ISD, county government, and Seton Highland Lakes Hospital. Blanco, Gillespie and Llano counties are located in the Edwards Plateau in west-central Texas. The major employers in these counties include the county governments and ISD's. Based on BLS data, the December 2019 unemployment rate for Blanco County was 2.1 percent, Burnet County was 2.5 percent, Gillespie County was 2.1 percent, and Llano County was 3.2 percent. The unemployment rates for all four counties were lower than the 3.5 percent unemployment rates for Texas and United States for the same period.

The FDIC June 30, 2019, Deposit Market Share Report reflects 23 financial institutions in this AA. LSCB ranks 12<sup>th</sup> with a deposit market share of 2.1 percent. First United Bank and Trust Company lead the market with 18 percent of deposit market share, followed by Security State Bank & Trust at 16 percent, JP Morgan Chase at 9 percent, Bankcorp South Bank at 9 percent, and First State Bank of Burnet at 6 percent.

We contacted a local economic development corporation in the AA. The contact commented that there were opportunities for local institutions to partner local municipalities for parking structures and other infrastructure improvements. The contact stated that overall, the local financial institutions are serving the credit needs of the local community.

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Non-MSA AA 2019</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	18	0.0	5.6	44.4	50.0	0.0
Population by Geography	92,108	0.0	6.8	49.2	44.0	0.0
Housing Units by Geography	49,071	0.0	6.7	44.6	48.6	0.0
Owner-Occupied Units by Geography	27,680	0.0	6.3	44.7	49.0	0.0
Occupied Rental Units by Geography	9,163	0.0	4.0	57.2	38.8	0.0
Vacant Units by Geography	12,228	0.0	9.9	35.0	55.1	0.0
Businesses by Geography	9,385	0.0	2.7	50.6	46.6	0.0
Farms by Geography	580	0.0	1.6	41.6	56.9	0.0
Family Distribution by Income Level	25,923	17.3	14.4	17.1	51.1	0.0
Household Distribution by Income Level	36,843	17.5	15.6	15.8	51.1	0.0
Median Family Income Non-MSAs - TX		\$52,198	Median Housing Value			\$192,214
			Median Gross Rent			\$836
			Families Below Poverty Level			9.4%

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.

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Combined</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	188	0.5	17.0	29.8	51.1	1.6
Population by Geography	996,571	0.4	16.5	31.2	51.9	0.0
Housing Units by Geography	414,554	0.4	17.5	32.1	50.0	0.0
Owner-Occupied Units by Geography	239,519	0.0	10.3	30.2	59.5	0.0
Occupied Rental Units by Geography	132,020	0.9	29.5	34.7	34.9	0.0
Vacant Units by Geography	43,015	0.5	20.4	35.4	43.8	0.0
Businesses by Geography	106,937	0.3	11.7	28.6	59.1	0.3
Farms by Geography	2,965	0.2	6.3	29.4	64.0	0.1
Family Distribution by Income Level	250,545	15.2	15.2	17.4	52.2	0.0
Household Distribution by Income Level	371,539	18.6	14.1	16.8	50.5	0.0
Median Family Income MSA - 12420 Austin-Round Rock-Georgetown, TX MSA		\$78,997	Median Housing Value			\$205,117
Median Family Income MSA - 41700 San Antonio-New Braunfels, TX MSA		\$62,228	Median Gross Rent			\$955
Median Family Income Non-MSAs - TX		\$52,198	Families Below Poverty Level			8.0%

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.

## Scope of Evaluation in Texas

As mentioned in the prior Scope of Evaluation section, we evaluated LSCB's lending activities using Small Bank CRA examination procedures. The examination scope covered loans originated from January 1, 2017 to December 31, 2019. For purposes of CRA evaluations we do not combine MSA and Non-MSA counties. Thus, we separated the bank's two delineated AAs into three AAs, San Antonio MSA AA, Non-MSA AA, and Hays County AA, for our CRA evaluation purposes. We selected all three AAs for full scope review in Texas. Residential and business loan products were identified as the primary products, per the bank's origination reports. These products were equally weighted in all AAs as there was no differing lending focus among AAs. More emphasis was placed on the number of loans over the dollar volume of loans in determining overall performance.

To test the residential loans primary product, we relied on HMDA data for 2017 through 2019, after verifying the accuracy and reliability of the data. To evaluate business loans, we selected a random sample of 67 loans from the bank's combined AA. We used the sample of business loans and the HMDA data to determine lending inside the AA. We then replaced business loans that were outside the AA with business

loans made inside the AA to assess borrower and geographic distributions. We deleted duplicate business loan borrowers with different loans as appropriate.

To evaluate the distribution of loans for the lending tests, we used demographics and geographies based on the 2011 - 2015 American Community Survey (ACS) data and 2018 Dunn & Bradstreet information. For CRA purposes, the ACS replaces the decennial census. Since demographics and geographic boundaries were not materially different during the evaluation period, this PE contains a single analysis of loan data for the 2017 to 2019 evaluation period.

## **LENDING TEST**

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

Based on full-scope review of the bank's three AAs, the bank's lending performance in the state of Texas is reasonable. Our analysis was based on residential loans and business loans, by number originated and dollar amount of originations during the evaluation period. An analysis of consumer 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.

## **Conclusions for Areas Receiving Full-Scope Reviews**

Based on full-scope reviews, the bank's performance in the San Antonin MSA AA, Hays County AA, and Non-MSA AA is adequate.

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

The bank exhibits reasonable geographic distribution of loans in the State. Due to the low number of low and moderate-income CTs within the bank's combined AA, we also relied on the performance of the bank's lending inside and outside of the AA in determining that the overall geographic distribution of loans was reasonable.

### San Antonio MSA AA: ***Home Mortgage Loans***

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

The distribution of residential loans among geographies of different income levels reflects excellent dispersion to low and moderate-income CTs in the San Antonio MSA AA. There were 26 residential loans made in this AA over the evaluation period. Residential loans to households in moderate-income CTs totaled 15.4 percent, which exceeds demographic data indicating 11.9 percent of households reside in moderate-income CTs. There were no loans made to households residing in low-income CTs, however, this is reasonable given there is only 1 low-income CT in the 161 CTs that make up this AA

### ***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 among geographies of different income levels reflects poor dispersion to low and moderate-income CTs in the San Antonio MSA AA. There were 25 business loans in our sample made in this AA over the evaluation period. Loans to business in moderate-income CTs totaled 4 percent and compared poorly to demographic data indicating 13.7 percent of businesses in the AA reside in moderate-income CTs. There were no loans made to business residing in low-income CTs, however, this is reasonable given there is only 1 low-income CT in the 161 CTs that make up this AA.

#### Non-MSA AA:

##### ***Home Mortgage Loans***

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

The distribution of residential loans among geographies of different income levels reflects reasonable dispersion to moderate-income CTs in the Non-MSA AA. There were only 16 residential loans made in this AA over the evaluation period. This compares reasonably to demographic data indicating 6.3 percent of households in the AA reside in moderate-income CTs. There were no low-income CTs in this AA.

##### ***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 among geographies of different income levels reflects poor dispersion to moderate-income CTs in the Non-MSA AA. There were 20 business loans in our sample made in this AA over the evaluation period. There were no loans to business in moderate-income CTs, which compares poorly to demographic data indicating 2.7 percent of businesses in the AA reside in moderate-income CTs. However, we note that only one of the eighteen census tracts in the AA were moderate-income, which explains the poor dispersion. There were no low income-census tracts in this AA.

#### Hays County AA:

A meaningful geographic analysis could not be performed because there are no low or moderate-income CTs in the Hays County AA.

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

The bank exhibits reasonable distribution of loans to individuals of different income levels and businesses of different sizes, given the product lines offered by the bank. In some instances, we noted that there was low dispersion to low and moderate-income borrowers for home mortgage loans. However, this is deemed reasonable when considering the difficulty these borrowers face qualifying for housing, given the high cost of housing relative to median family incomes in the bank's AAs. Dispersion to businesses of different income were reasonable.

San Antonio MSA AA  
***Home Mortgage Loans***

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

The distribution of residential loans to individuals of different income levels reflects poor dispersion to low and moderate-income borrowers in the San Antonio MSA AA. There were 26 residential loans made in this AA over the evaluation period. There were no loans made to borrowers of low or moderate-income, which compares poorly to demographic data indicating 15.2 percent and 15.3 percent of borrowers were of low or moderate income, respectively. However, demographics in the AA help explain the poor dispersion. The AA's demographic data reflects a median housing value of \$202,358 which, coupled with a median family income of \$62,228, makes it difficult for low and moderate-income borrowers to qualify for residential loans.

***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 businesses within the San Antonio MSA AA reflects reasonable dispersion to businesses of different sizes. There were 25 business loans in our sample made in this AA over the evaluation period. Loans to businesses with revenues less than or equal to \$1 million represented 48 percent of our sample for this AA. This compares adequately to demographic data indicating 87.5 percent of businesses had revenues less than or equal to \$1 million, reflecting reasonable dispersion.

Non-MSA AA:

***Home Mortgage Loans***

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

The distribution of residential loans in the Non-MSA AA reflects reasonable dispersion to low and moderate-income borrowers. There were 16 residential loans made in this AA over the evaluation period. While the sample is not large enough for a meaningful analysis, the distribution of residential loans to low-income and moderate-income borrowers indicated reasonable dispersion. Loans to low-income borrowers and moderate-income borrowers totaled 6.3 percent each, which compares adequately to demographic data indicating 17.3 percent of borrowers in the AA were low-income and 14.4 percent of borrowers were moderate-income. Additionally, the median housing value for the AA is \$192,214 which, coupled with a median family income of \$52,198, makes it difficult for low and moderate-income borrowers to qualify for residential loans. When you consider the median housing value and median family income demographics of the AA, the results appear more favorable.

***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 businesses within the Non-MSA AA reflects reasonable dispersion to businesses of different sizes. There were 20 business loans in our sample for this AA over the evaluation period. Loans to businesses with revenues less than or equal to \$1 million represented 70 percent of our sample for this AA. This compares reasonably to demographic data indicating 88.6 percent of businesses had revenues less than or equal to \$1 million.

Hays County AA:

### ***Home Mortgage Loans***

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

The distribution of residential loans in the Hays County AA reflects poor dispersion to low and moderate-income borrowers. There were no residential loans made to low or moderate-income borrowers. Demographics in the AA help explain the poor dispersion. The AA's demographic data reflects a median housing value of \$272,663 which, coupled with a median family income of \$78,997, makes it difficult for low and moderate-income borrowers to qualify for residential loans.

### ***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 businesses within the Hays County AA reflects reasonable dispersion to businesses of different sizes. Loans to businesses with revenues less than or equal to \$1 million represented 62.5 percent of our sample for this AA. This compares adequately to demographic data indicating 92.2 percent of businesses had revenues less than or equal to \$1 million.

### **Responses to Complaints**

LSCB did not receive any complaints related to its CRA performance during the evaluation period.



## Appendix A: Scope of Examination

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The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the MSAs and non-MSAs that received comprehensive examination review, designated by the term “full-scope,” and those that received a less comprehensive review, designated by the term “limited-scope”.

<b>Time Period Reviewed:</b>	1/01/2017 to 12/31/2019	
<b>Bank Products Reviewed:</b>	Home mortgage and small business loans, 2017 to 2019.	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
Not applicable	Not applicable	Not applicable
<b>List of Assessment Areas and Type of Examination</b>		
<b>Rating and Assessment Areas</b>	<b>Type of Exam</b>	<b>Other Information</b>
<b>Texas</b>		
San Antonio MSA AA	Full Scope	Bexar County (partial), Comal County (partial), and Kendall County (whole).
Hays County AA	Full Scope	Hays County (partial)
Non-MSA AA	Full Scope	Blanco (whole), Burnet (whole), Gillespie (whole), and Llano (partial).

## Appendix B: Summary of MMSA and State Ratings

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RATINGS		Lone Star Capital Bank, National Association
Overall Bank:		Lending Test Rating
Lone Star Capital Bank, National Association		Satisfactory
MMSA or State:		
Texas		Satisfactory

## Appendix C: Definitions and Common Abbreviations

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The following terms and abbreviations are used in this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

**Affiliate:** Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. For example, a bank subsidiary is controlled by the bank and is, therefore, an affiliate.

**Aggregate Lending (Aggt.):** The number of loans originated and purchased by all reporting lenders (HMDA or CRA) in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## Appendix D: Tables of Performance Data

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### Content of Standardized Tables

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

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

**Table O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents aggregate peer data for the years the data is available.

**Table P. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MMSA/assessment area. The table also presents aggregate peer data for the years the data is available.

**Table Q. Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses that were originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) in those geographies. Because aggregate small business data are not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank’s assessment area.

**Table R. Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenue** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to: 1) the percentage distribution of businesses with revenues of greater than \$1 million; and, 2) the percentage distribution of businesses for which revenues are not available. The table also presents aggregate peer small business data for the years the data is available.

**Table S. Assessment Area Distribution of Loans to Farms by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income

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

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



<b>Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography</b>																	<b>2017-19</b>		
	<b>Total Home Mortgage Loans</b>			<b>Low-Income Tracts</b>			<b>Moderate-Income Tracts</b>			<b>Middle-Income Tracts</b>			<b>Upper-Income Tracts</b>			<b>Not Available-Income Tracts</b>			
	<b>#</b>	<b>\$</b>	<b>% of Total</b>	<b>% of Owner-Occupied Housing Units</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% of Owner-Occupied Housing Units</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% of Owner-Occupied Housing Units</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% of Owner-Occupied Housing Units</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% of Owner-Occupied Housing Units</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	
San Antonio MSA AA	26	10,291	53.0	0.1	0.0	0.0	11.9	15.4	7.8	25.4	15.4	22.0	62.7	69.2	70.1	0.0	0.0	0.0	
Hays County AA	7	1,573	14.3	0.0	0.0	0.0	0.0	0.0	0.0	58.8	71.4	46.5	41.2	28.6	53.5	0.0	0.0	0.0	
Non-MSA AA	16	2,959	32.7	0.0	0.0	0.0	6.3	6.3	6.0	44.7	31.3	42.8	49.0	62.5	51.2	0.0	0.0	0.0	
<b>Total</b>	<b>49</b>	<b>14,823</b>	<b>100.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>10.3</b>	<b>10.2</b>	<b>6.9</b>	<b>30.2</b>	<b>28.6</b>	<b>26.2</b>	<b>59.5</b>	<b>61.2</b>	<b>66.9</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	

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%

<b>Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower</b>																	<b>2017-19</b>		
	<b>Total Home Mortgage Loans</b>			<b>Low-Income Borrowers</b>			<b>Moderate-Income Borrowers</b>			<b>Middle-Income Borrowers</b>			<b>Upper-Income Borrowers</b>			<b>Not Available-Income Borrowers</b>			
	<b>#</b>	<b>\$</b>	<b>% of Total</b>	<b>% of Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% of Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% of Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% of Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% of Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	
San Antonio MSA AA	26	10,291	53.0	15.2	0.0	2.4	15.3	0.0	9.2	17.2	3.9	18.5	52.3	69.2	51.5	0.0	26.9	18.4	
Hays County AA	7	1,573	14.3	11.9	0.0	2.0	14.7	0.0	10.0	20.6	0.0	17.2	52.8	100.0	58.5	0.0	0.0	12.3	
Non-MSA AA	16	2,959	32.7	17.3	6.3	1.8	14.4	6.3	7.0	17.1	12.5	13.5	51.1	62.5	60.4	0.0	12.5	17.2	
<b>Total</b>	<b>49</b>	<b>14,823</b>	<b>100.0</b>	<b>15.2</b>	<b>2.0</b>	<b>2.3</b>	<b>15.2</b>	<b>2.0</b>	<b>9.1</b>	<b>17.4</b>	<b>6.1</b>	<b>18.0</b>	<b>52.2</b>	<b>71.4</b>	<b>52.9</b>	<b>0.0</b>	<b>18.4</b>	<b>17.7</b>	

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%

<b>Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography</b>																<b>2017-19</b>		
Assessment Area:	Total Loans to Small Businesses			Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available- Income Tracts		
	#	\$	% of Total	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
San Antonio MSA AA	25	13,181	36.2	0.3	0.0	0.3	13.7	4.0	13.4	23.9	36.0	22.8	61.7	60.0	63.1	0.4	0.0	0.4
Hays County AA	24	4,213	34.9	0.0	0.0	0.0	0.0	0.0	0.0	55.0	54.2	54.2	45.0	45.8	45.8	0.0	0.0	0.0
Non-MSA AA	20	8,156	29.0	0.0	0.0	0.0	2.7	0.0	4.0	50.6	55.0	39.8	46.6	45.0	56.3	0.0	0.0	0.0
<b>Total</b>	<b>69</b>	<b>25,550</b>	<b>100.0</b>	<b>0.3</b>	<b>0.0</b>	<b>0.2</b>	<b>11.7</b>	<b>1.5</b>	<b>11.1</b>	<b>28.6</b>	<b>47.8</b>	<b>27.7</b>	<b>59.1</b>	<b>50.7</b>	<b>60.7</b>	<b>0.3</b>	<b>0.0</b>	<b>0.3</b>

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%

<b>Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues</b>												<b>2017-19</b>	
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		
San Antonio MSA AA	25	13,181	36.2	21,099	87.5	48.0	43.7	4.3	48.0	8.3	4.0		
Hays County AA	24	4,213	34.9	2,476	92.2	62.5	43.9	2.7	33.3	5.2	4.2		
Non-MSA AA	20	8,156	29.0	2,984	88.6	70.0	52.3	3.4	20.0	8.0	10.0		
<b>Total</b>	<b>69</b>	<b>25,550</b>	<b>100.0</b>	<b>26,559</b>	<b>87.9</b>	<b>59.4</b>	<b>44.7</b>	<b>4.1</b>	<b>34.8</b>	<b>8.0</b>	<b>5.8</b>		

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%