



PUBLIC DISCLOSURE

July 29, 2019

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

The First National Bank in Port Lavaca
Charter Number 14821

1011 Highway 35 (By-Pass) South
Port Lavaca, Texas 77979

Office of the Comptroller of the Currency

1301 McKinney Street
Suite 1401
Houston, Texas 77010

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 average loan-to-deposit ratio (LTD) of 57 percent over the prior 21 quarters is more than reasonable given the bank's size, financial condition, market focus, competition, and lending opportunities in the assessment area (AA).
- A substantial majority of our sample of loans, 89 percent by number and 88 percent by dollar volume, were originated within the bank's AAs.
- Lending activities to individuals and businesses of different income levels reflects reasonable distribution.
- Lending activities to borrowers in low- or moderate-income geographies reflects reasonable distribution.
- There were no Community Reinvestment Act (CRA)-related complaints during the evaluation period.

Description of Institution

The First National Bank in Port Lavaca (FNB) is an independent, full-service community bank headquartered in Port Lavaca, Texas. Chartered in 1957, FNB is largely owned by Bauer Management Inc., a privately-held company which was chartered in 1999. In addition to the main branch, FNB operates three full-service institutions located in Seadrift, Port O'Connor, and Victoria, Texas. All locations operate automated teller machines and offer a variety of depository products and services. Hours vary by location to meet the needs of the community while FNB's website is available 24 hours a day offering multiple bank services online.

The bank offers a full range of credit products including real estate, commercial, agriculture, and consumer loans. As of December 31, 2018, the bank reported total loans and leases of \$163 million. The bank reported total assets of \$318 million and tier 1 capital of \$31 million for the same period. The bank's loan portfolio is comprised primarily of residential real estate loans totaling \$98 million, or 60 percent, of total loans. This is followed by commercial loans, totaling \$44 million, or 26 percent; consumer loans, totaling \$5 million, or 3 percent; and agricultural loans, totaling \$1 million, or less than 1 percent of total loans.

Competition from other financial institutions in the bank's AAs is present. According to the December 31, 2018 Deposit Market Share Report, 18 banks operate 28 branches in the Victoria AA. FNB is ranked eighth, holding 3.6 percent of the total market share. Prosperity Bank and Wells Fargo Bank, N.A. lead in holdings with 14.3 percent each. However, FNB holds 30 percent of the market share in the Calhoun AA. While the county has eight banks operating a total of 10 branches; FNB accounts for 3 of those branches, leaving the remaining banks with only 10 percent of the market share, per branch.

Although the bank has not strategically changed its AAs; at the time of the last evaluation Calhoun County was included in the Victoria metropolitan statistical area (MSA). However, the county is no longer a part of that MSA, resulting in separate AAs and separate analyses. The 2015 American Community Survey (ACS), effective January 1, 2017, resulted in changes to a number of CTs in Calhoun County and the income levels of seven of the bank's designated CTs. Therefore, the evaluation includes two separate periods; 2016 (period A) and 2017-2018 (period B), combined. The bank designates all 28 CTs in the two counties in its two AAs for period A, and all 29 CTs for period B. The last CRA evaluation dated March 17, 2014 resulted in an overall satisfactory rating. There are no legal, financial, or other factors impeding the bank's ability to help meet the credit needs of its AAs.

We conducted a community contact to determine general banking and credit needs, as well as opportunities for local financial institutions to meet these needs. We spoke to a representative who is the president of an economic development corporation. The objectives of the organization are to recruit new businesses, both international and domestic, for the purpose of creating jobs. The organization also retains and expands existing businesses by assisting with exports, strategic alliances, new project development, and workforce development. The representative stated that the local economy is stabilizing after the devastation following hurricane Harvey and the decline in the oil and gas industry. Credit opportunities in Victoria and the surrounding areas include home loans, particularly affordable housing, and small business loans. The representative indicated that he was not aware of any unmet credit needs in the community.

Scope of Evaluation

FNB was evaluated under the Small Bank CRA evaluation procedures, which include a Lending Test. This test analyzes the bank's record of meeting the credit needs of its AAs through lending activities.

The scope of the evaluation covered the time period from March 17, 2014, the date of the last examination, to December 31, 2018. We utilized call report information to review loan products for the evaluation period. To evaluate FNB's lending performance, we relied on the Home Mortgage Disclosure Act (HMDA) Loan Application Registrar for residential loans and selected a random sample of commercial and consumer loans. The table below depicts the bank's loan portfolio.

As of December 31, 2018				
Product Type	Percent of Loan Portfolio by Dollar Volume		Percent of Loan Portfolio by Number of Loans	
	\$(000s)	%	#	%
Residential	98,156	60.1	785	44.5
Consumer	5,830	3.6	478	27.1
Commercial	44,082	27.0	292	16.6

Source: December 31, 2018 Report of Condition

Additionally, we evaluated the bank's LTD ratio. To do this, we reviewed four banks headquartered in one or more of the counties included in the bank's AAs. These banks are also selected based on comparable asset size.

Selection of Areas for Full-Scope Review

FNB has two AAs which include all of Victoria and Calhoun Counties. The bank has properly defined its AA in accordance with the technical requirements of CRA regulations. The AAs consist of whole census tracts (CTs), do not arbitrarily exclude low- or moderate-income CTs, and include the CTs where the bank's offices are located and where the majority of its loans are originated.

Ratings

Ratings for this CRA evaluation are based on the results of full-scope reviews of both AAs.

Loan-to-Deposit Ratio

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

The bank's average quarterly LTD ratio, at 57 percent, exceeds the average for other similarly sized and situated institutions. The LTD is more than reasonable given the bank's performance context and capacity to lend in its AAs. The bank's ratio increased 41 percent, from 40 percent to 57 percent, over the last 21 quarters. The average LTD ratio for four similarly situated institutions was 42 percent, ranging between 9 percent and 95 percent.

Lending in Assessment Area

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

The bank originated 89 percent of its total loans inside the AAs during the evaluation period. This analysis is performed at the bank level, rather than per AA. We relied on a sample of 265 loans, originated since January 31, 2016, to perform our analysis. The following table reflects the distribution of loans, by number and dollar volume, as originated in or out of the AA.

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	72	86.75	11	13.25	83	13,272	87.84	1,837	12.16	15,110
Small Business	83	88.30	11	11.70	94	11,506	88.12	1,552	11.88	13,058
Consumer	82	93.18	6	6.82	88	828	95.18	42	4.82	870
Total	237	89.43	28	10.57	265	25,606	88.18	3,431	11.82	29,037

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 FNB 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.

LENDING TEST

The lending test is rated: Satisfactory

For our evaluation, we considered changes to the bank's AA as a result of the 2015 ACS.

Calhoun AA

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

Distribution of Loans by Income Level of the Geography

The bank exhibits reasonable geographic distribution of loans to borrowers in low- or moderate-income CTs.

Home Mortgage Loans

Geographic distribution of residential loans reflects reasonable dispersion. For both evaluation periods, there were no owner-occupied housing units located within low-income geographies, therefore there was no lending activity. For period A, the dispersion to moderate-income tracts was near the demographic comparator; while for period B, dispersion was significantly below. However, for both periods, the bank's lending activity exceeded aggregate peer performance comparators for the AA.

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.

Loans to Businesses

Geographic distribution of loans to small businesses reflect poor dispersion. During both evaluation periods there were no low-income tracts in the banks AA. Therefore, the bank did not originate any commercial loans in low-income geographies. Additionally, the percentage of loans originated in moderate-income geographies is considerably below the demographic and aggregate comparators. Considering the presence of opportunity to lend in moderate-income tracts we determined that the bank demonstrated poor performance.

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.

Consumer Loans

Geographic distribution of consumer loans reflects reasonable dispersion. For both evaluation periods, the bank did not originate any loans in low-income geographies as there were no households located in these geographies. However, the percentage of loans originated in moderate-income geographies is near demographic comparators. Considering the lack of opportunity to lend in low-income geographies, we relied on the level of lending in moderate-income geographies.

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

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.

Home Mortgage Loans

Distribution of residential loans to individuals of different income levels reflects poor penetration. The bank did not originate any loans to low- or moderate-income borrowers during period A. Additionally, for period B, the percentage of loans originated to moderate-income borrowers is below both the demographic and aggregate comparators. We considered that the Federal Financial Institutions Examination Council (FFIEC) MSA Median Family income for both evaluation periods was \$52,400 and \$54,200. This is indicative of families facing difficulties to qualify for home mortgage loans with median housing costs of \$95,493 and \$108,408, respectively. However, aggregate data does show the opportunity to lend was present.

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.

Small Loans to Businesses

Distribution of loans to small businesses reflects reasonable dispersion. During period A, 81 percent of the bank's business loans were made to small businesses. This exceeds the demographic and aggregate comparators at 79 percent and 34 percent, respectively.

During period B, 56 percent of the bank's business loans were made to small businesses. This is significantly below the demographic comparator of 79 percent. However, though the proportion of loans was lower than the proportion of small businesses, it exceeds the aggregate distribution of loans to those 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.

Consumer Loans

Distribution of consumer loans to individuals of different income levels reflects reasonable dispersion. During both periods, the percentage of consumer loans made to low-income borrowers is near the demographic comparator. The percentage of loans made to moderate-income borrowers exceeds the demographic comparator.

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

Victoria AA

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

Distribution of Loans by Income Level of the Geography

The bank exhibits reasonable geographic distribution of loans to borrowers in low- or moderate-income CTs.

Home Mortgage Loans

Geographic distribution of residential loans reflects excellent dispersion. During period A, the percentage of residential loans originated in low-income geographies exceeds both the demographic and aggregate comparators. The percentage of loans originated in moderate-income geographies meets the demographic comparator and significantly exceeds the aggregate lending levels of peer institutions.

During period B, the bank did not originate any loans in low-income geographies. However, the percentage of loans originated in moderate-income geographies is near the demographic comparator and exceeds the aggregate comparator.

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.

Loans to Businesses

Geographic distribution of loans to small businesses reflects poor dispersion. For both evaluation periods, the bank did not originate any commercial loans in low-income geographies. The percentage of loans originated in moderate-income geographies is considerably below the demographic comparator but meets the aggregate comparator. Considering the presence of opportunity to lend in low- and moderate-income geographies we determined that the bank demonstrated poor performance.

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.

Consumer Loans

Geographic distribution of consumer loans reflects poor dispersion. During period A, the percentage of consumer loans originated in low-income geographies exceeds the demographic comparator. However, the percentage of loans originated in moderate-income geographies is significantly below the demographic comparator.

During period B, the bank did not originate any loans in low-income geographies and the percentage of loans originated in moderate-income geographies is below the demographic comparator. Considering the presence of opportunity to lend in low- and moderate-income geographies we determined that the bank demonstrated poor performance.

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

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.

Home Mortgage Loans

Distribution of residential loans to individuals of different income levels reflects reasonable dispersion. For both evaluation periods, the percentage of residential loans originated to low- and moderate-income borrowers is significantly below the demographic comparators. However, lending to these borrowers significantly exceed the aggregate lending levels of peer institutions.

We also considered the FFIEC MSA Median Family Income (MFI) for both evaluation periods of \$58,200 and \$63,800. This is indicative of families facing difficulties to qualify for home mortgage loans with median housing costs of \$98,449 and \$117,929, respectively.

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.

Small Loans to Businesses

Distribution of loans to small businesses reflects reasonable dispersion. For both evaluation periods, the percent of the bank's loans are significantly below demographic comparators. However, the proportion of loans exceeds the aggregate distribution of loans to those 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.

Consumer Loans

Distribution of consumer loans to individuals of different income levels reflects reasonable dispersion. During both evaluation periods, the percentage of consumer loans originated to low- and moderate-income borrowers is significantly below the demographic comparators. However, census data reflects that 14.37 percent of households in period A and 14.22 percent in period B were below the poverty level. These customers are typically unable to meet credit underwriting standards.

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

Lending Gap Analysis

We did not identify any unexplained conspicuous gaps in our analysis.

Responses to Complaints

We reviewed all complaints filed during the evaluation period. There were no CRA-related complaints.

Appendix A: Scope of Examination

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

Time Period Reviewed:	January 1, 2016 to December 31, 2018	
Bank Products Reviewed:	Residential Consumer Commercial	
Affiliate(s)	Affiliate Relationship	Products Reviewed
NA		
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
Victoria AA	Full Scope	The entire County of Victoria is included in the bank's AA.
Calhoun AA	Full Scope	The entire County of Calhoun is included in the bank's AA.

Appendix B: Definitions and Common Abbreviations

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

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

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

Census Tract (CT): A small, relatively permanent statistical subdivision of a county delineated by a local committee of census data users for the purpose of presenting data. CTs nest within counties, and their boundaries normally follow visible features, but may follow legal geography boundaries and other nonvisible features in some instances. CTs 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 low to moderate income (LMI) areas, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

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

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

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

Geography: A CT delineated by the U.S. 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 MSA 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, 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 with income that is less than 50 percent of the area median income.

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

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

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. The median is the point at which

half of the families have income above, and half below, a range of incomes. Also, the median income determined by the 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 (MSA): An area, defined by the Office of Management and Budget, as a core-based statistical area associated with at least one urbanized area that has a population of at least 50,000. The MSA comprises the central county or counties containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

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

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 MSA. 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 MSA, the institution will receive a rating for the multi-state MSA.

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

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

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

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

Appendix C: Community Profiles for Full-Scope Areas

Table A – Demographic Information of the Assessment Area						
Assessment Area: Port Lavaca 2016 AA Victoria						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	23	8.7	21.7	47.8	17.4	4.3
Population by Geography	86,793	5.0	22.7	49.7	22.5	0.0
Housing Units by Geography	35,181	5.0	22.4	49.9	22.6	0.0
Owner-Occupied Units by Geography	21,115	3.6	16.3	51.1	29.0	0.0
Occupied Rental Units by Geography	10,802	7.0	32.8	47.8	12.5	0.0
Vacant Units by Geography	3,264	7.9	27.3	49.7	15.1	0.0
Businesses by Geography	5,671	3.1	21.2	49.7	25.8	0.2
Farms by Geography	216	0.5	7.4	61.1	31.0	0.0
Family Distribution by Income Level	23,077	23.5	16.1	19.8	40.7	0.0
Household Distribution by Income Level	31,917	24.4	16.7	17.8	41.2	0.0
Median Family Income MSA - 47020 Victoria, TX MSA		\$56,163	Median Housing Value			\$98,449
			Median Gross Rent			\$693
			Families Below Poverty Level			12.8%
<i>Source: 2010 U.S. Census and 2016 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 2010 census data and 2016 Dun & Bradstreet data shows 23 CTs in Victoria County. During the census review 8.7 percent of the CTs in the AA were low-income and 21.7 percent were identified as moderate-income. The population of the county is about 87,000 people, with 27.7 percent of the population located in low- or moderate-income CTs. Family distribution by income levels shows that 23.5 percent of families in the AA are considered low-income and 16.1 percent are considered moderate-income. The MFI for the Victoria MSA is \$56,163 with 12.8 percent of families in the AA living below poverty level.

Table A – Demographic Information of the Assessment Area						
Assessment Area: Port Lavaca 2017-2018 AA Victoria						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	23	4.3	34.8	30.4	26.1	4.3
Population by Geography	90,099	3.7	34.9	25.6	35.9	0.0
Housing Units by Geography	35,876	3.4	34.2	25.6	36.7	0.0
Owner-Occupied Units by Geography	21,403	2.2	26.6	24.5	46.7	0.0
Occupied Rental Units by Geography	11,107	5.6	48.0	25.4	21.0	0.0
Vacant Units by Geography	3,366	4.0	37.3	33.5	25.3	0.0
Businesses by Geography	5,621	2.2	35.1	25.8	36.8	0.1
Farms by Geography	206	1.0	20.9	32.5	45.6	0.0
Family Distribution by Income Level	23,051	23.4	16.9	18.0	41.6	0.0
Household Distribution by Income Level	32,510	23.3	16.6	18.2	41.9	0.0
Median Family Income MSA - 47020 Victoria, TX MSA		\$60,302	Median Housing Value			\$117,929
			Median Gross Rent			\$791
			Families Below Poverty Level			12.4%
<i>Source: 2015 ACS Census and 2018 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 2015 census data and 2018 Dun & Bradstreet data shows 23 CTs in Victoria County. During the census review 4.3 percent of the CTs in the AA were low-income and 34.8 percent were identified as moderate-income. The population of the county is about 90,000 people, with 38.6 percent of the population located in low- or moderate-income CTs. Family distribution by income levels shows that 23.4 percent of families in the AA are considered low-income and 16.9 percent are considered moderate-income. The MFI for the Victoria MSA is \$60,302 with 12.4 percent of families in the AA living below poverty level.

Table A – Demographic Information of the Assessment Area						
Assessment Area: Port Lavaca 2016 AA Calhoun						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	5	0.0	20.0	40.0	40.0	0.0
Population by Geography	21,381	0.0	20.5	47.4	32.1	0.0
Housing Units by Geography	11,264	0.0	15.9	52.6	31.5	0.0
Owner-Occupied Units by Geography	5,547	0.0	16.6	50.3	33.1	0.0
Occupied Rental Units by Geography	2,424	0.0	23.4	44.8	31.8	0.0
Vacant Units by Geography	3,293	0.0	9.0	62.3	28.7	0.0
Businesses by Geography	1,074	0.0	15.4	44.5	40.1	0.0
Farms by Geography	68	0.0	5.9	82.4	11.8	0.0
Family Distribution by Income Level	5,770	21.7	16.4	16.2	45.7	0.0
Household Distribution by Income Level	7,971	21.9	15.7	16.9	45.5	0.0
Median Family Income Non-MSAs - TX		\$47,817	Median Housing Value			\$95,493
			Median Gross Rent			\$643
			Families Below Poverty Level			15.7%
<i>Source: 2010 U.S. Census and 2016 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 2010 census data and 2016 Dun & Bradstreet data shows five CTs in Calhoun County. During the census review there were no CTs in the AA identified as low-income and 20.0 percent identified as moderate-income. The population of the county is about 21,000 people, with 20.5 percent of the population located in moderate-income CTs. Family distribution by income levels shows that 21.7 percent of families in the AA are considered low-income and 16.4 percent are considered moderate-income. The MFI for non-MSAs in Texas is \$47,817 with 15.7 percent of families in the AA living below poverty level.

Table A – Demographic Information of the Assessment Area						
Assessment Area: Port Lavaca 2017-2018 AA Calhoun						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	6	0.0	16.7	16.7	50.0	16.7
Population by Geography	21,666	0.0	19.9	17.1	63.0	0.0
Housing Units by Geography	11,606	0.0	15.4	28.9	55.8	0.0
Owner-Occupied Units by Geography	5,663	0.0	17.9	18.9	63.1	0.0
Occupied Rental Units by Geography	2,331	0.0	23.4	13.4	63.2	0.0
Vacant Units by Geography	3,612	0.0	6.2	54.4	39.4	0.0
Businesses by Geography	1,048	0.0	13.0	14.9	72.1	0.0
Farms by Geography	61	0.0	4.9	14.8	80.3	0.0
Family Distribution by Income Level	5,590	17.2	16.0	16.0	50.7	0.0
Household Distribution by Income Level	7,994	18.7	13.9	17.1	50.3	0.0
Median Family Income Non-MSAs - TX		\$52,076	Median Housing Value			\$108,408
			Median Gross Rent			\$775
			Families Below Poverty Level			14.4%
<i>Source: 2015 ACS Census and 2018 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 2015 census data and 2018 Dun & Bradstreet data shows six CTs in Calhoun County. During the census review there were no CTs in the AA identified as low-income and 16.7 percent identified as moderate-income. The population of the county is about 21,666 people, with 19.9 percent of the population located in moderate-income CTs. Family distribution by income levels shows that 17.2 percent of families in the AA are considered low-income and 16 percent are considered moderate-income. The MFI for non-MSAs in Texas is \$52,076 with 14.4 percent of families in the AA living below poverty level.

Appendix D: Tables of Performance Data

Content of Standardized Tables

A separate set of tables is provided for each state. All multistate MSAs, if applicable, are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: (1) purchased are treated as originations; and (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all HMDA or CRA-reporting lenders in the MMSA/AA. Deposit data is 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 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 is 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 AAs.
- 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 is not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's AAs.
- 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 AA.

Table O : Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography 2016

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
Calhoun	26	3,852	50.0	388	0.0	0.0	0.0	16.6	12.00	11.9	50.3	52.00	52.8	33.1	36.00	35.3	0.0	0.0	0.0
Victoria	25	3,524	50.0	2,091	3.6	4.0	0.5	16.3	16.00	11.0	51.1	44.00	49.6	29.0	36.00	38.9	0.0	0.0	0.0
Total	51	8,166	100.0	2,479	2.8	2.0	0.4	16.4	14.00	11.1	50.9	48.00	50.1	29.9	36.00	38.4	0.0	0.0	0.0

Source: 2010 U.S. Census; 01/01/2016 - 12/31/2016 Bank Data, 2016 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 2016

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
Calhoun	26	3,852	50.0	388	21.7	0.0	1.5	16.4	0.0	5.7	16.2	11.5	17.0	45.7	88.5	53.6	0.0	0.0	22.2
Victoria	25	3,524	50.0	2,091	23.5	4.0	3.2	16.1	12.0	9.6	19.8	28.0	16.6	40.7	56.0	43.5	0.0	0.0	27.1
Total	51	8,166	100.0	2,479	23.1	2.0	2.9	16.2	6.0	9.0	19.1	19.8	16.7	41.7	72.3	45.1	0.0	0.0	26.3

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

Table O : Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography **2017-18**

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
Calhoun	131	26,053	67.9	340	0.0	0.0	0.0	17.9	8.4	14.4	18.9	33.6	27.9	63.1	58.0	57.6	0.0	0.0	0.0
Victoria	62	8,785	32.1	1,965	2.2	0.0	1.5	26.6	24.2	23.2	24.5	37.1	24.0	46.7	38.7	51.2	0.0	0.0	0.0
Total	193	34,838	100.0	2,305	1.7	0.0	1.3	24.8	16.3	21.9	23.3	35.5	24.6	50.2	48.4	52.2	0.0	0.0	0.0

Source: 2015 ACS Census; 01/01/2017 - 12/31/2018 Bank Data, 2017 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 **2017-18**

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
Calhoun	131	26,053	67.9	340	17.2	2.3	3.2	16.0	5.3	7.9	16.0	11.5	17.9	50.7	74.8	49.4	0.0	6.1	21.5
Victoria	62	8,785	32.1	1,965	23.4	0.0	4.5	16.9	12.9	11.2	18.0	9.7	15.8	41.6	59.7	37.2	0.0	17.7	31.3
Total	193	34,838	100.0	2,305	22.2	1.2	4.3	16.7	9.1	10.7	17.7	10.6	16.1	43.4	67.3	39.0	0.0	11.9	29.8

Source: 2015 ACS Census; 01/01/2017 - 12/31/2018 Bank Data, 2017 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 **2016**

Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
Calhoun	21	634	51.2	277	0.0	0.0	0.0	15.4	0.0	9.0	44.5	61.9	53.8	40.1	38.1	37.2	0.0	0.0	0.0
Victoria	20	3,859	48.8	1,716	3.1	0.0	3.3	21.2	20.0	20.0	49.7	45.0	48.4	25.8	35.0	28.0	0.2	0.0	0.4
Total	41	4,493	100.0	1,993	2.6	0.0	2.9	20.3	10.0	18.5	48.9	53.5	49.1	28.1	36.6	29.3	0.2	0.0	0.3

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

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues **2016**

Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Calhoun	21	634	51.2	277	79.0	81.0	33.9	4.8	19.1	16.2	0.0
Victoria	20	3,859	48.8	1,716	79.4	50.0	37.2	5.5	35.0	15.1	15.0
Total	41	4,493	100.0	997	79.3	65.5	35.5	5.4	27.0	15.3	7.5

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

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																			2017-18	
Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	
Calhoun	43	3,861	51.8	257	0.0	0.0	0.0	13.0	0.0	8.9	14.9	67.4	26.1	72.1	32.6	65.0	0.0	0.0	0.0	
Victoria	40	7,925	48.2	1,714	2.2	0.0	2.6	35.1	20.0	29.8	25.8	35.0	23.7	36.8	45.0	43.8	0.1	0.0	0.1	
Total	83	11,786	100.0	1,971	1.8	0.0	2.3	31.6	10.0	27.0	24.1	51.2	24.0	42.3	38.8	46.6	0.1	0.0	0.1	

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

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues												2017-18	
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available			
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans		
Calhoun AA	43	3,861	51.8	257	78.6	55.8	44.0	5.1	34.9	16.3	9.3		
Victoria MSA	40	7,925	48.2	1,714	78.8	52.5	41.9	5.9	40.0	15.3	7.5		
Total	83	11786	100.0	1,971	78.8	54.2	42.2	5.7	37.5	15.5	8.4		

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

Table U: Assessment Area Distribution of Consumer Loans by Income Category of the Geography													2016	
Assessment Area:	Total Consumer Loans			Low-Income Tracts		Moderate-Income Tracts		Middle-Income Tracts		Upper-Income Tracts		Not Available-Income Tracts		
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	
Calhoun	20	203	50	0.0	0.0	18.7	11.5	48.6	57.7	32.7	30.8	0.0	0.0	
Victoria	20	462	50	4.7	5.0	21.9	10.0	50.0	45.0	23.4	40.0	0.0	0.0	
Total	40	665	100	3.8	2.5	21.2	10.8	49.7	51.4	25.3	35.4	0.0	0.0	

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

Table V - Assessment Area Distribution of Consumer Loans by Income Category of the Borrower													2016	
Assessment Area:	Total Consumer Loans			Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Not Available-Income Borrowers		
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	
Calhoun	20	203	50	21.9	15.4	15.7	23.1	16.9	19.2	45.5	42.3	0.0	--	
Victoria	20	462	50	24.4	5.0	16.7	5.0	17.8	50.0	41.2	35.0	0.0	5.0	
Total	40	665	100	23.9	10.2	16.5	14.1	17.6	34.6	42.0	38.7	0.0	2.5	

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

Table U: Assessment Area Distribution of Consumer Loans by Income Category of the Geography **2017-18**

Assessment Area:	Total Consumer Loans			Low-Income Tracts		Moderate-Income Tracts		Middle-Income Tracts		Upper-Income Tracts		Not Available-Income Tracts	
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans
Calhoun	48	555	54.6	0.0	0.0	19.5	20.8	17.3	37.5	63.1	41.7	0.0	0.00
Victoria	40	498	45.5	3.3	0.0	33.9	22.5	24.8	22.5	37.9	55.0	0.0	0.0
Total	88	1,053	100.0	2.7	0.0	31.1	21.7	23.3	30.0	42.9	48.4	0.0	0.0

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

Table V - Assessment Area Distribution of Consumer Loans by Income Category of the Borrower **2017-18**

Assessment Area:	Total Consumer Loans			Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Not Available-Income Borrowers	
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans
Calhoun	48	555	54.6	18.7	16.7	13.9	16.7	17.1	16.7	50.3	31.3	0.0	18.8
Victoria	40	498	45.5	23.3	15.0	16.6	10.0	18.2	20.0	41.9	45.0	0.0	10.0
Total	88	1,053	100.0	22.4	15.9	16.1	13.4	17.9	18.4	43.6	38.1	0.0	14.4

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