



PUBLIC DISCLOSURE

July 2, 2020

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

First National Bank Texas
Charter Number: 5750

507 N. Gray
Killeen, Texas 76541

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

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

Table of Contents

Overall CRA Rating.....	3
Description of Institution.....	5
Scope of the Evaluation.....	8
Discriminatory or Other Illegal Credit Practices Review.....	9
State Rating.....	10
STATE OF TEXAS.....	10
STATE OF ARIZONA.....	58
STATE OF NEW MEXICO.....	79
Appendix A: Scope of Examination.....	A-1
Appendix B: Summary of MMSA and State Ratings.....	B-1
Appendix C: Definitions and Common Abbreviations.....	C-1
Appendix D: Tables of Performance Data.....	D-1

Overall CRA Rating

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

The following table indicates the performance level of **First National Bank Texas (FNBT)** with respect to the Lending, Investment, and Service Tests:

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

* The Lending Test is weighted more heavily than the Investment and Service Tests when arriving at an overall rating.

The major factors that support this rating include:

Lending Test

- FNBT lending levels in the majority of the bank’s AAs reflect excellent to adequate responsiveness to assessment area (AA) credit needs when comparing lending activity to AA deposits.
- FNBT’s geographic loan distributions and distributions by borrower income or revenue are good in most AAs. Consumer loan geographic and borrower income distributions are excellent in all AAs.
- A significant majority of the bank’s lending activities are in its AAs.
- FNBT has made an adequate number of CD loans which has a positive influence on the Lending Test performance.
- The bank makes good use of flexible loan products to meet AA credit needs.

Investment Test

- FNBT’s performance, as measured by dollar volume of investments, is overall good. In all states, the bank’s community development related investment activities are good or adequate. The bank’s investments in SBIC investments and contributions to affiliate First Community Foundation benefit all of the bank’s AAs, which also had a positive impact on the Investment Test performance.

Service Test

- Retail delivery systems are readily accessible in the majority of AAs in all of the rating areas.

- FNBT provides banking services through a number of alternative delivery systems (ADS), including an expansive ATM network, online banking, mobile banking, and mobile payment solutions.
- The bank's opening and closing of branches has not affected the accessibility of its delivery systems, particularly in low-and moderate-income (LMI) geographies and to LMI individuals.
- Branch hours are tailored to the convenience and needs of the bank's AAs.
- CD service activities are good or adequate in most of the bank's larger AAs and excellent in the Killeen AA.

Lending in Assessment Area

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

The bank originated and purchased 90 percent of total loans inside its AAs during the evaluation period. This analysis is performed at the bank, rather than the AA, level. The bank did not have any affiliate lending activities included in this assessment.

Primary loan products include home mortgage and consumer loans. The bank also focuses on small business loans in the head office location, and in AAs where the bank's traditional branches and commercial loan production offices are located. Farm loans are not a primary product but are included in the table below for informational purposes. Consumer loans originations in the table below, include all consumer loans, with the exception of purchased government guaranteed student loans, which are presented separately for informational purposes.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total	Dollar Amount of Loans \$(000s)				
	Inside		Outside			Inside		Outside		Total
	#	%	#	%		#	\$	%	\$	%
Home Mortgage	3,853	94.1	241	5.9	4,094	672,986	92.7	53,298	7.3	726,284
Small Business	215	95.1	11	4.9	226	41,040	95.7	1,849	4.3	42,889
Small Farm	2	66.7	1	33.3	3	172	54.1	146	45.9	318
Consumer	320,377	91.7	28,816	8.3	349,193	296,406	91.7	26,755	8.3	323,160
Purchased Student Loans	13,802	66.4	6,999	33.6	20,801	83,928	59.13	58,012	40.9	141,940
Total	338,249	90.3	36,068	9.6	374,317	1,094,532	88.7	140,060	11.3	1,234,591

*Source: Bank Data
Due to rounding, totals may not equal 100.0%*

Description of Institution

First National Bank Texas (FNBT) is a \$2.2 billion interstate bank headquartered in Killeen, Texas. FNBT was chartered in 1901 and is 100% owned by First Community Bancshares, Inc. (FCBI) of Texas. FCBI also owns 100% of Fort Hood National Bank (FHNB), which is located on the Fort Hood Army post, adjacent to the city of Killeen.

FNBT has an expansive branch and ATM network in Texas, New Mexico, Arizona, and Arkansas. At year-end 2019, the bank had 326 branches and 371 ATMs. FNBT customers also have access to an additional 45 ATMs on the base of affiliate FHNB. The bank's five Arkansas branches and ATMs opened in fourth quarter of 2019 are not included in the scope of this evaluation. The bank has eleven traditional branch offices in Killeen, Houston, Fort Worth, and San Antonio. The majority of the traditional branches, 54 percent, are in Killeen where the head office is located. The branches in Fort Worth and San Antonio are new since the previous evaluation period. These offices are limited service branches and were previously mortgage and commercial loan production offices (LPOs). The remaining branches are located in retail grocery stores such as Wal-Mart, HEB, and Kroger. FNBT operates their store branch network under the name "First Convenience Bank". The bank's home mortgage department operates under the name First Community Mortgage (FCM). FCM has eleven mortgage LPOs, most of which are in Texas, including six in the Killeen, two in El Paso, one in Corpus Christi, one in the Houston AA, and one in the Phoenix, Arizona AA.

The bank's largest loan and deposit market area is Texas with 95 percent of total deposits and 87 percent of the locations. By deposit share, the Killeen AA is the largest AA with 32 percent of bank deposits and eighteen branches. The Killeen AA is also FNBT's largest market for residential and commercial lending. Houston is the next largest market in deposits, branches, and commercial loans, while El Paso is 2nd largest residential loan market. FNBT opened their first branches in Arizona and New Mexico in 2011. The percentage of FNBT's deposits in these two states is minimal with 3 percent in Arizona and 2 percent in New Mexico.

FNBT offers traditional loan and deposit products for consumers and small businesses, including flexible products designed to meet the needs of low-and moderate income individuals and families. FNBT offers retail services in all branch locations including loan and deposits products, new deposit account opening, debit card services, mobile and online banking enrollment. Additional services offered at select branches include notary, coin machines, deposit taking Interactive Teller Machines (ITMs), night deposit, Western Union bill pay, and money transfers. The bank also supports online deposit account opening. During the evaluation period, the bank upgraded the online account opening experience to offer photo data capture, which allows customers to more quickly complete applications. Consumer customers may use the online application service to obtain a checking account, savings account, and debit cards. FNBT also upgraded approximately 272 ATMs, during the evaluation period and these ATMs now support greater security by accepting cards with EMV chips and they provide advance warning and messaging to customers when a requested transaction will overdraw their accounts. This feature allows customers to cancel the transaction before incurring an overdraft or fee for insufficient funds.

To increase access to banking services, since the previous evaluation FNBT has also introduced emerging payment technologies such as digital wallets, person-to-person payments, and an auto-buying service. FNBT also supports Apple Pay, Samsung Pay, and Masterpass, which are free services that allow customers to use smart phones for payments. FNBT has also enhanced the bank's mobile banking

application to support viewing of check images, access to person-to-person payments, bill pay, mobile check deposits, as well as additional security features that support stronger authentication through touch ID, facial biometrics, and passcodes to perform transfers. Mobile customers can also control account and debit card alerts, turn off debit cards, and send notifications for card activity and card status changes.

FNBT introduced a new e-Account in May of 2017, which is modeled after the FDIC SAFE Account parameters to serve underbanked customers. The e-Account is a demand deposit account that has a predictable monthly maintenance fee of \$7 that can be reduced to \$5 by enrolling in E-Statements and is designed for electronic transactions. The account does not offer check writing privileges and does not have any overdraft related services.

FNBT also launched the Power Stash account June of 2019, as a new, innovative low-cost demand deposit account that serves as a companion account to checking accounts to aid budgeting, savings, and preparing for emergencies. The account is an innovative alternative to a traditional savings accounts in which transfer and withdrawal limitations maybe imposed. The low monthly service charge of \$5 is only assessed if the customer is not enrolled in E-Statements and does not maintain another active checking relationship. The bank developed this product in response to a Federal Reserve survey in May 2018, which found that 40 percent of U.S. adults would find it difficult to cover a \$400 emergency. To encourage savings though the Power Stash account, FNBT offered cash incentives through the end of 2019 for customers that accumulated \$400 or more in their Power Stash account. On December 31, 2019, the bank had opened 27,743 Power Stash accounts with an average balance of \$386. The bank paid incentives to participating customers totaling \$142 thousand. As part of this program, FNBT also allowed employees to designate contributions to one of three charitable organizations for each new Power Stash account opened for a customer. At year-end 2019, the bank had contributed a total of \$37 thousand through this program to three nationwide charitable organizations.

Consumer lending is the primary focus in First Convenience locations, and residential lending is a primary product in areas where FCM has established LPOs. In AAs without mortgage LPOs, FNBT District Managers take applications and work with FCM to meet customer needs. Small business and commercial loan applications are available through all locations, but the majority of commercial lending is performed in the traditional branch offices or in the AAs where commercial loan officers are located. FNBT offers consumer and business credit card products through a correspondent banking relationship. Customer demographics and identified needs help drive the bank's delivery channels for its product and services.

FNBT's lending processes are centralized and loan officers are not available in all locations; but consumer loan applications and mortgage pre-qualification applications can be submitted at all branch locations and online through the bank's website. Customers requesting commercial loan products are referred to the appropriate lenders in Killeen, Houston, Fort Worth, or San Antonio by email or telephone. When commercial inquiries do not meet FNBT policy requirements, bank lenders may refer applicants to the Central Texas Certified Development Company, and non-profit small business and micro lenders such as LiftFund, which operates in several of the bank's markets in Texas and New Mexico, and WESST which operates in New Mexico. During the evaluation period, FNBT referred 106 small business customers to these entities which provided funding for seven bank customers totaling \$277 thousand.

Since 2015, FNBT has increased lending in municipalities across Texas, Arizona, and New Mexico. Lending to municipalities may not always meet the definition of a CD loan for CRA purposes, but management indicates that the bank's municipal lending activities allow communities to foster economic growth through essential infrastructure, job creation, and improving equipment and facilities for the public.

The bank offers flexible underwriting standards on small loan products like the unsecured consumer Smart Cash product. FNBT has offered the Smart Cash small dollar loan product since 2010 as an affordable alternative to payday and auto title lenders. The Smart Cash loan allows borrowers to get an unsecured loan with reasonable terms and to build their credit. Smart Cash loans range from \$250 to \$1,250 with a term of four- to nine-months. The interest rate on a Smart Cash loan ranges from 12 percent on loans up to \$400, and 18 percent for loans \$401-\$1250 with a small administrative fee ranging from \$10 to \$20 based on loan amount. The annual percentage rate will never exceed 36 percent, including fees. The Smart Cash loan also includes a financial education component. Demand for this product has continued to grow. Loan originations have increased significantly from \$43 million during the previous evaluation period to approximately \$122 million during this evaluation period. During 2016-2019 FNBT originated over 190 thousand Smart Cash loans with a loan amount averaging \$644. This consumer loan product is the bank's largest product by number of loans, followed by the Fresh Start Loan (FSL) product, and automobile loans.

The bank's FSL product is another small dollar loan product to assist customers in repayment of overdrafts. The FSL allows customers to repay overdrafts over a longer period of time at a reasonable interest rate of 18 percent. The bank has established controls on this loan product to encourage good account management, including maximum loan amounts from \$200 to \$1,000, term limits of four to six months, limits on the number of FSLs per year, and an overdraft cooling period during and after the FSL is repaid.

FNBT's mortgage department, FCM, specializes in government guaranteed loan programs, including those offered by the Veteran's Administration (VA) and the U.S. Federal Housing Administration (FHA). These programs offer longer term fixed rate products, lower down payments, and flexible underwriting standards. The bank also participates in special bond programs that provide affordable housing opportunities, down payment and closing cost assistance in the bank's AAs. FCM sells the majority of its loans on the secondary market, but the bank also retains a portion of these loans and sells participations in home loans to affiliate FHNB.

Since 2012, FNBT has also purchased rehabilitated government guaranteed student loans. The rehabilitated loan program provides borrowers in default with an opportunity to establish an affordable repayment plan and to re-establish their credit histories. After sustained performance of at least 10 months, the loans may be sold to lending institutions such as FNBT. During this evaluation period, FNBT purchased approximately 21 thousand rehabilitated student loans totaling \$142 million. Management reports indicate that approximately 66 percent of the number and 59 percent of the dollar volume of purchased student loans are in the bank's AAs.

Since the last evaluation, FNBT has introduced other new products and services, including a new insurance subsidiary, small business lending office, and SBA lending program. In May 2018, FNBT established its Small Business Administration (SBA) lending department to invest further in the small business community. FNBT was certified as an SBA Preferred Lender in 2018.

In 2017, FNBT established an affiliate subsidiary, First Community Foundation, Inc. The purpose of this organization is to invest and support financial education, financial literacy, and community development in all of the bank's AAs. Activities of this affiliate are considered in this evaluation in the Investment and Services Tests.

The bank's loan portfolio totaled \$1.1 billion at year-end 2019. Total loans have doubled since the previous evaluation period, representing 52 percent of total assets as compared to 32 percent in the previous

evaluation. The bank has experienced growth in all segments of its loan portfolio, with the majority of growth in municipal finance, consumer and automobile loan portfolios, commercial real estate, as well as the residential, and construction loan portfolios. At year-end 2019, consumer loans, which include small dollar loans, automobile, and rehabilitated student loans represented 27 percent of the bank's total loan portfolio, followed by municipal and residential 1-4 family loans each representing 22 percent, commercial real-estate at 19 percent, construction loans at 9 percent, and commercial /farm loans at 1 percent. The bank's loan-to-deposit ratio has increased from an average of 34 percent during the last evaluation period to 51 percent over this evaluation period.

FNBT's total assets have also increased significantly from \$1.6 billion at the previous evaluation to \$2.2 billion at the end of 2019. The majority of this growth has resulted from new branches and strong deposit growth of new and established customers. There have been no mergers or acquisitions during this evaluation period, July 6, 2016 through December 31, 2019. The bank's tier 1 capital totaled \$179 million at year-end 2019 representing 8.8 percent of average assets.

The bank has 35 AAs within three rating areas, Texas, Arizona, and New Mexico. The rating and AAs are described in more detail later within this Public Evaluation (PE). FNBT was rated Satisfactory in the previous evaluation dated July 5, 2016. There are no legal or financial factors impeding the bank's ability to meet the credit and community development (CD) needs of its AAs.

Scope of the Evaluation

Evaluation Period/Products Evaluated

This PE includes an evaluation of the bank's performance under the Lending, Investment, and Service Tests. The evaluation period for lending is January 1, 2016 through December 31, 2019. The evaluation period for CD lending, investments, and services is July 6, 2016 through December 31, 2019. The bank's five Arkansas branches and ATMs opened in fourth quarter of 2019 are not included in the scope of this evaluation.

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.

In our evaluation of lending performance, we reviewed one-to-four family mortgage loans subject to filing under the Home Mortgage Disclosure Act (HMDA), and loans to small businesses reported under the Community Reinvestment Act (CRA). The volume of reported farm loans was too small to provide a meaningful analysis; however, we did include these loans in our analysis of lending activity within the bank's AA, which is detailed later in this PE. Due to the significant volume of consumer loans, we also sampled consumer loans, focusing primarily on the Smart Cash loan product, which is the largest product by number. Our lending analysis did not include purchased student loans because income information was not available on this product. Our assessment of the bank's municipal lending focused on loans with a community development purpose. We also evaluated CD loans, investments, including donations, retail delivery, and CD services.

For the geographic and borrower distribution analysis, we evaluated loans originating in 2016 in comparison to the 2010 United States (U.S.) Census data and we compared loans originating in 2017 through 2019 to the updated 2015 American Community Survey (ACS) census data effective January 1,

2017. During 2019, the Office of Management and Budget (OMB) revised geographic boundaries for metropolitan areas. The OMB changes only affected one county in two of the bank's 35 AAs. The affected AAs were Fort-Worth and the TX-Non-MSA. In 2019, One county, Hood County moved from the Fort Worth MSA to a rural non-MSA county. We analyzed activity separately in 2019 for both of these AA and found that the AA demographics were substantially the same. Therefore, the lending data for 2017-2019 was presented together in the Appendix D Tables.

Selection of Areas for Full-Scope Review

In each state where the bank has an office, one or more AA(s) 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 section for details regarding how full-scope AAs were selected. Refer to Appendix A, Scope of Examination, for a list of full- and limited-scope AAs.

Ratings

The bank's overall rating is a blend of the state ratings. FNBT did not have any multi-state AAs or a multistate rating during this evaluation period. When applicable, multi-state ratings are also considered in the overall rating. The state rating is based on the bank's performance in all AAs. Refer to the "Scope" section under each State for details regarding how the areas were weighted in arriving at the respective ratings.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 C.F.R. §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 assessment area 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 (or any affiliate whose loans have been considered as part of the institution's lending performance) has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

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

State Rating

State of Texas

CRA rating for the State of Texas: Satisfactory

The Lending Test is rated: High Satisfactory

The Investment Test is rated: High Satisfactory

The Service Test is rated: High Satisfactory

The major factors that support this rating include:

- Lending levels reflect good responsiveness to the meeting AA credit needs
- A good geographic distribution of loans in its AAs
- A good distribution of loans by income level of the borrower, the distribution of consumer loans was excellent
- An adequate level of CD loans, positively impacting the overall conclusion
- Excellent level of flexible lending products, particularly affordable home mortgage products, and small dollar loan products that had a positive impact on the Lending Test.
- A significant level of qualified, responsive investments, donations and grants
- Retail delivery systems are readily accessible to low-and moderate-income (LMI) geographies
- A relatively high level of community development services.

Description of Institution's Operations in Texas

FNBT has 26 AAs within the state of Texas (TX). The AAs in TX include 25 entire or partial metropolitan statistical areas (MSAs) and one rural non-metropolitan area (non-MSA) comprised of 23 counties.

FNBT deposits in Texas represent 95 percent of the bank's total deposits. The bank's largest deposit markets are in Killeen with 34 percent of the state deposits, Houston with 18 percent, and the Dallas MSA with 14 percent.

FNBT provides a full-range of loan and deposit products and services in TX through nine traditional brick and mortar locations in the Killeen and Houston AAs, two limited service commercial branches in the Fort Worth and San Antonio AAs, and 272 retail store branches. The majority of store branches are located in Walmart or Super Walmart, HEB or Kroger grocery stores. In addition, the bank has 325 ATMs throughout the state. FNBT customers also have free access to ATMs owned by affiliate FHNB on the Fort Hood base. The Killeen and El Paso AAs are the bank's largest markets for residential lending. The bank focuses on small business, commercial, and municipal lending in areas where the traditional branch offices are located including, Killeen, Houston, Fort Worth, and San Antonio. The traditional offices in Fort Worth and San Antonio are new this evaluation period, both are limited service branches, primary focusing on commercial

and mortgage lending. Both of these offices opened in first quarter 2019. The bank previously operated LPOs in these two AAs. During the evaluation period, the bank's affiliate, FCM operated as many as 11 home mortgage LPOs in four TX AAs including the Killeen, Houston, Corpus Christi, El Paso, and San Antonio AAs.

The bank's expansive store branch business model is somewhat unique and there are very few comparable banks of this size. FNBT competes in TX markets with community banks and much larger banks with a regional or nationwide presence such as JPMorgan Chase Bank, NA, which has 23 percent of the deposit market and 546 offices in the bank's TX AAs, according to the FDIC's June 30, 2019 Deposit Market Share Report. Bank of America, National Association, ranks second in the bank's TX AAs with 16 percent of deposit market share and 358 offices, followed by USAA Federal Savings Bank with nine percent of the deposit market and one office, and Wells Fargo with eight percent of the market share and 558 offices. FNBT ranks in the 51st position for all TX AAs with a deposit share of 0.21 percent. FNBT's statewide ranking by number of branches is much higher at number five with 282 offices.

During the evaluation period, the bank's AAs in South TX and Houston were significantly impacted by the devastating Hurricane Harvey, which hit landfall in the bank's AA in August 2017. The hurricane stalled over the Houston area for several days and some parts of the bank's AA received over 50 inches of rain. According to the National Hurricane Center, the category 4 storm was the second-most costly hurricane to hit the mainland United States taking nearly 100 lives and resulting in estimated property damages of at least \$125 Billion. The Texas Department of Emergency Management indicated that Harvey was the wettest Atlantic hurricane ever measured. Other news articles from sources like World Vision indicate that the hurricane affected an estimated 13 million people and nearly 135 thousand homes were damaged or destroyed. The Texas Comptroller designated 41 counties in Texas as disaster areas, noting that a 13 county region surrounding the bank's Houston AA was the hardest hit, causing an estimated \$16 billion economic loss during the first year after the hurricane. The storm damage created additional needs and challenges in the bank's TX AAs, including the need for emergency response, housing both temporary and permanent, infrastructure repair, transportation, employment, as well as the need for access to essential banking services for consumers and small businesses.

Killeen-Temple

The bank's Killeen-Temple AA represents a portion of the entire MSA and includes all of Bell and Coryell counties. The AA meets the requirement of the regulation and does not arbitrarily exclude low- or moderate-income geographies. According to 2015 ACS data, the AA consists of 84 CTs, of which three are low-income areas, (3.6 percent), 18 are moderate-income areas (21 percent), 41 are middle-income areas (49 percent), and 17 are upper-income areas (20 percent). Five CTs are not assigned an income classification (6 percent).

FNBT operates 18 branches and ATMs in this AA, along with six FCM LPOs. Six of the offices are traditional branches located within the cities of Killeen, Copperas Cove, and Harker Heights. The remaining locations are in Walmart or HEB stores in Belton, Copperas Cove, Gatesville, Killeen, Harker Heights and Temple.

The tables below include additional census demographic information on the AA.

Table A – Demographic Information of the Assessment Area Assessment Area: TX Killeen-Temple 2016						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	84	3.6	22.6	50.0	19.0	4.8
Population by Geography	385,623	2.2	17.3	58.3	21.5	0.7
Housing Units by Geography	144,773	2.6	18.4	58.5	20.5	0.0
Owner-Occupied Units by Geography	71,432	1.3	8.8	61.7	28.3	0.0
Occupied Rental Units by Geography	50,763	3.6	30.8	54.2	11.4	0.0
Vacant Units by Geography	22,578	4.8	21.0	57.8	16.4	0.0
Businesses by Geography	17,341	1.7	18.1	53.3	26.1	0.8
Farms by Geography	756	1.1	9.4	61.1	28.3	0.1
Family Distribution by Income Level	89,044	19.4	19.1	21.6	39.9	0.0
Household Distribution by Income Level	122,195	21.2	17.7	20.4	40.7	0.0
Median Family Income MSA - 28660 Killeen- Temple, TX MSA		\$54,774	Median Housing Value			\$104,729
			Median Gross Rent			\$796
			Families Below Poverty Level			11.2%
<i>Source: 2010 U.S. and 2016 D&B Data Due to rounding, totals may not equal 100.0% (*) The NA category consists of geographies that have not been assigned an income classification.</i>						

Table A – Demographic Information of the Assessment Area Assessment Area: Killeen-Temple 2019						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	84	3.6	21.4	48.8	20.2	6.0
Population by Geography	402,169	1.6	17.0	53.8	26.4	1.2
Housing Units by Geography	157,531	2.4	17.4	55.7	24.6	0.0
Owner-Occupied Units by Geography	73,098	0.8	8.3	57.1	33.8	0.0
Occupied Rental Units by Geography	58,575	3.2	26.5	53.9	16.4	0.0
Vacant Units by Geography	25,858	4.9	22.3	55.6	17.1	0.0
Businesses by Geography	21,212	4.2	12.8	53.6	29.0	0.4
Farms by Geography	775	2.5	5.9	56.0	35.6	0.0
Family Distribution by Income Level	95,546	20.0	18.7	21.2	40.2	0.0
Household Distribution by Income Level	131,673	22.3	16.8	20.1	40.8	0.0
Median Family Income MSA - 28660 Killeen- Temple, TX MSA		\$58,001	Median Housing Value			\$116,156
			Median Gross Rent			\$877
			Families Below Poverty Level			11.8%
<i>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.</i>						

Market Share

The June 30, 2019 FDIC Deposit Market Share Report for the Killeen-Temple AA shows that FNBT deposits of \$569 million represent a 12 percent deposit market share. FNBT ranked third out of 24 financial institutions operating in the AA. This AA is the bank's largest deposit market. FNBT ranks first in the number of AA branches. The Killeen-Temple AA represents 32 percent of the bank's total deposits and 34 percent in Texas. The bank's largest competitors in this market include Extraco Banks, National Association, with 17 percent of deposit market share and 9 offices, BBVA USA also with 17 percent of the deposit market and 5 offices. After FNBT, National United has the next largest deposit market share with nine percent of the AA deposits and three offices.

FNBT is one of the leading home mortgage lenders in the AA, ranking in the top 10 in three of the four years of this evaluation period, 2016-2018. In 2016, FNBT ranked as high as fifth out of 355 mortgage lenders with \$72 million in home mortgage loan originations and 3.4 percent of the market by number and dollar volume. The number of competitors in this market increased each year, reaching as high as 409 in 2019. The leading home mortgage lenders in this AA throughout the entire evaluation period were Fairway Independent Mortgage Corporation (Fairway) and Wells Fargo Bank, NA (Wells Fargo) with a combined 21 to 25 percent of the market each year. FNBT ranked 13th in 2019 with \$66 million in mortgage loan originations and 2 percent of the originations by number and dollar volume. Other top competitors throughout the evaluation period included: DHI Mortgage Company Limited, Extraco Banks, NA, Freedom Mortgage Corporation, Gateway Mortgage Group, Mortgage Research Center, Navy Federal Credit Union, PennyMac Loan Services, Inc, SWBC Mortgage Corporation, and USAA Federal Savings Bank (USAA).

Small business aggregate data for the years 2016-2018 ranked FNBT in the top 23 – 38 percent of small business lenders in this AA. FNBT ranked the highest in 2016 at 19th out of 84 small business lenders in this market. FNBT had less than 1 percent of the market by number of loan originations and about 2 percent in dollar volume. FNBT competes in this market with much larger regional and national institutions such as American Express National Bank, Bank of America, N.A, Capital One Bank, N.A, JPMorgan Chase Bank, NA, Citibank, NA, as well as local institutions such as Extraco Banks, NA. that focus more on small business lending.

Economic Conditions

The Fort Hood U.S. military base is the leading employer and driving economic force in the Killeen-Temple AA. Data from the Texas Comptroller estimates that the population directly affiliated with Fort Hood contributed at least \$29 Billion to the Texas economy in 2019. Other major industries in the AA include federal, state and local governments, education and health care services, retail and hospitality.

Major AA employers in addition to Fort Hood, include various military defense contractors, Baylor Scott & White Hospital, Central Texas Veterans Healthcare Systems, Advent Health-Central Texas, McLane Company, Inc. Teleperformance, and Wilson Art International. The AA includes four colleges, Central Texas College, Texas A&M Central Texas, University of Mary Hardin Baylor, and Temple College.

Updated U.S. Census estimates in July 2019 and data from Moody's Analytics in May 2020 indicates that the AA has experienced above average population growth since the 2010 census despite declining populations of military personnel stationed at Fort Hood. The majority of growth since 2010 has been in the city of Killeen with approximately 19 percent growth, and in Bell County with an estimated 17 percent

growth. Moody's report indicates that the population growth has driven the need for residential construction, with a stronger demand for single-family housing. According to Moody's Analytics, single-family permits have increased by approximately 26 percent from 2016 to 2019. During this same period, multifamily permits decreased by 53 percent. The Killeen-Temple AA has a relatively low cost of living, compared to other Texas metropolitan areas like Austin and Dallas.

Employment Conditions

According to data from the U.S. Bureau of Labor Statistics (BLS), unemployment in the AA at year-end 2019 was 3.8 percent. The rate is slightly higher than the national average of 3.7 percent and the state average of 3.5 percent. The FFIEC's 2019 median family income (MFI) in the Killeen MSA was 63,300, which is an increase of 11 percent since the 2015 ACS Survey. Moody's report lists below-average per capita income as weakness for the AA, along with low educational attainment of the workforce. Quick Facts from the U.S. Census reported 13 percent of persons in Bell county and 15 percent in Coryell county had income at or below poverty levels in 2018. These poverty levels were similar to the state's 15 percent, but slightly higher than the national level of 12 percent.

Housing

Year-end 2019 data from the Texas A&M University Real Estate Center reflects that sales for single-family homes in the AA increased approximately 10 percent over the past year. The average sales prices rose 9 percent to \$192 thousand, while the median price rose 5 percent to \$164 thousand, which is about 41 percent higher than the median value reported in the 2015 ACS Survey data as reflected in the tables above. Data from Texas A&M also indicated that the months inventory for single-unit housing declined from 2.9 to 2.3 months. HUD's Comprehensive Housing Market Analysis in 2017 indicated that the rental housing market in the AA was soft but improving with declining vacancy rates. The units under construction in 2017 were projected to satisfy forecasted demand. HUD's 2019 fair market rent for a two-bedroom unit in the AA was \$780, slightly lower than median rents reflect in the 2015 ACS survey data presented in the tables above.

According to 2015 ACS US Census data, 46 percent of the total housing units in the AA were owner-occupied, and 37 percent were rental occupied units. In low-income CTs, only 0.8 percent of the units are owner-occupied units, 3 percent are renter occupied units, 7 percent are multifamily housing units, along with 2 percent single family units. In moderate-income CTs, approximately 8 percent are owner-occupied units, 27 percent are renter occupied units, 32 percent are multifamily housing units, and 16 percent are single family units. ACS data reflects an aging housing stock in both low-and moderate-income areas, with a median age of 53 years in low-income CTs and 42 years in moderate-income CTs.

Community Contacts

To help identify needs and opportunities in the AA, the OCC reviewed four regulatory agency contacts with organizations that focus primarily on economic development in Killeen. One contact included a local government organization that focuses on community development programs within the city of Killeen. We also considered information provided by three community organizations in an interagency listening session with financial institutions, regulatory agencies and community organizations. Further, we reviewed the city of Killeen's FY 2019-2020 Annual Action Plan, which is part of the five year 2015-2019 consolidated plan. Community contacts identified needs for small business financing and access to capital. Contacts also identified a need for alternatives to pay-day lenders and the need for financial literacy training programs.

Other opportunities included home buyer and home ownership educational programs, and participation in the city's Home Buyer Assistance program. Another identified need in the AA was career training, internships, and work-force development, particularly for retiring servicemembers or those separating from the military. The city of Killeen's annual action plan also identified concerns with the challenges that low-income borrowers face with mortgage loan qualification as well as declining property values on the aging housing stock in certain low-income areas of Killeen. There may be opportunities for financial institutions to assist with the city's re-development program in targeted areas through flexible loan programs, counseling, educational programs, and participation in down payment assistance programs. Consideration of the annual plan and information provided by community contacts identified other potential lending, investment, and grant opportunities to support various non-profits in the AA that provide services in support of the homeless, local food banks, youth educational programs, and essential medial services for low-income individuals and families in the AA.

Houston

The bank's Houston AA includes all of Brazoria, Fort Bend, Galveston, Harris, and Montgomery counties, which represents a portion of the Houston-The Woodlands-Sugarland MSA. The bank's AA meets the requirement of the regulation and does not arbitrarily exclude low- or moderate-income geographies. Updated 2019 census data reflect that approximately 69 percent of the bank's AA population is centered in Harris county, which is also the largest county in the entire MSA. Fort Bend is the second largest county in this AA, with 12 percent of the population, followed by Montgomery county with 9 percent, Brazoria County with 5.5 percent, and Galveston county with 5 percent of the AA population.

According to 2015 ACS data, the AA consists of 1,039 CTs, of which 158 are low-income areas, (15 percent), 302 are moderate-income areas (29 percent), 258 are middle-income areas (25 percent), and 312 are upper-income areas (30 percent). There are nine CTs which are not assigned an income classification (0.87 percent).

The Houston AA includes the largest number of bank branches of all bank's AAs. FNBT operates 56 branches and ATMs in this AA, along with one FCM LPO. Three of the offices are traditional full-service branches, two of which are located within the city of Conroe (Montgomery county), and one is located in Houston (Harris county). The remaining locations are store branches located primarily in Kroger, HEB, and Walmart stores throughout the AA. The tables below include additional census demographic information on the AA.

Table A – Demographic Information of the Assessment Area						
Assessment Area: Houston 2016						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	1,037	12.5	28.4	26.4	32.2	0.4
Population by Geography	5,738,055	9.6	25.8	28.3	36.0	0.3
Housing Units by Geography	2,147,081	10.8	25.8	27.5	35.9	0.0
Owner-Occupied Units by Geography	1,193,825	4.2	20.7	29.6	45.6	0.0
Occupied Rental Units by Geography	704,777	19.4	32.3	24.8	23.6	0.0
Vacant Units by Geography	248,479	18.1	32.0	25.6	24.4	0.0
Businesses by Geography	435,268	8.1	19.1	24.7	48.1	0.0
Farms by Geography	7,223	4.7	16.4	31.7	47.2	0.0
Family Distribution by Income Level	1,348,472	23.7	16.5	17.5	42.4	0.0
Household Distribution by Income Level	1,898,602	24.1	16.4	16.9	42.7	0.0
Median Family Income MSA - 26420 Houston-The Woodlands-Sugar Land, TX MSA		\$63,898	Median Housing Value			\$156,918
			Median Gross Rent			\$855
			Families Below Poverty Level			11.8%
<i>Source: 2010 U.S. 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>						

Table A – Demographic Information of the Assessment Area						
Assessment Area: Houston 2019						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	1,037	15.2	29.1	24.9	30.1	0.7
Population by Geography	6,157,183	11.9	25.8	27.2	34.7	0.3
Housing Units by Geography	2,329,992	12.5	25.1	26.5	35.7	0.3
Owner-Occupied Units by Geography	1,267,255	5.4	21.0	28.6	44.9	0.1
Occupied Rental Units by Geography	838,075	21.3	30.2	24.1	23.9	0.6
Vacant Units by Geography	224,662	20.2	29.2	22.9	27.4	0.3
Businesses by Geography	548,884	9.5	18.3	22.9	49.2	0.2
Farms by Geography	8,411	5.5	15.7	29.3	49.4	0.1
Family Distribution by Income Level	1,483,768	24.4	16.0	17.0	42.6	0.0
Household Distribution by Income Level	2,105,330	24.8	15.9	16.8	42.5	0.0
Median Family Income MSA - 26420 Houston-The Woodlands-Sugar Land, TX MSA		\$69,373	Median Housing Value			\$174,523
			Median Gross Rent			\$976
			Families Below Poverty Level			12.9%
<i>Source: 2015 ACS and 2019 D&B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

Market Share

The June 30, 2019 FDIC Deposit Market Share Report for the Houston AA shows that FNBT deposits of \$312 million represented 0.13 percent of the AA's total deposit market share. FNBT ranked 45th out of 90 financial institutions operating in the AA. Deposit market leaders include JPMorgan Chase Bank, National Association, with 44.7 percent of deposit market share and 190 offices, Wells Fargo Bank, National Association, with 9.8 percent market share and 174 offices, and Bank of America, National Association, with 9.7 percent market share and 113 offices. FNBT deposits in the Houston AA represent 18.5 percent of the bank's total deposits in Texas.

The Houston AA is very competitive for home mortgages. Aggregate HMDA data during the evaluation period showed as many as 914 mortgage lenders in the AA. FNBT ranked in the top 30-37 percent, ranking as high as 266th in 2017 with a 0.03 percent of the market in 2017 (by number). In 2019, FNBT ranked 333rd out of 910 mortgage lenders in the AA with 0.02 percent of the market (by number of loans).

The competitive market for small business lending is also strong in this AA. Aggregate small business data from 2016-2018 reflected an increased number of lenders in this market each year. In 2018, aggregate data reflected as many as 230 small business lenders in this market. FNBT ranked 90th with a nominal share of the market at 0.01 percent (by number of loans). Larger institutions such as JPMorgan Chase Bank, and American Express National Bank were the market leaders with 43 percent of the small business market by number of loans.

Economic Conditions

Despite the effects of Hurricane Harvey in August 2017, the AA had strong job and income growth during most the evaluation period. A report from Moody's Analytics in May 2020 indicated that prior to the onset of the coronavirus, the entire MSA was growing at double the nation's pace in job growth. Moody's report shows strong entrepreneurship opportunities in the Houston MSA, with more employment in new companies than the rest of Texas or the country. As Moody's report notes, oil and gas industry supports technical and professional services jobs in the AA but the unpredictable energy markets add to the economy's volatility. Another noted strength in the MSA economy is significant trade and export links due to the AA's close proximity of the Texas gulf coast. Major industries include oil and gas, manufacturing, transportation, business and professional services, federal, state, and local governments, education, health services, leisure and hospitality. Top employers in the area include Memorial Hermann Health System, The University of Texas Health Science Center, Schlumberger Ltd., Landry's Inc., and major oil companies such as Exxon Mobil Corp., Chevron Corp, and Shell Oil Co.

Employment Conditions

According to BLS data, the unemployment rate at year-end 2019 for the entire Houston metropolitan area was 3.8 percent, which was slightly higher than state averages of 3.5 percent and national averages of 3.7 percent. In the bank's Houston AA counties, unemployment rates in 2019 ranged from 3.4 percent in Montgomery county to high of 4.2 percent in Brazoria county. Unemployment rates were higher in 2016, reaching highs of 5.3 percent in Harris and Galveston counties. Moody's report in May 2020 shows that per capita income in the area was \$58,283 in 2019, higher than state levels of \$52,504 and national levels of \$56,663. The FFIEC's 2019 MFI in the Houston MSA \$77,100, which is an increase of 11 percent since the 2015 ACS Survey.

As reflected in the tables above, income growth did not improve poverty levels in the AA. Quick Facts from the U.S. Census Bureau in 2018, reflected that persons below poverty levels ranged from 16.5 percent in Harris county, to 9.30 percent in Montgomery county. Further, the 2015 ACS census data shows that 34 percent of households in low income CTs and 20 percent of households in moderate income CTs had income below the national poverty level.

Housing

The cost of living in the Houston MSA is only six percent higher than the national average according to Moody's Analytics, but housing prices have climbed. From 2016 to 2019, Moody's Analytics shows a strong demand for housing with single-family permits increasing by 12.9 percent and multifamily permits increasing by 129.6 percent.

Data from the National Association of REALTORS reported a median sales price of \$246 thousand in 2019, which is an increase of about 6 percent since 2017. Texas A&M's monthly housing reports in December 2019 reported that inventory levels for single-family homes was 3.3 months, which was slightly lower than 3.4 month's supply in prior year. Moody's report showed rental inventory vacancy rates at approximately 9 percent, higher than state and national levels. However, as reflected in the tables above rental rates are also increasing. HUD's 2019 fair market rental rates for a two-bedroom unit was \$1104. The 2015 ACS Census data revealed the burden of rising rental costs with 40 percent of households in low-income CTs and 24 percent in moderate-income CTs reporting rent greater than 30 percent of household income, reflecting a potential need for affordable housing in these areas.

According to the 2015 ACS US Census data, 54 percent of the total housing units in the AA were owner-occupied, and 36 percent were rental occupied units. In low-income CTs, approximately 5 percent of housing units are owner-occupied, 21 percent are renter occupied units, 25 percent are multi-family housing units, and 7 percent are single family units. In moderate-income CTs ACS data shows that 21 percent of housing units are owner-occupied, 30 percent are renter occupied units, 28 percent are multifamily housing units, and 23 percent are single-family units. The median age of housing in low-and moderate-income CTs is higher than in other parts of the AA at 46 years and 42 years respectively.

Community Contacts

To help identify needs and opportunities in the AA, the OCC reviewed five recent regulatory agency contacts with organizations that focus on economic and community development and affordable housing initiatives in the AA. The contacts identified needs for small business lending, including business micro loans, working capital loans for non-profit entities, financial literacy and entrepreneurship programs, and small business training for youth and underserved populations. There are also needs and opportunities in the AA for residential financing, including the construction and permanent financing for affordable mortgages, foreclosure assistance, grants, donations to help provide continued support for stabilization and revitalization in areas affected by Hurricane Harvey. An affordable housing organization in Montgomery county identified an opportunity for financial institutions to help support funding gaps for their down payment assistance program, as well as opportunities to develop and support virtual homebuyer education classes and assist with grant applications.

El Paso

The El Paso AA includes El Paso County, one of two counties that comprise the El Paso MSA. The AA meets the requirements of the regulation and does not arbitrarily exclude any low- or moderate-income geographies. Updated 2019 census data estimates show that the population of El Paso County represents 99 percent of the entire El Paso MSA population and 99 percent of the MSA CTs. The updated census data reflects population growth of 4.8 percent in El Paso county and a slightly higher 5.2 percent in the city of El Paso since the 2010 Census.

The most recent 2015 ACS census data shows that there are 161 CTs in the AA; 10 are designated low-income areas (6.2 percent) 54 are moderate-income areas (33.5 percent), 54 are middle-income areas (33.5 percent), and 42 are upper-income areas (26.1 percent). One CT is not assigned an income classification (0.6 percent).

FNBT operates 16 branches and ATMs in the AA; 12 in Wal-Mart stores, 2 in El Super grocery stores, one in an Albertson's grocery store, and one in a Horizon City Wal-Mart. During the evaluation period, FNBT opened one branch in an El Paso Wal-Mart located in an upper-income CT. FNBT also opened a new commercial LPO in this AA in first quarter 2020. The tables below include additional census demographic information on the AA.

Table A – Demographic Information of the Assessment Area						
Assessment Area: El Paso 2016						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	161	5.6	35.4	29.2	29.2	0.6
Population by Geography	800,647	3.9	32.2	32.3	31.7	0.0
Housing Units by Geography	262,859	4.2	31.6	30.9	33.2	0.0
Owner-Occupied Units by Geography	155,280	1.7	28.4	31.6	38.3	0.0
Occupied Rental Units by Geography	87,663	8.0	37.0	29.7	25.3	0.0
Vacant Units by Geography	19,916	6.6	33.4	31.3	28.7	0.0
Businesses by Geography	37,582	7.1	28.2	27.5	36.3	0.8
Farms by Geography	489	2.9	31.1	27.2	38.7	0.2
Family Distribution by Income Level	186,687	23.5	17.0	17.8	41.7	0.0
Household Distribution by Income Level	242,943	25.1	15.6	16.9	42.4	0.0
Median Family Income MSA - 21340 El Paso, TX MSA		\$40,255	Median Housing Value			\$109,330
			Median Gross Rent			\$637
			Families Below Poverty Level			22.5%
<i>Source: 2010 U.S. 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>						

**Table A – Demographic Information of the Assessment Area
Assessment Area: El Paso 2019**

Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	161	6.2	33.5	33.5	26.1	0.6
Population by Geography	831,095	3.9	27.3	34.5	34.3	0.0
Housing Units by Geography	282,616	4.4	27.6	34.1	33.8	0.0
Owner-Occupied Units by Geography	159,647	1.8	24.7	33.2	40.2	0.0
Occupied Rental Units by Geography	99,965	8.0	31.5	35.8	24.7	0.0
Vacant Units by Geography	23,004	6.7	31.3	32.6	29.4	0.0
Businesses by Geography	45,585	6.9	26.6	30.3	35.5	0.7
Farms by Geography	585	2.9	29.1	28.0	39.8	0.2
Family Distribution by Income Level	194,964	22.3	17.4	19.1	41.2	0.0
Household Distribution by Income Level	259,612	24.6	15.6	18.1	41.7	0.0
Median Family Income MSA - 21340 El Paso, TX MSA		\$46,033	Median Housing Value			\$119,494
			Median Gross Rent			\$763
			Families Below Poverty Level			19.6%
<i>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.</i>						

Market Share

The June 30, 2019 FDIC Deposit Market Share Report shows FNBT has deposits of \$84.7 million in the AA. The deposits represent almost 1 percent of the total deposit market share ranking it 11th of 15 institutions in the AA. Three of the top four market leaders; Wells Fargo Bank, National Association, Bank of America, National Association, and JPMorgan Chase Bank, National Association, are much larger banks with nationwide presence. Collectively, the three banks have a deposit market share of 63.7 percent in the AA. WestStar Bank headquartered in El Paso ranks third with a deposit market share of 17.2 percent. FNBT deposits in the El Paso AA represent 5.01 percent of FNBT deposits in Texas.

In addition to the strong competition from other financial institutions in the AA, FNBT also competes with credit unions, mortgage companies, finance companies, pay-day lenders, and other non-bank competitors. The El Paso AA market is very competitive for home mortgages. Aggregate HMDA data for 2019 showed 329 mortgage lenders in the AA. FNBT ranked 15th with a 1.7 percent share of the market by number of loans and a similar 1.5 percent by dollar volume. During the evaluation period, FNBT ranked as high as 11th in 2017 with \$41 million in originations and a market share of 2.03 percent by number of loans.

Economic Conditions

The HUD market analysis as of March 1, 2020 noted economic expansion in El Paso had continued in 2019 following two years of similar nonfarm payroll job growth. Nonfarm payrolls increased an average of 1.7 percent annually from 2012 to 2017. HUD reported an increase of 1.9 percent for 2018 and 1.8 percent for 2019. In May 2020, Moody's Analytics reported similar trends in job growth prior to the pandemic COVID-19. A report from the National Association of REALTORS indicated that El Paso had low unemployment and a robust economy as of the first quarter of 2020.

HUD's report identified the El Paso MSA, Dona Ana County, New Mexico, and Ciudad Juarez as the North American Border-plex and regional hub for tourism, retail trade, and medical services. These industry sectors are included in the top five employers in the area: Fort Bliss, T&T Staff Management, TH Medical, El Paso Community College, and UMC Health System. The Texas Comptroller of Public Accounts estimates that the population affiliated with Fort Bliss contributed at least \$25.6 billion to the Texas economy in 2019. The University of Texas at El Paso, and Texas Tech Health Sciences Center, federal, state, and local governments are also major employers in the area.

Employment Factors

According to BLS, at year-end 2019, the unemployment rate was 3.8 percent for the El Paso AA. The rate is slightly higher than the state average of 3.5 percent and national average of 3.7 percent. The Moody's Analytics report identified low educational attainment and the temporary nature of much of the local labor market as weaknesses. Average annual earnings for many job categories especially those for leisure and hospitality services in El Paso are lower than Texas and national averages. Updated 2019 information from the FFIEC reported an MFI of \$50,200 in the El Paso MSA, which is an increase of 9 percent since the 2015 ACS survey. As indicated in the tables above, poverty levels in the AA are high. The percentage of families below poverty levels was estimated to be 19.6 percent in the 2015 ACS survey, which is higher than state and national averages for the years 2015-2016. Quick Facts from the U.S. Census Bureau estimated persons below poverty levels in the AA approximated 20.5 percent in 2018, which is also higher than state levels at 14.9 percent and national levels of 11.8 percent. Further 2015 ACS census data shows that 10 percent of households in low income CTs and 42 percent in moderate income CTs had income below the national poverty level.

Housing Characteristics

HUD issued a Comprehensive Housing Market Analysis for El Paso, Texas as of March 1, 2020. It noted the home sales market is balanced with an estimated current vacancy rate of 1.6 percent. The inventory of homes for sale is down to a 2.6-month supply as compared to 3.5 month in 2018. A report from the National Association of REALTORS shows that median sales price of existing single-family homes for the El Paso MSA increased 8.5 percent between 2017 and 2019 from \$151.5 thousand to \$164.4 thousand.

Historically, homeownership in El Paso had been relatively inexpensive but since the foreclosure crisis and increased number of distressed sales in 2010, home prices have increased. HUD reports that 18 percent of existing home sales between 2011 and 2015 were foreclosed homes. The level declined to 15 percent between 2016 and 2017 and currently is down to 7 percent. Excess inventory has been absorbed driving new home sales prices upward. In February 2020, the average sales price for a new home was \$217,400, an increase of 9 percent from the previous year. During the 12 months ending February 2020, more than 53 percent of new homes sold in El Paso were in the \$250 thousand to \$500 thousand price range. New home sales had declined 39 percent the past year after increases the previous two years, as rising construction costs restricted home builders from producing lower-priced homes. HUD reports that rising home sales prices have acted as a barrier to entry into homeownership. From 2010-2018, the homeownership rate has declined 2 percent despite improved economic conditions.

HUD's report also noted that the rental housing market conditions are balanced. Rental construction activity in the El Paso MSA has been slower since 2016, as compared to permitting in 2010-2015. The increased rental construction from 2010-2015 has contributed to stable vacancy rates and moderate rent

increases. HUD's fair market rent for a 2 bedroom unit in the El Paso MSA was \$831, which is an 8.9 percent increase from the 2015 ACS data presented above.

According to the 2015 ACS US Census data, 56 percent of the total housing units in the AA were owner-occupied, and 35 percent were rental occupied units. In low-income CTs, approximately 2 percent of the housing units are owner-occupied, 8 percent are renter occupied units, 12 percent are multi-family housing units, and 3 percent are single-family units. In moderate-income CTs, 25 percent of the housing units are owner-occupied units, 31 percent are renter occupied units, 33 percent are multifamily housing units, and 25 percent are single-family units. ACS data in 2015 also reflects aging housing stock in low- and moderate-income areas with a median age of 57 years in low-income CTs, and 47 years in moderate-income CTs.

Community Contacts

To help identify needs and opportunities in the AA, the OCC performed a regulatory agency contact with an organization that focuses on affordable housing in the AA and we reviewed community contact information completed by another regulatory agency for another institution in the AA. The contacts identified financial literacy as a need, both for people who are currently unbanked and underbanked; and for small business owners. Another identified credit need was flexible, affordable mortgage products.

Many owners of small businesses have little business experience or a poor understanding of business management concepts. Financial institutions could assist small business owners in developing financial literacy skills, specifically in understanding how to prepare for and apply for credit. Another contact identified the need for startup businesses to have access to funds and the difficulty businesses have in obtaining financing due to the high-risk nature of certain business industries. Contacts in the affordable housing sector stated demand is higher than supply for affordable housing. The contact noted there are many affordable housing projects currently underway, and more will be scheduled over the next several years. The affordable housing organization also provides a program to improve the economic situation of participants and not all have banking relationships when they enter the program. FNBT's secured credit card program was mentioned as a good option for individuals to establish a bank account. Other identified opportunities include funding and support of Individual Development Account (IDA) programs to encourage savings, and funding for programs that support increased access to broadband and high-speed internet.

San Antonio

FNBT's San Antonio AA includes Atascosa, Bexar, and Wilson counties, which represents a portion of the entire San Antonio MSA. The bank's defined AA meets the requirement of the regulation and does not arbitrarily exclude low- or moderate-income geographies. Updated 2019 census data estimates reflect that about 95 percent of the bank's AA population is centered in Bexar county, which is also the largest county in the San Antonio MSA. Atascosa and Wilson counties each represent about 2.5 percent of the AA population.

According to 2015 ACS data, the AA consists of 385 CTs, of which 33 are low-income areas, (8 percent), 134 are moderate-income areas (35 percent), 103 are middle-income areas (27 percent), and 111 are upper-income areas (29 percent). Also, there are 4 CTs without an assigned an income classification (1 percent).

FNBT operates 13 branches and ATMs in this AA. All but one of the branches in this AA are store branches, in HEB or Walmart. In January 2019, FNBT converted a former commercial and mortgage LPO in San Antonio into a limited service commercial branch office that focuses primarily on servicing the bank's commercial and mortgage loan customers in this AA. The majority of the bank's store branches are in the city of San Antonio (Bexar county). Other store branches are located in the cities of Floresville (Wilson county), La Vernia (Wilson county), and Pleasanton (Atascosa county). The tables below include additional census demographic information on the AA.

Table A – Demographic Information of the Assessment Area						
Assessment Area: San Antonio 2016						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	385	9.4	31.2	30.1	28.3	1.0
Population by Geography	1,802,602	7.4	31.6	31.8	29.2	0.0
Housing Units by Geography	676,025	7.1	31.1	32.7	29.1	0.0
Owner-Occupied Units by Geography	385,911	5.0	26.5	33.4	35.2	0.0
Occupied Rental Units by Geography	223,289	10.1	37.3	31.8	20.9	0.0
Vacant Units by Geography	66,825	9.2	37.5	32.1	21.2	0.0
Businesses by Geography	109,817	5.5	23.4	30.6	40.3	0.3
Farms by Geography	2,398	3.5	18.0	35.2	43.2	0.1
Family Distribution by Income Level	417,381	23.9	17.3	19.4	39.4	0.0
Household Distribution by Income Level	609,200	25.5	16.5	18.2	39.8	0.0
Median Family Income MSA - 41700 San Antonio- New Braunfels, TX MSA		\$58,222	Median Housing Value			\$132,807
			Median Gross Rent			\$774
			Families Below Poverty Level			13.1%
<p><i>Source: 2010 U.S. 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></p>						

**Table A – Demographic Information of the Assessment Area
Assessment Area: San Antonio 2019**

Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	385	8.6	34.8	26.8	28.8	1.0
Population by Geography	1,918,061	7.0	32.8	29.3	30.9	0.0
Housing Units by Geography	709,927	6.7	32.7	29.5	31.0	0.0
Owner-Occupied Units by Geography	386,191	5.0	26.6	29.4	39.1	0.0
Occupied Rental Units by Geography	263,480	8.5	40.2	29.8	21.5	0.0
Vacant Units by Geography	60,256	10.6	39.2	29.5	20.7	0.0
Businesses by Geography	136,158	4.9	22.8	28.9	43.2	0.3
Farms by Geography	2,812	2.3	17.3	32.4	47.9	0.1
Family Distribution by Income Level	443,029	23.9	17.6	19.3	39.3	0.0
Household Distribution by Income Level	649,671	25.4	16.2	18.0	40.4	0.0
Median Family Income MSA - 41700 San Antonio- New Braunfels, TX MSA		\$62,228	Median Housing Value			\$145,949
			Median Gross Rent			\$890
			Families Below Poverty Level			13.6%
<i>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.</i>						

Market Share

The June 30, 2019 FDIC Deposit Market Share Report for the San Antonio AA shows that FNBT deposits of \$31.6 million represented a nominal 0.03 percent of the AA deposit market share. FNBT ranked 41st out of 47 financial institutions operating in the AA. The bank's largest competitors in this AA include USAA Federal Savings Bank, with 68 percent of deposit market share and 1 office, Frost Bank with 6.5 percent of the deposit market share and 31 offices, and Citibank, National Association, with 5.9 percent of the deposit market share and one office. In addition to strong competition from banks and savings associations, FNBT faces other competitors in this market including credit unions, mortgage companies, finance companies, pay-day lenders, and other non-bank competitors. This AA represents 1.87 percent of the bank's deposits in Texas.

Aggregate HMDA and small business data reflect that FNBT has a nominal share of home mortgage and small business lending in this AA. In 2019 FNBT ranked as high as 203rd out of 654 mortgage lenders with 0.03 percent of the market share. In small business lending, FNBT ranked as high as 74th in 2017 with a 0.02 percent market share (by number) out of 149 small business lenders in the AA. FNBT focused primarily on consumer lending in this market prior to opening of an LPO in 2015 and the subsequent branch conversion in 2019.

Economic Conditions

According to a report from Moody's Analytics in April 2020, job growth in the San Antonio-New Braunfels MSA had been advancing above national averages prior to first quarter 2020. Major industries in the AA include government and defense sectors, education and health services, professional and business services, tourism, leisure and hospitality, and retail trade. Portions of the bank's AA in Atascosa and Wilson counties

are in the Eagle Ford Shale. The energy industry is a significant economic driver in these areas. Moody's report indicates that the AAs proximity to Mexico supports trade and distribution in the Southwest. Major employers in the AA include the United States Joint Base San Antonio (Air Force), HEB, USAA, Methodist and Baptist health care systems, AT&T, and financial institutions such as JP Morgan Chase, Wells Fargo, and Frost Bank.

Employment Conditions

According to BLS the unemployment rate at year-end 2019 for the entire San Antonio-New Braunfels MSA was 3.1 percent, lower than the state average of 3.5 percent and national average of 3.7 percent. Unemployment rates within the bank's San Antonio AA counties ranged from a very low 2.8 percent in Wilson county to 3.1 percent in Bexar County, and 3.6 percent in Atascosa county. Unemployment rates were higher in 2016, reaching as high as 5.3 percent in Atascosa County, while the other AA counties in San Antonio were still below 4 percent. Updated information from the FFIEC in 2019 reported that the median family income level in 2019 was \$71,000, an increase of 14 percent since the 2015 ACS Survey.

As indicated in the tables above, the percentage of families below poverty levels was estimated to be 13.6 percent in the 2015 ACS survey, which is slightly higher than the state and national averages in 2015-2016, which were 13.4 and 13.1 percent respectively. Quick Facts from the U.S. Census Bureau in 2018, reflect that persons below poverty levels ranged from 17 percent in Bexar county, 16 percent in Atascosa county, to 11 percent in Wilson county. These levels were higher than state levels at 14.9 percent and national levels at 11.8 percent. Further, the 2015 ACS census data shows that 16 percent of households in low income CTs and 46 percent of households in moderate income CTs had income below the national poverty level.

Housing

The Moody's report reflects growth in home sales and construction. Growth in single-family permits was about 41 percent from 2016 – 2019. Multi-family permits also increased about 12 percent. Texas A&M's real estate center reported an increase of about 7 percent in sales prices over the past year. According to the National Association of REALTORS the 2019 median sales price was \$237 thousand, which is an increase of about 62 percent since the 2015 ACS survey.

Moody's report reflects rental inventory vacancy rates at approximately 7 percent, which is lower than state levels but higher than national levels. Rental rates are also increasing as reflected in the tables above. HUD's 2019 fair market rental rate for a two-bedroom unit was \$1050. The 2015 ACS Census data revealed the burden of rising rental costs with 43 percent of households in moderate-income CTs reporting rents greater than 30 percent of household income, suggesting that there is a lack of affordable rental units in these CTs. Only 10 percent of households in low-income CTs reported rent greater than 30 percent of household income.

According to the 2015 ACS US Census data, 54 percent of the total housing units in the AA were owner-occupied, and 37 percent were rental occupied units. In low-income CTs, approximately 5 percent of the housing units are owner-occupied, 8 percent are renter occupied units, 7 percent are multi-family housing units, and 7 percent are single-family units. In moderate-income CTs, 27 percent of the housing units are owner-occupied units, 40 percent are renter occupied units, 39 percent are multifamily housing units, and 31 percent are single-family units. ACS data in 2015 also reflects aging housing stock in low- and

moderate-income areas with a median age of 57 years in low-income CTs, and 49 years in moderate-income CTs.

Community Contacts

To help identify needs and opportunities in the AA, the OCC reviewed three recent regulatory agency contacts with two organizations that focus on affordable housing in the AA and one focused on economic development. The contacts identified affordable housing as a significant need in the AA due, particularly in the inner city areas. Rising home prices have resulted from tighter supply and migration to the AA from higher cost areas. Contacts also noted the need for rehabilitation and renovation of aging business locations, and housing stock in many low-and moderate-income areas. Contacts mentioned financial institution educational opportunities in the AA through participation in housing fairs, as well as opportunities for donations, grants to help with training materials. Other AA needs included funding for low-income housing tax credit (LIHTC) developments, and economic development through small business financing. Contacts also mentioned the need for expansion of broadband and internet access, which may provide opportunities for financial institutions to participate in this effort. Further contacts identified needs for expansion of financial literacy and credit repair programs, and programs that provide down payment assistance.

Scope of Evaluation in Texas

Our scope for the state of Texas (TX), included full-scope reviews for the Killeen, Houston, El Paso, and San Antonio AAs. These AAs on a combined basis represent 59 percent of the bank's deposits in Texas. We selected the Killeen AA for review because this where the bank's main office is located, and this AA is the bank's largest with 34 percent of the TX deposits. The Killeen AA is also the bank's largest AA for home mortgage, and small business lending. The Houston AA was selected for full-scope analysis as the second largest AA in deposits (18 percent) and because of the volume of home mortgage, small business and consumer lending in this AA. The El Paso AA was selected for review as the second largest AA in terms of home mortgage lending. The San Antonio AA was selected for review because it has never been evaluated under full-scope procedures. This AA is a growth market for the bank and during the evaluation period, management converted the LPO into a traditional branch. This AA was the bank's third largest AA for small business lending.

Our analysis of lending activity in TX focused primarily on home mortgage, and all consumer lending, the majority of which were Smart Cash, FSL, and auto loan products. We also considered business loans in areas where the bank had sufficient volumes and traditional branch locations for at least a year, which is Killeen, Houston, and San Antonio. The bank did not have an adequate volume of small business loans for analysis in any of the other AAs. Our conclusions for consumer loan distributions were based upon a sample of 20 consumer loans in each AA and data provided by management which we found to be reliable. The bank's performance in the full-scope AAs was weighted the most heavily in arriving at the overall conclusions for TX as the majority of loans and deposits are in these AAs.

FNBT had 22 limited-scope AAs, which includes 21 MSAs and one large non-MSA AA that includes 23 rural or non-metropolitan (non-MSA) TX counties. We reviewed performance in each of the limited-scope MSA AAs separately and consolidated the 23 non-MSA counties into one TX-non-MSA AA. Refer to Appendix A for a list of all AAs reviewed

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN TEXAS

LENDING TEST

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

Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, the bank's performance in the Killeen, Houston, El Paso, and San Antonio AAs is good.

Lending Activity

Lending levels reflect good responsiveness to AA credit needs.

As noted in the Description of Institution section, the bank's loan portfolio has doubled since the previous CRA evaluation period and represented 52 percent of total assets as of December 31, 2019. The bank's average loan-to-deposit ratio has increased significantly from 34 percent in the previous examination to 52 percent. This ratio is slightly below the average of other banks of similar size in the bank's numerous AAs, but the bank has experienced growth in all segments of its loan portfolio including consumer loans, residential loans, and small business. Consumer loans including small unsecured small dollar loan products like Smart Cash, FSLs, automobile, and rehabilitated student loans represent 27 percent of the bank's total loan portfolio followed closely by municipal loans at 22 percent, and residential 1-4 family loans at 22 percent. The bank's primary lending product by number volume is consumer loans (mainly Smart Cash loans). We placed greater weight on consumer lending activities in analyzing the bank's performance. As reflected in the tables on the next two pages, the bank originated consumer loans in all of its Texas assessment areas.

Number of Loans* (2016-2019)								
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Consumer	Total	%State Loans	%State Deposits
Full Scope								
Killeen	1,446	97	1	3	13,126	14,673	5.1	33.7
Houston	155	63	1	2	53,854	54,075	18.8	18.5
El Paso	1,230	0	0	0	23,150	24,380	8.5	5.0
San Antonio	45	26	0	0	13,505	13,576	4.7	1.9
Limited Scope								
Amarillo	2	0	0	0	3,589	3,591	1.2	0.4
Austin	67	14	0	1	7,266	7,348	2.6	1.5
Beaumont- Port Arthur	6	0	0	0	2,370	2,376	0.8	0.3
Brownsville-Harlingen	3	2	0	0	1,477	1,482	0.5	0.2
College Station-Bryan	13	0	0	0	4,288	4,301	1.5	1.2
Corpus Christi	131	0	0	0	9,934	10,065	3.5	1.5
Dallas	62	3	0	8	56,739	56,812	19.7	13.6
Fort Worth	44	3	0	0	33,739	33,786	11.7	7.4
Laredo	12	0	0	0	6,738	6,750	2.3	0.9
Longview	4	0	0	1	2,171	2,176	0.8	0.5
Lubbock	14	0	0	0	6,761	6,775	2.4	0.8
McAllen	5	1	0	2	3,685	3,693	1.3	0.5
Midland	7	0	0	0	1,686	1,693	0.6	1.1
Odessa	8	0	0	0	2,466	2,474	0.9	1.6
San Angelo	2	0	0	0	2,635	2,637	0.9	0.7
Sherman-Dennison	1	0	0	0	1,544	1,545	0.5	0.3
Texarkana	1	1	0	0	935	937	0.3	0.1
Tyler	8	0	0	0	3,309	3,317	1.2	0.5
Victoria	6	0	0	0	2,504	2,510	0.9	0.5
Waco	24	2	0	0	3,773	3,799	1.3	0.7
Wichita Falls	4	0	0	0	3,727	3,731	1.3	0.5
TX-Non MSA	79	2	0	3	19,088	19,172	6.7	6.1
Totals:	3,379	214	2	20	284,059	287,674	100.0	100.0
* The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only. Source: Bank data. Due to rounding, totals may not equal 100.0%								

Dollar Volume of Loans* (000's) (2016-2019)								
Assessment Area	\$ Home Mortgage	\$ Small Business	\$ Small Farm	\$ Community Development	\$ Consumer	\$ Total	%State Loans	%State Deposits
Full Scope								
Killeen	252,244	18,635	86	10,310	21,559	302,834	31.5	33.7
Houston	25,264	9,944	86	3,665	56,873	94,830	9.8	18.5
El Paso	162,306	0	0	0	20,024	182,017	19.0	5.0
San Antonio	13,984	4,778	0	0	10,089	28,665	3.0	1.9
Limited Scope								
Amarillo	271	0	0	0	2,584	2,855	0.3	0.4
Austin	19,346	4,038	0	465	7,567	31,416	3.3	1.5
Beaumont- Port Arthur	1,024	0	0	0	1,810	2,834	0.3	0.3
Brownsville-Harlingen	9,032	80	0	0	1,157	10,269	1.1	0.2
College Station-Bryan	1,815	0	0	0	4,136	5,951	0.6	1.2
Corpus Christi	22,915	0	0	0	7,009	29,924	3.1	1.5
Dallas	26,402	212	0	65,035	48,332	139,981	14.6	13.6
Fort Worth	6,680	905	0	0	28,926	36,511	3.8	7.4
Laredo	1,761	0	0	0	5,877	7,638	0.8	0.9
Longview	590	0	0	1,018	1,619	3,227	0.3	0.5
Lubbock	1,962	0	0	0	4,868	6,830	0.7	0.8
McAllen	2,031	789	0	3,500	3,337	9,657	1.0	0.5
Midland	1,278	0	0	0	2,200	3,478	0.4	1.1
Odessa	1,137	0	0	0	2,813	3,950	0.4	1.6
San Angelo	135	0	0	0	2,376	2,511	0.3	0.7
Sherman Dennison	60	0	0	0	1,316	1,376	0.1	0.3
Texarkana	179	20	0	0	717	916	0.1	0.1
Tyler	1,181	0	0	0	2,968	4,149	0.4	0.5
Victoria	879	0	0	0	1,880	2,759	0.3	0.5
Waco	3,739	184	0	0	3,086	7,009	0.7	0.7
Wichita Falls	323	0	0	0	2,395	2,718	0.3	0.5
TX-Non MSA	14,436	1,405	0	4,660	17,704	38,205	4.0	6.1
Totals:	570,973	40,990	172	88,653	263,222	964,010	100.0	100.0
* The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only. Source: Bank data. Due to rounding, totals may not equal 100.0%								

Killeen-Temple

Lending activity levels in the Killeen AA reflect an adequate responsiveness to AA credit needs given the number and amount of consumer, home mortgage, and small business loans in the AA. We considered the lending volume in the AA relative to the bank's capacity based on deposits, competition, and market presence.

The FDIC Deposit Market Share report as of June 30, 2019 shows FNBT had \$569 million in deposits in this AA with a deposit market share of 11.8 percent. The bank ranked first for the number of branches in the AA and third out of 18 financial institutions for its deposit market share in this AA. The top two banks each had a deposit market share of 17 percent and a combined 34 percent AA deposit market share.

The 2019 peer mortgage data report shows FNBT by number of loans had a 2.0 percent market share of home mortgage originations in the AA. The bank ranked 13th out of 409 home mortgage lenders in the

AA. FNBT's share of the AA home mortgage market is lower than its deposit market-share and the bank's home mortgage market share ranking is weaker than its deposit market share ranking. This is due in part to the strong competition in the AA from mortgage companies and much larger financial institutions. The leading home mortgage lender in the AA had a 16 percent market share of home mortgage originations by number and a similar percentage by dollar volume.

The 2018 peer small business data report shows that FNBT by number of loans had a low 0.3 percent market share of small business loan originations in the AA. The bank ranked 30th out of 82 small business lenders in the AA. FNBT's small business market share in the AA is lower than its deposit market share and the small business market share ranking is weaker than the deposit market share ranking. The top two small business lenders in this AA had a combined 30 percent of the small business market.

FNBT originated a substantial number of consumer loans in the AA; however, market share information is not published. The bank's percentage of consumer loans by number and by dollar volume is lower than the deposit market share in the AA. This dollar volume is lower in part due to the small average loan size, which was \$1,649.

FNBT has a large volume of the deposit market in the Killeen AA as one of the oldest community banks in the AA. FNBT was chartered in 1901. Also, due to the bank's close proximity to the Fort Hood base, many of the bank's retail customers are associated with the military and are more transient than the bank's customer base in other AAs. Retail customers associated with the military often establish deposit relationships while living and working in Killeen and lending relationships may be established later when customers have moved to other areas. As a result, all of the lending activity associated with Killeen deposit relationships is not clearly identifiable when comparing the bank's deposit market share with the bank's lending market share in Killeen.

In addition to the loans presented in the tables above, FNBT purchased 266 student loans in the Killeen AA totaling \$1.3 million. FNBT also made five municipal loans in the Killeen AA totaling \$17 million, one of which also qualified as a community development loan totaling \$10 million.

Houston

Lending activity levels in this AA reflect adequate responsiveness to AA credit needs given the number and amount of consumer, home mortgage, and small business loans in the AA. We considered the lending volume in the AA relative to the bank's capacity based on deposits, competition, and market presence.

The FDIC Deposit Market Share report as of June 30, 2019 shows FNBT had \$312 million in deposits with a deposit market share of 0.13 percent. The bank ranked 7th for the number of branches in the AA. FNBT ranked 45th out of 90 financial institutions for its deposit market share in this AA. The bank ranked first had a deposit market share of 41.6 percent.

The 2019 peer mortgage data report shows FNBT by number of loans had a 0.1 percent market share of home mortgage originations in the AA. The bank ranked 333rd out of 910 home mortgage lenders in the AA. FNBT's home mortgage lending market share in the AA is lower than its deposit market share and the home mortgage market share ranking is weaker than the deposit market share ranking. This is due in part to the strong competition in the AA from mortgage companies and larger financial institutions. The leading home mortgage lender had a 6.8 percent market share of the home mortgage originations in the AA.

The 2018 peer small business data report shows FNBT by number of loans had a 0.01 percent market share of small business originations in the AA. The bank ranked 90th out of 230 small business lenders in the AA. FNBT's market share in the AA is lower than its deposit market share in the AA and the small business market share ranking is weaker than the deposit market share ranking. The top two small business lenders combined for 42 percent market share.

The bank has a substantial number of consumer loans in the AA; however, market share information is not published. The bank's percentage of consumer loans by number exceeds the deposit market share in the AA. The total volume of loans in relation to the bank's deposits in this AA is lower in part because of the small size of the consumer loans, which was \$1,059.

In addition to the loans presented in the tables above, FNBT purchased over 2,600 student loans in the Houston AA totaling \$17.5 million. FNBT made an additional 11 municipal loans in the Houston AA totaling \$40 million, two of which also qualified as community development loans totaling 3.6 million.

El Paso

Lending activity levels in the El Paso AA reflect excellent responsiveness to AA credit needs given the number and amount of consumer, home mortgage, and small business loans in the AA. We considered the lending volume in the AA relative to the bank's capacity based on deposits, competition, and market presence.

The FDIC Deposit Market Share report as of June 30, 2019 shows FNBT had \$84.7 million in deposits with a deposit market share of 0.97 percent. The bank ranked first for the number of branches in the AA but ranked 11th out of 15 financial institutions for its deposit market share in this AA. The deposit market leader had a deposit market share of 25 percent.

The 2019 peer mortgage data report shows FNBT by number of loans had a 1.7 percent market share of home mortgage originations in the AA. The bank ranked 15th out of 329 home mortgage lenders in the AA. FNBT's mortgage lending market share in the AA is just slightly below its deposit market share and the home mortgage market share ranking is weaker than the deposit market share ranking. The home mortgage lender ranked first had a 13.5 percent market share of home mortgage originations in the AA. When considering the competition in this AA and the bank's limited deposit share, mortgage lending performance was good.

FNBT did not originate any loans to small businesses during the evaluation period, but during this period, small business lending was not a focus in this AA. The bank is not included in the 2018 peer small business data report that shows 85 small business lenders in this AA. The top two small business lenders combined for 29 percent market share.

The bank has a substantial number of consumer loans in the AA; however, market share information is not published. The bank's percentage of consumer and mortgage loans by number exceeds the deposit market share in the AA, even with a small average loan size of \$872.

In addition to the loans presented in the tables above, FNBT purchased 501 student loans in the El Paso AA totaling \$2.7 million. FNBT did not make any municipal loans in the El Paso AA.

San Antonio

Lending activity levels in this AA reflect excellent responsiveness to AA credit needs given the number and amount of consumer, home mortgage, and small business loans in the AA. We considered the lending volume in the AA relative to the bank's capacity based on deposits, competition, and market presence.

The FDIC Deposit Market Share report as of June 30, 2019 shows FNBT had \$31.6 million in deposits with a deposit market share of 0.03 percent. The bank ranked ninth for the number of branches in the AA but ranked 41st out of 47 financial institutions for its deposit market share in this AA. The bank ranked first had a deposit market share of 68 percent.

The 2019 peer mortgage data report shows FNBT by number of loans had a 0.03 percent market share of home mortgage originations in the AA, which is the same as the bank's deposit share. The bank ranked 203rd out of 654 home mortgage lenders in the AA. FNBT's home mortgage market share ranking is weaker than the deposit market share ranking. The home mortgage lender ranked first had a 5.5 percent market share of the home mortgage originations in the AA

The 2018 peer small business data report shows FNBT by number of loans had a 0.01 percent market share of small business originations in the AA. The bank ranked 93rd out of 144 small business lenders in the AA. FNBT's market share in the AA is lower than its deposit market share in the AA and the small business market share ranking is weaker than the deposit market share ranking. The small business lending market is still relatively new in this AA for FNBT. Since the LPO and commercial branch have only been open a short period of time. The top two small business lenders combined for 33 percent market share.

The bank has a substantial number of consumer loans in the AA; however, market share information is not published. The bank's percentage of mortgage, small business, and consumer loans by number and by dollar volume exceeds the deposit market share in the AA. The average consumer loan size in this AA was also very small at \$750.

In addition to the loans presented in the tables above, FNBT purchased over 1,700 student loans in the San Antonio AA totaling \$11 million. FNBT made two additional municipal loans in the AA totaling \$3.8 million. These loans benefitted the cities within the AA but were not qualified as CD loans.

Distribution of Loans by Income Level of the Geography

The bank exhibits a good geographic distribution of loans in its AAs.

Home Mortgage Loans

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

Killeen-Temple

For the 2016 evaluation period, the overall geographic distribution of home mortgage loans is good. The percentage of loans in moderate-income geographies is near to the percentage of owner-occupied housing units in those geographies. The bank's percentage of loans exceeds the aggregate distribution of home

mortgage loans in moderate-income geographies. The bank did not originate or purchase any home mortgage loans in low-income geographies.

For the 2017 – 2019 evaluation period, the overall geographic distribution of home mortgage loans is adequate. The percentage of loans in low-income geographies is near to the percentage of owner-occupied housing units in those geographies, and the bank's percentage of loans exceeds distributions by aggregate lenders in low-income areas. The percentage of loans in moderate-income geographies is lower than the percentage of owner-occupied housing units in those geographies and the bank's percentage of loans is just slightly below distributions by aggregate lenders in moderate-income areas.

Houston

For the 2016 evaluation period, the overall geographic distribution of home mortgage loans is good. The percentage of loans in low-income geographies is lower than the percentage of owner-occupied housing units in those geographies but the bank's percentage of loans exceeded distributions of home mortgage loans by aggregate lenders in low-income areas. The percentage of loans in moderate-income geographies exceeds the percentage of owner-occupied housing units in those geographies and the bank's percent of loans in these areas significantly exceeds distributions by aggregate lenders.

For the 2017 – 2019 evaluation period, the overall geographic distribution of home mortgage loans is also good. The percentage of loans in low-income geographies is somewhat lower than the percentage of owner-occupied housing units in those geographies but the bank's percentage of loans exceeded distributions by aggregate lenders in low-income areas. The percentage of loans in moderate-income geographies exceeds the percentage of owner-occupied housing units in those geographies and the bank's percentage of loans significantly exceeds the distributions by aggregate lenders in moderate-income areas.

El Paso

For the 2016 evaluation period, the overall geographic distribution of home mortgage loans is adequate. The percentage of loans in low-income geographies is somewhat lower than the percentage of owner-occupied housing units in those geographies; but the bank's percentage of loans exceeds the distributions by aggregate lenders in low-income areas. The percentage of loans in moderate-income geographies is also somewhat lower than the percentage of owner-occupied housing units in those geographies; but the bank's loan distributions in moderate-income geographies significantly exceeded distributions by aggregate lenders.

For the 2017 – 2019 evaluation period, the bank's performance is similar to performance in 2016. The overall geographic distribution of home mortgage loans is adequate. The percentage of loans in low-income geographies is somewhat lower than the percentage of owner-occupied housing units in those geographies, but the bank's distributions in those areas exceeded distributions by aggregate lenders. The percentage of loans in moderate-income geographies is lower than the percentage of owner-occupied housing units in those geographies, but the bank's percentage of loans in these areas also exceeded distributions by aggregate lenders.

San Antonio

For the 2016 evaluation period, the bank had an insufficient number of home mortgage loans for a meaningful analysis. However, FNBT originated one mortgage loan in a moderate income-geography

totaling \$54 thousand. FNBT did not originate any loans in low-income geographies. The bank's LPO in the San Antonio AA had been open for less than a year during this period.

For the 2017 – 2019 evaluation period, the overall geographic distribution of home mortgage loans was good. The bank did not originate or purchase any home mortgage loans in low-income geographies, but the percentage of loans in moderate-income geographies significantly exceeded the percentage of owner-occupied housing units in those geographies. The bank's percentage of loans also significantly exceeded distributions by aggregate home mortgage lenders in moderate-income areas.

Small Loans to Businesses

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

Killeen-Temple

For the 2016 evaluation period, the overall geographic distribution of small loans to businesses is good. The bank did not originate or purchase any small loans to businesses in low-income geographies, but the percentage of loans in moderate-income geographies significantly exceeds the percentage of businesses in those geographies. The bank's percentage of loans also significantly exceeds the distributions by aggregate small business lenders in moderate-income areas.

For the 2017 – 2019 evaluation period, the overall geographic distribution of small loans to businesses is excellent. The percentage of loans in low-income geographies significantly exceeds the percentage of businesses in those geographies. The bank's percentage of loans also significantly exceeds distributions by aggregate small business lenders in low-income geographies. The percentage of loans in moderate-income geographies also significantly exceeds the percentage of businesses in those geographies. The bank's percentage of loans also significantly exceeds distributions by aggregate small business lenders in moderate-income geographies.

Houston

For the 2016 evaluation period, the bank did not originate a sufficient volume of small loans to businesses for meaningful analysis in the Houston AA. FNBT originated 11 business loans totaling \$1.9 million. One of these loans was located in a low-income CT totaling \$248 thousand and another bank loan totaling \$739 thousand was located in a moderate-income CT.

For the 2017 – 2019 evaluation period, the bank's overall geographic distribution of small loans to businesses is excellent. The percentage of loans in low-income geographies is equal to the percentage of businesses in those geographies. The bank's percentage of loans is near distributions by aggregate small business lenders in low-income geographies. The percentage of loans in moderate-income geographies significantly exceeds the percentage of businesses in those geographies. The bank's percentage of loans also significantly exceeds distributions by the aggregate small business lenders in moderate-income geographies.

El Paso

FNBT did not originate any small business loans during the 2016 evaluation period or the 2017-2019 evaluation period in the El Paso AA. During these periods, all of the bank's branches were store branches and the bank focused primarily on mortgage and consumer lending. However, FNBT did originate a \$500 thousand small business loan to a non-profit entity in the San Antonio AA, which directly benefited small businesses in the El Paso AA. The bank's loan provided financing for 18 small business entrepreneurs in the El Paso AA and was responsive to economic development needs for small business micro-lending, job creation, training and support for entrepreneurs in the El Paso AA.

San Antonio

For the 2016 evaluation period, the bank had an insufficient number of small loans to businesses in the AA for a meaningful analysis. However, during this period, two of the three loans originated in this AA were in moderate-income geographies totaling \$460 thousand.

For the 2017 – 2019 evaluation period, the overall geographic distribution of small loans to businesses is excellent. The percentage of loans in low-income geographies is near the percentage of businesses in those geographies. The bank's percentage of loans is also near distributions by aggregate small business lenders in low-income geographies. The percentage of loans in moderate-income geographies significantly exceeds the percentage of businesses in those geographies and distributions by the aggregate small business lenders in moderate-income geographies.

One of the bank's small business loan originations in 2019 to a non-profit entity for \$500 thousand was particularly responsive to AA small business needs. This loan supported the organization's small business micro-lending program, training, and support of small business entrepreneurs in the San Antonio AA as well as other bank AAs, including El Paso as mentioned above, and the Las Cruces, NM AA.

Consumer Loans

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

Killeen-Temple

For the 2016 evaluation period, the overall geographic distribution of consumer loans is excellent. The percentage of loans in low-income geographies exceeds the percentage of households in those areas. The percentage of loans in moderate-income geographies also exceeds the percentage of households in those areas.

For the 2017 – 2019 evaluation period, the overall geographic distribution of consumer loans is also excellent. The percentage of loans in low-income geographies exceeds the percentage of households in those areas. The percentage of loans in moderate-income geographies also exceeds the percentage of households in those areas.

Houston

For the 2016 evaluation period, the overall geographic distribution of consumer loans is excellent. The percentage of loans in low-income geographies significantly exceeds the percentage of households in those areas. The percentage of loans in moderate-income geographies also exceeds the percentage of households in those areas.

For the 2017 – 2019 evaluation period, the overall geographic distribution of consumer loans is also excellent. The percentage of loans in low-income geographies significantly exceeds the percentage of households in those areas. The percentage of loans in moderate-income geographies also significantly exceeds the percentage of households in those areas.

El Paso

For the 2016 evaluation period, the overall geographic distribution of consumer loans is excellent. The percentage of loans in low-income geographies slightly exceeds the percentage of households in those areas. The percentage of loans in moderate-income geographies also slightly exceeds the percentage of households in those geographies.

For the 2017 – 2019 evaluation period, the overall geographic distribution of consumer loans is excellent. The percentage of loans in low-income geographies exceeds the percentage of households in those areas. The percentage of loans in moderate-income geographies also exceeds the percentage of households in those areas.

San Antonio

For the 2016 evaluation period, the overall geographic distribution of consumer loans is excellent. The percentage of loans in low-income geographies exceeds the percentage of households in those geographies. The percentage of loans in moderate-income geographies also exceeds the percentage of households in those geographies.

For the 2017 – 2019 evaluation period, the overall geographic distribution of consumer loans is excellent. The percentage of loans in low-income geographies significantly exceeds the percentage of households in those areas. The percentage of loans in moderate-income geographies exceeds the percentage of households in those geographies.

Lending Gap Analysis

We reviewed geographic distribution reports for home mortgage and small business loans in the full-scope AAs and did not identify any unexplained conspicuous gaps. We reviewed geographic distribution of consumers loans selected for sample and noted the bank originated consumer loans in all its Texas AAs. We noted excellent geographic distribution especially in LMI geographies and did not identify any unexplained gaps in lending activity.

Distribution of Loans by Income Level of the Borrower

The bank exhibits a good distribution of loans among individuals of different income levels and businesses of different sizes, given the product lines offered by the institution.

Home Mortgage Loans

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

Killeen-Temple

For the 2016 evaluation period, the overall borrower distribution of home mortgage loans is adequate. The percentage of loans to low-income borrowers is significantly lower than the percentage of low-income families in the AA, but the bank's loan distributions to low-income borrowers significantly exceed distributions of home mortgage loans to low-income families by aggregate lenders. The percentage of bank loans to moderate-income borrowers exceeds the percentage of moderate-income families and significantly exceeds the aggregate distribution of home mortgage loans to moderate-income families.

For the 2017 – 2019 evaluation period, the overall borrower distribution of home mortgage loans is adequate and similar to performance in 2016. The percentage of loans to low-income borrowers is significantly lower than the percentage of low-income families, but the bank's percentage of loans exceeds the distribution of home mortgage loans to low-income families by aggregate lenders. The percentage of bank loans to moderate-income borrowers slightly exceeds the percentage of moderate-income families. The bank's loan distributions also exceed the aggregate distribution of home mortgage loans to moderate-income families.

Houston

For the 2016 evaluation period, the overall borrower distribution of home mortgage loans is adequate. The percentage of bank loans to low-income borrowers is significantly lower than the percentage of low-income families, but the bank's percentage of loans significantly exceeds the aggregate distribution of home mortgage loans to low-income families by aggregate lenders. The percentage of loans to moderate-income borrowers exceeds the percentage of moderate-income families. The bank's percentage of loans significantly exceeds the distribution of home mortgage loans to moderate-income families by aggregate lenders.

For the 2017 – 2019 evaluation period, the overall borrower distribution of home mortgage loans is adequate. The percentage of loans to low-income borrowers is significantly lower than the percentage of low-income families. The percentage of loans to moderate-income borrowers exceeds the percentage of moderate-income families. The bank's percentage of loans is lower than the aggregate distribution of home mortgage loans to low-income families. The bank's percentage of loans exceeds the aggregate distribution of home mortgage loans to moderate-income families.

El Paso

For the 2016 evaluation period, the overall borrower distribution of home mortgage loans is adequate. The percentage of bank loans to low-income borrowers is significantly lower than the percentage of low-income families, but the bank's percentage of loans significantly exceeds the distribution of home mortgage loans to low-income families by aggregate lenders. The percentage of bank loans to moderate-income borrowers exceeds the percentage of moderate-income families, and the bank's percentage of loans to moderate-

income families significantly exceeds the distributions of home mortgage loans by aggregate lenders to moderate-income families.

For the 2017 – 2019 evaluation period, the overall borrower distribution of home mortgage loans is good. The percentage of loans to low-income borrowers is significantly lower than the percentage of low-income families, but the bank’s percentage of loans significantly exceeds the distribution of home mortgage loans to low-income families by aggregate lenders. The percentage of bank loans to moderate-income borrowers significantly exceeds the percentage of moderate-income families, and the bank’s percentage of loans to moderate-income families significantly exceeds the distribution of home mortgage loans by aggregate lenders to moderate-income families.

San Antonio

For the 2016 evaluation period, the bank had an insufficient number of home mortgage loans in the AA for a meaningful analysis. However, two of the five loans originated were to moderate-income borrowers totaling \$226 thousand.

For the 2017 – 2019 evaluation period, the overall borrower distribution of home mortgage loans is adequate. The percentage of loans to low-income borrowers is lower than the percentage of low-income families, but the bank’s percentage of loans significantly exceeds the distribution of home mortgage loans to low-income families by aggregate lenders. The percentage of loans to moderate-income borrowers is near to the percentage of moderate-income families. The bank’s percentage of loans to moderate-income families exceeds the distribution of home mortgage loans to moderate-income families by aggregate lenders.

Small Loans to Businesses

Refer to Table R in the state of Texas section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank’s origination and purchase of small loans to businesses.

Killeen-Temple

For the 2016 evaluation period, the distribution of small loans to businesses with annual revenues of \$1 million or less is excellent. The percentage of small loans to businesses exceeds the percentage of businesses with annual revenues of \$1 million or less in the AA. The bank’s percentage significantly exceeds aggregate data from other area small business lenders.

For the 2017 – 2019 evaluation period, the distribution of small loans to businesses with annual revenues of \$1 million or less is good. The percentage of small loans to businesses is lower than the percentage of businesses with annual revenues of \$1 million or less in the AA; however, the bank’s percentage exceeds aggregate data from other area small business lenders.

Houston

For the 2016 evaluation period, the bank had an insufficient number of loans to small businesses in the AA for a meaningful analysis. However, five of the bank’s 11 loan originations totaling \$365 thousand were small loans to businesses with revenues less than \$1 million.

For the 2017 – 2019 evaluation period, the distribution of small loans to businesses with annual revenues of \$1 million or less is adequate. The percentage of small loans to businesses is significantly lower than the percentage of businesses with annual revenues of \$1 million or less in the AA, but the bank’s percentage exceeds aggregate data from other area small business lenders.

El Paso

FNBT did not originate any small loans to businesses loans during the 2016-2019 evaluation period in the El Paso AA. As noted above in the Description of Operations section, all of the bank’s branches in the El Paso AA were store branches during the evaluation period, and the bank focused primarily on mortgage and consumer lending in this AA.

San Antonio

For the 2016 evaluation period, the bank had an insufficient number of loans to small businesses for a meaningful analysis. One of the three small loans to businesses in this AA was to business with revenues less than \$1 million and totaled \$360 thousand.

For the 2017 – 2019 evaluation period, the bank’s distribution of small loans to businesses with annual revenues of \$1 million or less is adequate. The percentage of small loans to businesses is lower than the percentage of businesses with annual revenues of \$1 million or less, but the bank’s percentage of loans significantly exceeds aggregate data from other area small business lenders.

Consumer Loans

Refer to Table V in the state of Texas section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank’s consumer loan originations and purchases.

Killeen-Temple

For the 2016 evaluation period, the overall distribution of consumer loans by borrower income level is excellent. The bank’s percentage of loans to low-income borrowers significantly exceeds the percentage of low-income households. The bank’s percentage of loans to moderate-income borrowers also significantly exceeds the percentage of moderate-income households.

For the 2017 – 2019 evaluation period, the bank’s loan distributions are similar to 2016. The overall distribution of consumer loans by borrower income level is excellent. The percentage of bank loans to low-income borrowers significantly exceeds the percentage of low-income households. The bank’s percentage of loans to moderate-income borrowers also significantly exceeds the percentage of moderate-income households.

Houston

For the 2016 evaluation period, the overall distribution of consumer loans by borrower income level is excellent. The bank’s percentage of loans to low-income borrowers significantly exceeds the percentage of low-income households. The bank’s percentage of loans to moderate-income borrowers also significantly exceeds the percentage of moderate-income households.

For the 2017 – 2019 evaluation period, the bank’s loan distributions are similar to 2016. The overall distribution of consumer loans by borrower income level is excellent. The percentage of bank loans to low-income borrowers significantly exceeds the percentage of low-income households. The bank’s percentage of loans to moderate-income borrowers also significantly exceeds the percentage of moderate-income households.

El Paso

For the 2016 evaluation period, the overall distribution of consumer loans by borrower income level is excellent. The bank’s percentage of loans to low-income borrowers significantly exceeds the percentage of low-income households. The bank’s percentage of loans to moderate-income borrowers also significantly exceeds the percentage of moderate-income households.

For the 2017 – 2019 evaluation period, the bank’s loan distributions are similar to 2016. The overall distribution of consumer loans by borrower income level is excellent. The percentage of bank loans to low-income borrowers significantly exceeds the percentage of low-income households. The bank’s percentage of loans to moderate-income borrowers also significantly exceeds the percentage of moderate-income households.

San Antonio

For the 2016 evaluation period, the overall distribution of consumer loans by borrower income level is excellent. The bank’s percentage of loans to low-income borrowers significantly exceeds the percentage of low-income households. The bank’s percentage of loans to moderate-income borrowers also significantly exceeds the percentage of moderate-income households.

For the 2017 – 2019 evaluation period, the bank’s loan distributions are similar to 2016. The overall distribution of consumer loans by borrower income level is excellent. The percentage of bank loans to low-income borrowers significantly exceeds the percentage of low-income households. The bank’s percentage of loans to moderate-income borrowers also significantly exceeds the percentage of moderate-income households.

Community Development Lending

FNBT has made an adequate level of community development (CD) loans. The level of CD lending in some of the limited scope AAs was stronger and contributed to the overall performance, which had a positive impact on overall lending performance.

The Lending Activity Tables shown above set forth the information and data used to evaluate the bank’s level of CD lending. The tables include all CD loans, including multifamily loans and municipal loans that also qualify as CD loans. An assessment of CD lending performance in the full scope AAs and performance statewide is presented below. CD lending in the limited scope AAs is summarized later in the Limited Scope assessment. All CD loans in Texas AAs, including the full scope and limited scope areas represented 52 percent of allocated capital.

Killeen-Temple

The volume of CD loans is adequate. During the evaluation period, the bank originated three CD loans totaling \$10.3 million in the AA. The dollar volume represented 17.9 percent of tier 1 capital allocated to the AA based on the June 30, 2019 call report. The number of CD loans represented 15.8 percent of total CD loans originated in the bank's Texas AAs. The CD loans reflected adequate responsiveness to the credit and community needs within the AAs as the loans supported community services and revitalization/stabilization in the AA. The bank made a \$10 million CD loan that financed needed repairs and upgrades to Bell County facilities, including those in low-and moderate-income (LMI) geographies; and created jobs for LMI individuals. The bank also made a \$250 thousand CD loan to provide healthcare services to LMI individuals through a CRA Qualified Investment Fund. FNBT also made a \$60 thousand CD loan to renovate an affordable multi-family apartment complex in a low-income CT.

Houston

The volume of CD loans is adequate. During the evaluation period, the bank originated two CD loans totaling \$3.7 million in the AA. The dollar volume represented 11.6 percent of tier 1 capital allocated to the AA based on the June 30, 2019 call report. The two CD loans also represented 10 percent of the total number of CD loans originated in the bank's Texas AAs. The bank's CD loans in this AA supported community services, revitalization, stabilization of moderate-income areas and provided for improvements to waterworks and sewer systems within communities comprised of primarily of low and moderate-income geographies.

El Paso

During the evaluation period, the bank did not originate any CD loans in this AA.

San Antonio

During the evaluation period, the bank did not originate any CD loans in this AA.

Broader Statewide

During the evaluation period, the bank made one broader statewide CD loan that provides community services in a county adjacent to the bank's AAs. The bank made a \$1.5 million CD loan in Karnes County that was used to improve district facilities in schools where 71 percent of students are in free or reduced lunch programs. .

Product Innovation and Flexibility

The institution makes extensive use of flexible lending practices in order to serve AA credit needs. The "Description of Institution" section of this evaluation includes detail on flexible lending programs that the bank offers. In FNBT's Texas AAs, the bank makes extensive use of affordable home mortgage products, small dollar loan products, and SBA lending.

The bank uses the SBA loan guaranty program to help borrowers in Texas AAs obtain loans the bank cannot approve through its standard loan policy. The SBA program provides loan applicants with additional flexibility on collateral adequacy, business age, down payment requirements, and atypical or single use

projects. Through the SBA program, the bank supports small business growth and expansion; job creation and retention; and an overall strengthening of local economies in its AAs. Since originating the program in 2018, the bank has originated 33 SBA loans in Texas AAs totaling \$10.8 million that created or retained 173 full-time equivalent jobs.

During the current evaluation period, FNBT originated 170 thousand small dollar Smart Cash loans in Texas AAs totaling \$109 million as well as 143 thousand FSLs in Texas AAs totaling \$84 million.

As mentioned earlier, FNBT and FCM specialize in government guaranteed home mortgage loan products offered by the VA and FHA in Texas AAs. During the evaluation period, FNBT originated over 2,500 VA and FHA home mortgage loans totaling \$401 million in Texas AAs. In Texas AAs, FNBT and FCM also participate in bond programs offered by the Texas State Affordable Housing Corporation (TSAHC) and the Texas Department of Housing and Community Affairs (TDHCA). These state housing entities offer various programs that provide long term fixed rate loans, down payment grants, and closing cost assistance through various programs for low- and moderate-income buyers, first-time home buyers, teachers, and veterans. Throughout the evaluation period, FNBT and FCM originated over \$50 million in bond program loans through TSAHC and TDHCA.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited scope reviews, the bank's performance under the Lending Test in five of the 22 limited scope AAs is consistent with the bank's good overall performance under the Lending Test in the full-scope AAs. These AAs include the Austin, Corpus Christi, Fort Worth, Waco, and TX-Non MSA AA. The bank's performance in the Dallas AA is stronger due to the volume of CD lending. While we evaluated the Dallas AA using limited-scope review procedures, we noted that during the evaluation period FNBT made 8 CD loans totaling \$65 million in the Dallas AA. The dollar volume of the CD loans exceeded allocated tier 1 capital based on the June 30, 2019 call report. The dollar volume of the CD loans represented 280.3 percent of allocated tier 1 capital. The CD loans provided for economic development and revitalization/stabilization in the Dallas AA

The bank's performance in thirteen of the limited scope AAs is weaker than the overall performance rating, due to lower volumes of mortgage loans, but performance is still consistent with the bank's adequate full scope performance in the Houston AA. These AAs include the Amarillo, Beaumont-Port Arthur, Brownsville-Harlingen, College Station-Bryan, Laredo, Longview, Lubbock, McAllen, Sherman-Dennison, Texarkana, Tyler, Victoria, and Wichita Falls AAs. The bank's performance in three AAs, Midland, Odessa, and San Angelo, is weaker than the overall Lending Test performance due to the lower volume of lending activities.

Refer to the Lending Activity Tables, and Tables O through V in the state of Texas section of Appendix D for the facts and data that support these conclusions.

INVESTMENT TEST

The bank’s performance under the Investment Test in Texas is rated High Satisfactory.

Performance in the broader statewide and regional areas also positively impacted performance.

Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, the bank’s performance in the Killeen, and El Paso AAs is good. Performance in the Houston AA is excellent, and performance in the San Antonio AA is adequate.

The bank has a significant level of qualified CD investments and grants, particularly those that are not routinely provided by private investors, occasionally in a leadership position. The bank exhibits good responsiveness to credit and community economic development needs, occasionally using innovative and/or complex investments to support CD initiatives.

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Full Scope										
Killeen-Temple	1	915	62	2,063	63	33.69	2,978	3.10	0	0
Houston	15	13,133	16	6,785	31	16.58	19,918	20.72	0	0
El Paso	5	7,067	5	1,029	10	5.35	8,096	8.42	0	0
San Antonio	0	0	3	1,505	3	1.60	1,505	1.57	0	0
Limited Scope										
Amarillo	0	0	0	0	0	0	0	0	0	0
Austin	7	3,520	4	3,406	11	5.88	6,926	7.21	0	0
Beaumont-Port Arthur	0	0	0	0	0	0	0	0	0	0
Brownsville-Harlingen	0	0	2	1,001	2	1.07	1,001	1.04	0	0
College Station-Bryan	0	0	1	400	1	.53	400	0.42	0	0
Corpus Christi	0	0	4	623	4	2.14	623	0.65	0	0
Dallas	13	12,364	10	4,416	23	12.30	16,780	17.46	0	0
Fort Worth	5	4,052	4	4,347	9	4.81	8,399	8.74	0	0
Laredo	4	3,911	0	0	4	2.14	3,911	4.07	0	0
Longview	0	0	0	0	0	0	0	0	0	0
Lubbock	0	0	1	3	1	0.53	3	0	0	0
McAllen	4	6,313	2	4,755	6	3.21	11,068	11.51	0	0
Midland	0	0	0	0	0	0	0	0	0	0
Odessa	1	953	0	0	1	0.53	953	0.99	0	0
San Angelo	0	0	0	0	0	0	0	0	0	0
Sherman-Denison	1	1,073	0	0	1	0.53	1,073	1.12	0	0
Texarkana	0	0	0	0	0	0	0	0	0	0
Tyler	2	961	0	0	2	1.07	961	1.00	0	0
Victoria	0	0	0	0	0	0	0	0	0	0
Waco	1	1,388	2	3,001	3	1.60	4,389	4.57	0	0
Wichita Falls	0	0	0	0	0	0	0	0	0	0
TX-Non MSA	11	7,134	1	1	12	6.42	7,135	7.42	0	0
Totals	70	62,784	117	33,335	187	100.0	96,119	100.0	0	0

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

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

Killeen-Temple

The bank has a significant level of qualified investments, donations, grants in the Killeen AA, particularly when considering the limited opportunities in this AA. During the evaluation period, FNBT invested \$3 million in this AA, which represents five percent of tier 1 capital allocated to this AA. Investments include one prior period Fannie Mae Delegated Underwriting and Servicing (FNMA DUS) bond totaling \$915 thousand, which continues to provide affordable housing to over 50 low-to-moderate-income seniors. Current period investments totaled \$1.75 million, consisting of two qualified investments. One of the current period investments is a school bond totaling \$750 thousand for a local school district where the majority of schools provide subsidized or free lunch programs to over 50 percent of the students. The other current period investment is a \$1 million municipal bond to provide street, and other infrastructure improvements to areas of Killeen, including low-and moderate-income areas identified in Killeen's "Entitlement Community" program under the US Department of Housing.

We reviewed similarly situated banks operating in this AA, discussed investment opportunities with the bank, community contacts, evaluated city community development plans, and reviewed municipal bonds offerings in this AA. Through these efforts, we identified few investment opportunities that would benefit low-and moderate-income geographies, individuals, families or small businesses in the AA. Larger banks in this market and those with specialized expertise in low-income housing tax credit opportunities compete for these types of more complex investments. Because of the limited investment opportunities, FNBT has focused their investment activities primarily on grants and donations which support community development needs in this AA, including organizations that focus on economic development, affordable housing, financial education, and essential services for low-and moderate-income individuals and families. During the evaluation period, FNBT made 60 qualified donations totaling \$313 thousand to 28 different non-profit organizations that are responsive to needs within the community. FNBT has taken a leadership position in sponsoring several initiatives which support economic development in this AA. Notable examples of the bank's leadership and support of economic development and community service are summarized below:

- FNBT is a founding participant and largest contributor in the Greater Killeen Chamber of Commerce five year 14-Forward initiative. Since 2018, FNBT has made annual contributions to this initiative totaling \$80 thousand. The bank's five year commitment includes annual matching funds up to \$200 thousand when other local financial institutions contribute to the initiative. The 14 Forward economic development initiative was established in 2018 as a collaborative effort with the local chamber of commerce, local financial institutions, city leaders, and local businesses. The program has three primary goals: (1) grow business and investment, with an emphasis on jobs that benefit low-to-moderate income workers, (2) promote Fort Hood as it is an economic mainstay for the community and (3) strengthen the local infrastructure to improve quality of place. Some of the 14-Forward initiatives to address these goals have included a focus on technological advancements through investments in broadband and cyber training programs through the local ISD, colleges, and university. Since 2018, 14-Forward has fostered growth in business and economic development with new and expanded business creating over 1,240 direct new jobs. Revitalization efforts have focused on bringing jobs and stability in downtown Killeen's low- and moderate-income CTs through various incentives to attract businesses to this area. 14-Forward has also supported legislation to expand the I-14 corridor from El Paso to Augusta, GA, connecting 10 military installations and 19 urban centers, including the local base at Fort Hood. 14-Forward participants supported recent federal legislation designating portions of US Hwy 190 as I-14, the newest interstate highway in the US. The initiative's support for the highway designation is designed to help connect Fort Hood with other military installations and support economic development

in the AA and along the entire route. FNBT officers have devoted hours of technical and financial expertise in support of this effort, which is further describe in the Service Test. FNBT has also been recognized by bank industry associations for its involvement and participation in this initiative.

- FNBT has contributed \$83 thousand in support of a new museum to honor the military in Killeen Texas. The museum will provide job opportunities for low-to-moderate income individuals, as well as educational facilities.
- FNBT contributed \$30 thousand to assist with capital improvements of the Armed Services YMCA, which will include child-care facilities for low-to-moderate income families. The new facility will also create 50 new jobs for low-to-moderate income individuals.
- FNBT has continued to sponsor and provide financial support the annual Lemonade Day program, which originally started in 2010. During this evaluation period, FNBT donated \$20 thousand in support of this financial educational program. Lemonade Day is a free community program that introduces entrepreneurship to children, through lessons on goal setting, money management, budgeting, and ultimately savings through an account at the bank. FNBT has supported this program through financial contributions as well as service activities which are further described in the Service Test. FNBT targets its program educational efforts in schools where the majority of students are economically disadvantaged or on free and reduced lunch programs. Participants in the program may donate revenues to charitable organizations, fund savings accounts, or pay back investors. During the evaluation period, program participants donated their revenues of \$22 thousand to various charitable organizations.
- FNBT provided \$11.7 thousand to support the local homeless shelter which provided shelter for over 850 individuals from January 2018 through April 2019. The facility has 78 beds. In addition, the shelter provides case managers which assist individuals in finding jobs and housing. The shelter is located downtown Killeen in a low-income census tract.

Houston

The bank has an excellent level of qualified investments in the Houston AA, particularly when considering the bank's limited deposit market share, responsiveness of investment activities, and opportunities in this AA. There are many investment opportunities in this AA, and competition for qualified CRA investments is strong, particularly from the larger banks in this AA. The bank's investments, donations and grants in the Houston AA represented a significant 62 percent of the bank's allocated tier 1 capital. FNBT deposits in the Houston AA represented only 0.13 percent of the total market share, but a more significant 18 percent of the bank's deposits in Texas.

The bank made 28 investments and donations in this AA totaling \$19.4 million. Investment consists of 15 prior period investments totaling \$13.1 million and four current period investments totaling \$6.25 million. Prior period investments are centered in school bonds which provide continuing benefit to the AA with new schools, renovations, and technology programs in school districts where more than 50 percent of the students are on free or subsidized lunch programs. The four current period investments total \$6.25 million and include Fannie Mae Delegated Underwriting and Servicing (FNMA DUS) bonds that provide over 840 affordable housing units for low-and moderate income individuals and families in the AA.

In addition, the bank made 12 donations or grants totaling \$535 thousand. Examples of donations, grants are summarized below.

- FNBT provided \$17.5 thousand to a local, non-profit food bank that collects and distributes more than 6.6 million meals to low-income children, adults and seniors living in Montgomery County, Texas. The food bank serves an average of 35,000 individuals each month.
- FNBT contributed \$10 thousand to a non-profit community development organization, BarkerRipley with over 60 locations in the Houston AA. The organization focuses on community development, job and career development, early childhood education, food distribution, and senior services. During the evaluation period, the organization also provided free assistance with tax returns for low- and moderate-income individuals. This organization has community centers in six low-income community centers in the bank's Houston AA neighborhoods.
- The bank also provided \$6.5 thousand in support of Bank-On Houston and Money Week programs in the Houston AA. FNBT is a founding member of all Bank-On initiatives in Texas. The program unites financial institutions, municipalities, community based organizations, and regulatory agencies in providing financial education to unbanked populations and in providing lower cost banking products. Bank-On Houston is a partner in the Houston Money Week program, which provides annual free community financial education events. The Money Week program is a national campaign to build financial literacy awareness.
- As part of the bank's relief efforts during the devastating 2017 Hurricane Harvey, the bank was responsive to financial needs of its customers in affected counties, refunding and waiving fees for overdrafts, non-sufficient funds, as well as fees for non-bank owned ATMs. In the Houston AA, the provided fee refunds totaling \$498 thousand.

El Paso

The bank has a significant level of qualified investments in the El Paso AA, particularly when considering the bank's limited deposit market share in this AA and responsiveness of investment activities. Investments, donations and grants in the El Paso AA represented a significant 95 percent of the bank's tier 1 capital allocated to this AA. FNBT's deposits in the El Paso AA represented only 0.97 percent of the total market share and five percent of the bank's deposits in Texas.

FNBT had six investments in this AA totaling \$8.1 million, five of which were prior period investments totaling \$7.1 million. The prior period investments provide a continuing benefit to low-and moderate-income individuals, families, and geographies. These investments are centered in school district bonds where more than 50 percent of the students receive free or subsidized lunches. The bank purchased one new investment during the current period totaling \$1 million. The new investment is a FNMA bond providing affordable housing for low-and moderate-income individuals and families in this AA. This investment is particularly responsive to AA needs, providing 104 housing units for low-to-moderate income individuals and families.

In addition, the bank made four donations during the evaluation period totaling \$28 thousand. The majority of the donations, \$25,000 assisted victims of violence at the El Paso Walmart shooting in August 2019. Donations also supported the bank's financial literacy programs and financial education for low-to-moderate income students during the Money Smart Week in El Paso.

San Antonio

The bank has an adequate level of qualified investments in the San Antonio AA, when considering the bank's limited deposit market share, and responsiveness of investment activities. The bank's deposit market share on June 30, 2019 totaled only .03 percent, representing only a modest presence in this AA. Deposits in the San Antonio AA represented only 2 percent of bank deposits in Texas. Investments, donations in the San Antonio AA represented a significant 47 percent of tier 1 capital allocated to this AA. The bank faces strong competition for qualified CRA investments in this AA from larger financial institutions.

Investments in this AA include a \$200 thousand school bond which provides new schools, renovations and technology upgrades to a school district where more than 50 percent of students are on subsidized or free lunch programs. An additional FNMA bond totaling \$1.3 million provides 92 affordable housing units for low-to-moderate income individual and families in the AA.

FNBT also donated \$5 thousand to a local YMCA to support and sponsor the organization's Economic Empowerment and Financial Literacy program. The program provides service opportunities, financial education, and digital financial literacy for youth, parents, self-employed individuals, and seniors.

Further, as part of the bank's Hurricane Harvey relief efforts, the bank responded to the financial needs of its customers in the San Antonio AA, by refunding and waiving fees for overdrafts, non-sufficient funds, and non-bank owned ATMs. The bank refunded or waived fees totaling \$120 thousand in the affected San Antonio AA counties.

Statewide and Regional Areas

We also considered investments in the broader Texas statewide areas as well as broader regions that includes all of the bank's AA. In the Texas statewide area. FNBT holds 23 prior period investments totaling \$13.2 million that support low-to-moderate income school districts with ongoing impact. These investments had a positive impact to the bank's statewide performance. The bank also donated \$2.5 thousand to the Texas Banker's Association Foundation to support financial literacy in underserved Texas communities.

In addition, as part of the bank's Hurricane Harvey relief efforts, the bank responded to the financial needs of its customers in affected South Texas counties outside of the bank's designated AAs by refunding and waiving fees for overdrafts, non-sufficient funds, and non-bank owned ATMs. The bank refunded or waived fees totaling \$32 thousand in affected Texas counties outside of its AAs. Collectively, the bank's Texas statewide investment, donations and grants represented 8 percent of allocated tier 1 capital in Texas.

In the broader regional area, FNBT invested \$9.8 million in four Small Business Investment Companies (SBICs) licensed by the U.S. Small Business Administration. These investments provide equity and debt financing to small businesses across the U.S, including all of the bank's AAs. During the years 2018-2019 after the initial establishment of First Community Foundation, Inc., FNBT contributed an additional \$741 thousand to the First Community Foundation, Inc. which supports community development activities in all of the bank's AAs. These broader regional investments represented 6 percent of the bank's tier 1 capital.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's investment performance in the Brownsville-Harlingen, Corpus Christi, Fort Worth, and Waco AAs is consistent with the bank's overall full scope performance. Performance in the Austin, Dallas, and McAllen AAs is stronger and consistent with excellent performance in the Houston AA. Performance in the College Station-Bryan, Laredo, Odessa, Sherman-Dennison, Tyler, and TX-Non-MSA AAs was weaker, but still consistent with adequate performance in the San Antonio full scope AA. These weaker AAs had few current period investments, but period investments continued to provide benefit to the AAs.

The bank's investment performance in nine limited scope AAs, Amarillo, Beaumont-Port Arthur, Longview, Lubbock, Midland, San Angelo, Texarkana, Victoria, and Wichita Falls, was weaker than the bank's full scope performance due to few if any investments. The bank's deposit market presence in these limited scope AAs was limited and performance did not significantly impact the overall rating.

The bank had several noteworthy donations in the limited scope AAs that were responsive to financial literacy needs, including a \$5 thousand donation in the BankWork\$ Dallas program, which provides free financial related career training for low-income individuals. The bank also contributed \$5 thousand in the Dallas and Fort Worth AAs to support Junior Achievement financial education programs for LMI students. In the Corpus Christi AA, the bank focused on financial education for LMI students with a \$7 thousand donation to Banzai, which provides online curriculums for elementary, middle school and high school.

SERVICE TEST

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

Retail delivery systems are readily accessible to geographies and individuals of different income levels. FNBT provides a good level of CD services in its AAs that are responsive to the needs of the AAs. We placed the most weight on retail service delivery.

Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, the bank's performance under the Service Test is excellent in the Killeen-Temple and Houston AAs, and good in the El Paso and San Antonio AAs. This assessment is based upon the accessibility of banking services, including the geographic distribution of the branches, ATMs, good utilization of alternative delivery systems by individuals in low-and moderate-areas, and good responsiveness of CD services.

Retail Banking Services

Retail service delivery systems are readily accessible to geographies and individuals of different income levels in the institution's AAs. This assessment was based upon branch distributions as reflected in the table below. We also considered performance context considerations, including services offered, the bank's limited ability to influence branch openings and closings in retail stores, and the demonstrated availability and reasonable utilization of alternative delivery systems (ADS) by LMI populations in the AAs.

FNBT operates 283 branches in the state of Texas. Most branches are located in retail stores, with nine being traditional brick and mortar locations, of which six are in the Killeen-Temple AA and three are in

the Houston AA. FNBT also has 325 ATMs throughout Texas. FNBT's mortgage lending division, FCM, offers mortgage loans in all locations, but the majority of mortgage lending activity is in AAs with mortgage loan production offices (LPOs). FCM has nine mortgage LPOs in Texas, six in the Killeen-Temple AA, two in the El Paso AA, and one in the Corpus Christi AA. The distribution of bank branches is summarized in the table below.

Distribution of Branch Delivery System											
Assessment Area	Deposits	# of Bank Branches	% of Rated Area Branches in AA	Branches				Population			
	% of Rated Area Deposits in AA			Location of Branches by Income of Geographies (%)				% of Population within Each Geography			
				Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full Scope											
Killeen-Temple	33.68	18	6.36	11.11	5.56	61.11	22.22	1.6	17.0	53.8	26.4
Houston	18.47	56	19.79	19.64	42.8	26.79	10.71	11.9	25.8	27.2	34.7
El Paso	5.01	16	5.65	0.0	6.25	50.0	43.75	3.9	27.3	34.5	34.3
San Antonio	1.87	13	4.59	7.69	38.4	30.77	23.08	7	32.8	29.3	30.9
Limited											
Amarillo	0.37	3	1.06	0.0	0	67.0	33.0	2.2	29.4	36.7	31.7
Austin	1.51	11	3.89	0.0	9.09	72.72	18.18	10.1	22.3	37.3	29.2
Beaumont-Port Arthur	0.29	3	1.06	0.0	33.3	66.67	0.0	5.6	23.8	42.3	25.0
Brownsville - Harlingen	0.18	2	0.71	0.00	50.0	0.0	50.0	0	34.5	30.9	34.7
College Station-Bryan	1.19	6	2.12	0.0	33.3	50.0	16.67	11.3	34.6	21.7	27.9
Corpus Christi	1.53	10	3.53	0.0	10.0	60.0	30.0	5.3	29.7	35.7	28.5
Dallas	13.60	50	17.67	10.0	32.0	28.0	30.0	11.8	26.1	27.4	34.5
Fort Worth	7.42	33	11.66	9.09	21.21	36.36	33.33	9.5	22.2	36.9	31.4
Laredo	0.90	6	2.12	0.0	33.3	16.67	50.0	2.2	40.4	31.4	26.0
Longview	0.51	3	1.06	0.0	33.3	33.33	33.33	3.3	15.6	57.8	23.3
Lubbock	0.83	4	1.41	25.0	0.0	0.0	75.0	5.6	22	39.9	32.5
McAllen-Edinburg	0.50	3	1.06	0.0	33.3	33.33	33.33	1.7	27.6	41.2	28.8
Midland	1.13	2	0.71	0.0	50.0	0.0	50.0	3.1	17.3	45.1	34.5
Odessa	1.59	3	1.06	0.0	0.0	33.33	66.67	2.2	22.3	40.7	34.8
San Angelo	0.68	2	0.71	0.0	0.0	50	50	2.3	28.2	51	18.5
Sherman-Duncan	0.33	1	0.35	0.0	0.0	100	0	0	24.4	48.3	27.3
Texarkana	0.12	1	0.35	0.0	100	0	0	0	17.9	59.7	22.3
Tyler	0.46	2	0.71	0.0	0.0	100	0	2.4	25.7	39.9	32
Victoria	0.45	4	1.41	25.0	50.0	0	25	3.7	34.9	25.6	35.9
Waco	0.72	3	1.06	0.0	66.67	33.33	0	10.4	29.8	23.2	35
Wichita Falls	0.54	3	1.06	0.0	0.0	66.67	33.33	6.2	24.2	27.8	41.8
TX-Non-MSA	6.12%	25	8.83	4.0	16.0	44.0*	36	0.9	18.9	59.1	20.3
Total	100.0	283	100.0	8.9	26.2	37.6	27.3	8.6	25.9	33.0	32.1

Note: 14.1% of area populations were in undesignated CTs. * Indicates the presence of middle-income distressed/underserved tracks – there were four (36.36%) of eleven middle-income branches included in the TX – Non-MSA percentage.

The institution's opening and closing of branches has not adversely affected the accessibility of the bank's delivery systems, particularly in LMI geographies or to LMI individuals. The opening and closing of branches are summarized in the table below as well as the descriptions of performance in full scope AAs.

Distribution of Branch Openings/Closings							
Assessment Area	# Bank Branches	# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)			
				Low	Mod	Mid	Upp
Full Scope							
Killeen-Temple	18	2	0	0	0	2	0
Houston	56	6	(3)	1	1	1	0
El Paso	16	1	0	0	0	0	1
San Antonio	13	3	0	0	2	1	0
Limited Scope							
Amarillo	3	0	0	0	0	0	0
Austin	11	3	0	0	0	3	0
Beaumont-Port Arthur	3	0	0	0	0	0	0
Brownsville-Harlingen	2	1	0	0	1	0	0
College Station-Bryan	6	0	(1)	0	0	(1)	0
Corpus Christi	10	2	0	0	0	1	0
Dallas	50	0	(6)	0	(1)	(1)	(4)
Fort Worth	33	1	(4)	0	(1)	(1)	(1)
Laredo	6	0	0	0	0	0	0
Longview	3	0	0	0	0	0	0
Lubbock	4	0	0	0	0	0	0
McAllen	3	1	0	0	1	0	0
Midland	2	0	0	0	0	0	0
Odessa	3	0	0	0	0	0	0
San Angelo	2	0	0	0	0	0	0
Sherman-Denison	1	0	0	0	0	0	0
Texarkana	1	0	0	0	0	0	0
Tyler	2	0	0	0	0	0	0
Victoria	4	0	0	0	0	0	0
Waco	3	0	0	0	0	0	0
Wichita Falls	3	0	0	0	0	0	0
TX-Non MSA	25	2	0	1	0	1*	0
Total	283	22	(14)	2	3	5	(3)

* Indicates middle-income distressed or underserved tract.

FNBT provides access to loan and deposit products and services through its expansive branch network, website, mobile banking application, call center, and interactive teller machines (ITMs). FNBT has six ITMs in Texas AAs. These machines incorporate ATM features along with virtual tellers to provide basic banking needs on consumer loan and deposit products.

Retail banking services are available in all branch locations, although most commercial and small business loan activities are available in the traditional branch locations. During the evaluation period, FNBT introduced several new products and services designed to expand access to banking services. New products, services have included online loan and deposit applications, digital wallets, person-to-person

payments, insurance, SBA lending, as well as the new, low cost Power Stash and E-Account described earlier in this PE. FNBT's Smart Cash and FSL loan products provide an alternative to higher cost payday loan products. Also, as mentioned in the Description of Institution section of this PE, the bank has also partnered with CDFIs to help increase financing opportunities for small businesses.

Services and business hours are tailored to the convenience and needs of the AAs, customers, including LMI geographies or individuals. FNBT's traditional branches are open Monday – Friday from 9:00 AM – 5:00 PM, with Saturday hours from 9:00 AM – 5:00 PM. Drive-through facilities are available at the traditional branch locations in Killeen and Houston, all of which are closed on Sunday. Store branches are generally open seven days a week. Store operating hours vary slightly according to customer needs or store hours. Hours within store branches are typically Monday-Wednesday 10:00 AM-6:00 PM, Thursday either 9:00 AM-7:00 PM or 10:00 AM-6:00 PM, Friday either 9:00 AM-7:00 PM or 10:00 AM-6:00 PM, Saturday 10:00 AM-6:00 PM, and Sunday 12:00PM-4:00PM.

Killeen-Temple

FNBT's service delivery systems in the Killeen-Temple AA are readily accessible to geographies and individuals of different income levels. FNBT operates 18 branches within the AA. The bank's head office is located in a low-income CT of this AA, along with 5 free-standing, traditional branches and 12 store branches. The distribution of these branches is similar to the AA's LMI population, with two branches (11 percent) in low-income CTs and one branch (5.6 percent) in a moderate-income CT.

Branch openings and closings in the Killeen-Temple AA have not adversely affected the accessibility of delivery systems, in LMI geographies or to LMI individuals. The bank opened two new branches and did not close any locations in this AA during the evaluation period. FNBT's hours in the Killeen-Temple AA are tailored to meet the convenience and needs of its customers. FNBT's six traditional offices in this AA are open Monday – Friday from 9:00AM – 5:00 PM, with two open Saturdays from 9:00 AM – 5:00 PM. All of the traditional offices are closed on Sunday. Store branches are open seven days a week and hours are similar to other store locations.

FNBT complements its traditional service delivery methods with alternative delivery systems (ADS), including online banking, mobile banking, ATMs, and telephone banking. These delivery methods provide increased access to banking services throughout the AA. The bank provides 24-hour access, seven days a week to accounts and services through online or mobile channels, and through 48 ATMs in the AA. FNBT also operates four ITMs within the Killeen-Temple AA. Further, customers in this AA with access to the Fort Hood Army Post also have free access to the ATMs of affiliate FHNB. The hours of ATM and ITM accessibility may vary in store or post locations, depending on store or post office hours. The bank's mortgage division, FCM, operates six LPOs in this AA.

FNBT provided documentation demonstrating that mobile and online banking ADS were reasonably accessible to all customers in the AA, including LMI geographies. The bank's information demonstrated that least 15 percent of customers that reside in low- or moderate-income CTs of this AA, use online and mobile banking services, which is near AA populations in these geographies.

Houston

FNBT's service delivery systems in the Houston AA are readily accessible to geographies and individuals of different income levels. FNBT operates 56 branches within the AA, including three free-standing, traditional

branches. Two of the free-standing branches in this AA are located in moderate-income CTs of Conroe and one is located in a low-income CT of Houston. As shown in the table above, the bank's distribution of branches in this AA significantly exceeds populations in low- and moderate- income areas. The bank has a total of 11 branches (20 percent) in low-income CTs and 24 branches (43 percent) in moderate-income CTs. FCM has one LPO in the Houston AA.

Branch openings and closings in the Houston AA have improved the accessibility of bank delivery systems in LMI geographies and to LMI individuals. During the evaluation period, FNBT opened six store branches and closed three in this AA. Three of the new store branches were located in moderate-income CTs, one was located in a low-income CT, and the remaining branches were located in middle- and upper-income CTs. Two of the three branch closures were located in moderate-income CTs, while the third closure was located in an upper-income area. Management closed two of the branches due to low utilization and profitability. One location, in a moderate-income CT closed when Kroger closed the grocery store where the bank was operating. Branch openings, closures resulted in low-, moderate-, and middle- income CTs each gaining a branch during the evaluation period.

FNBT's hours in this AA are tailored to meet the convenience and needs of its customers. FNBT's three traditional branches are open Monday – Thursday from 9:00 AM – 5:00 PM, Friday from either 9:00 AM – 5:30PM or 9:00 AM – 6:00 PM, Saturday 9:00 AM – 1:00 PM, and all are closed on Sundays. Hours in store branches are similar to other AAs and may vary according to customer needs or store hours.

FNBT complements its traditional service delivery methods in this AA with ADS, including online banking, mobile banking, ATMs, and telephone banking. These delivery methods provide increased access to banking services throughout the AA. The bank provides 24-hour access, seven days a week to accounts and services through online or mobile channels and through its 64 ATMs in this AA. The hours of ATM availability may vary in store locations, depending on store hours.

FNBT provided information demonstrating that mobile and online banking ADS were readily accessible to all customers in the AA, including LMI geographies. The bank's information demonstrated that 51 percent of customers residing in low- or moderate-income CTs use online or mobile banking services. This excellent utilization of online/mobile services exceeds AA populations in LMI geographies and provides a positive impact for individuals within these areas.

El Paso

FNBT's service delivery systems in the El Paso are reasonably accessible to geographies and individuals of different income levels in the AA. FNBT operates 16 store branches within the AA. None of the bank's branches in this AA are in low-income CTs, but the bank does have one branch in a moderate-income CT, which represents 6 percent of all branches. The distribution of bank branches is below the dispersion of AA populations in low- and moderate-income areas; but as mentioned previously, the bank has limited control over store locations. The bank has two mortgage LPOs in this AA as well as a new commercial loan LPO, which opened in February 2020 and is located in a moderate-income area of El Paso.

Branch openings and closings in the AA have not adversely affected the accessibility of delivery systems in LMI geographies or to LMI individuals. The bank opened one branch in an upper-income CT during the evaluation period. The bank did not close any branches within the AA during the evaluation period. FNBT's hours in this AA are tailored to meet the convenience and needs of its customers. Store branches within the AA are open seven days a week and hours are similar to other store locations.

FNBT complements its traditional service delivery methods in this AA with ADS, including online banking, mobile banking, ATMs, and telephone banking. These delivery methods provide increased access to banking services throughout the AA. The bank provides 24-hour access, seven days a week to accounts and services through online or mobile channels and 19 ATM locations in this AA. The hours of ATM availability may vary in store locations, depending on store hours.

FNBT provided information demonstrating that mobile and online banking ADS were reasonably accessible to all customers in the AA, including LMI geographies. The bank's information shows that 27 percent of customers residing in low- or moderate-income CTs use online or mobile banking services. This reasonable utilization of online/mobile services is near AA populations.

San Antonio

FNBT's service delivery systems in the San Antonio AA are readily accessible to geographies and individuals of different income levels. FNBT operates 13 branches within the AA. One of the branches in this AA was converted from a commercial loan production office and is now a free-standing limited service branch primarily for commercial customers. The remaining branches are all located within stores. The distribution of bank branches in this AA exceeds low- and moderate-income populations in the AA with one branch (8 percent) in a low-income CT and 5 branches (38 percent) in moderate-income CTs.

Branch openings in the AA improved accessibility of the bank's delivery systems, particularly in moderate-income geographies. The bank opened three branches during the evaluation period, two of which are in moderate-income CTs. The new limited service branch is located in a middle-income CT, but loan and deposit services are more accessible to commercial customers through this new branch. The bank did not close any branches within the AA during the evaluation period.

FNBT's hours in this AA are tailored to meet the convenience and needs of its customers. FNBT's limited service commercial branch is open Monday – Friday from 9:00 AM – 4:00 PM. Store branches within the AA are open seven days a week and hours are similar to other store locations.

FNBT complements its traditional service delivery methods in this AA with ADS, including online banking, mobile banking, ATMs, and telephone banking. These delivery methods provide increased access to banking services throughout the AA. The bank provides 24-hour access, seven days a week to accounts and services through online or mobile channels and through its 12 ATM locations in this AA. The hours of ATM availability may vary in store locations, depending on store hours.

FNBT provided information demonstrating that mobile and online banking ADS were readily accessible to all customers in the AA, including LMI geographies. The bank's information shows that 44 percent of customers residing in low- or moderate-income CTs use online or mobile banking services. This excellent utilization of online/mobile services exceeds AA populations and provides a positive impact for individuals within these areas.

Community Development Services

The institution provides a relatively high level of level of CD services. We placed the most weight on the bank's performance in the larger full scope AAs with the most branches, deposits and employees.

Killeen – Temple

FNBT is a leader in providing CD services that are responsive to the needs of the AA. During the evaluation period, 48 bank personnel devoted approximately 2,957 community service hours to 43 different qualifying organizations in the AA. Activities included providing leadership and financial expertise through board and committee membership and providing financial education programs to LMI students and adults. The majority of organizations served focus on providing essential services to LMI individuals and families and promoting economic development in the AA. Bank personnel were involved with organizations that support affordable housing and revitalization and stabilization of designated areas. FNBT employees have served on the board of a local homeless shelter, which also provides transitional housing assistance, and a 24 hour crisis hotline. FNBT employees provided adult financial educational programs through local organizations serving the homeless, senior citizens, and the workforce solutions. Student educational efforts have involved the local Boys, Girls Club, Armed Services YMCA, and schools where the majority of students were economically disadvantaged and on subsidized lunch programs. FNBT employees have provided financial education to 4,011 participants in this AA, over 80 percent of which was devoted to student educational programs. Noteworthy examples of FNBT's CD services in the Killeen-Temple AA are summarized below.

- 14-Forward - As discussed in the Investment Test above, in 2018, FNBT joined with the Greater Killeen Chamber of Commerce and other local businesses to develop and launch the 14-Forward economic initiative. Since inception, the bank's CEO and four other bank officers have provided leadership, financial, and technical expertise through service on the Board as Treasurer, and through assistance in developing the program's community development related goals, objectives, and marketing strategies. Bank officers have devoted at least 162 hours in support of this initiative, which in 2019, helped to create 777 new jobs in the AA and 1,240 jobs since the program's origination. Bank management is also consulting with program organizers in development of a revolving loan fund.
- Communities in Schools of Greater Central Texas, Inc. - FNBT personnel have provided leadership and financial expertise through Board membership on the local affiliate of the non-profit Communities in Schools (CIS), which is a nationwide organization providing assistance and essential needs to at-risk or low-income students by connecting them with various community resources. CIS also provides a wide range of training for teachers and adults. The organization collaborates with schools K-12 through its affiliate organizations. The CIS Greater Central Texas organization is partially funded by the Central Texas Food Bank, the United Way, Texas Education Agency, the Texas Fund for Veteran's Assistance, and the City of Killeen's Community Development Block Grant (CDBG). For the 2017-2018 school year CIS served 48 campuses in this AA, including 5,299 students, eighty-one percent were on subsidized free and reduced lunch programs, and 10 percent were homeless. Statewide, the organization provided services to 813,902 students in Texas.
- Lemonade Day - FNBT is an active sponsor, organizer, and participant in the annual Lemonade Day program, which FNBT and affiliate FHNB first introduced to the Killeen-Fort Hood area in 2010. This free community program works to introduce entrepreneurship to children, through lessons on goal setting, money management, budgeting, and ultimately savings through an account at the bank. FNBT

supported this program throughout the entire evaluation period, providing at least 350 hours of service, financial education, technical and financial expertise. FNBT targets program educational efforts in schools where the majority of students are economically disadvantaged or on free and reduced lunch programs. Three FNBT employees bank provided the educational “Lemonade Day Boot Camp” to 95 students in two local elementary schools where the majority of students were economically disadvantaged. Throughout the four year evaluation period there were over 11 thousand participants in the program, including 23 local elementary schools where the majority of students in these schools were on subsidized lunch programs. Participants in the program may donate revenues to charitable organizations, fund savings accounts, or pay back investors. During the evaluation period, participants donated \$22 thousand to charitable organizations.

- Greater Killeen Community Clinic - Two FNBT employees have provided 22 hours of financial education to at least 130 individuals through the Greater Killeen Community Clinic, which provides free or low cost medical services to low-income individuals or families with limited or no access to health care services. The clinic serves all counties in the entire Killeen-Temple metropolitan area, including Bell, Coryell, and Lampasas.

Houston

FNBT provided a relatively high level of CD services that are responsive to the needs of the AA. During the evaluation period, 63 bank personnel devoted approximately 753 community service hours to 30 different qualifying organizations in the AA. Activities included providing leadership and financial expertise through board and committee membership and providing financial education programs to LMI students and adults. The majority of organizations served focus on providing essential services to LMI individuals and families and promoting economic development in the AA. Bank personnel were also involved with organizations that help support affordable housing. FNBT personnel provided 367 hours of financial education to approximately 5,199 LMI individuals during the evaluation period. Noteworthy examples of FNBT’s CD services in the Houston AA are summarized below.

- Alliance for Economic Inclusion (AEI) - An FNBT employee provided 63 hours of service during the evaluation period providing leadership, financial, and technical expertise as a part of the Houston AEI’s financial education and financial inclusion summit committees. The Houston AEI model was created by the FDIC and includes financial institutions, community organization, small businesses, faith-based organizations, state and local government agencies, community stakeholders, and financial regulators from communities in the bank’s Houston AA. The coalition focuses on delivering financial education programs, financial products and services for the unbanked and underserved populations, including small dollar loan programs, affordable remittance products, and other asset-building programs.
- Bank-On Houston and Houston Money Week - Bank-On Houston and Houston Money Week are AEI initiatives uniting local financial institutions and community-based organizations to financially educate the unbanked population and provide banking products with low minimum balance requirements and reasonable service fees. During the evaluation period, four FNBT employees participated as committee members and provided educational programs during Bank-On Houston and Houston Money Week events. FNBT employees provided over 50 hours of service through committee participation and financial education.
- Conroe Industrial Development Corporation (CIDC) - A FNBT employee provided 136 hours of

service during the evaluation period providing leadership and technical expertise as a part of the organization's Board. The CIDC is a non-profit development corporation dedicated to promoting economic development in the City of Conroe.

El Paso

FNBT provided an adequate level of CD services that are responsive to the needs of the AA. During the evaluation period, bank personnel devoted approximately 139 community service hours to 10 different qualifying organizations in the AA. Activities focused primarily on financial education programs for LMI students and adults. Adult programs included curriculums for home buying, and home ownership. Two bank employees also provided adult financial education classes in Spanish to 30 participants of a charitable organization focused on preventing sexual and family violence. Employee's used the AEI's Bank-On curriculum for these classes. FNBT personnel provided financial education to approximately 2,236 students in two local high schools, a middle school, a science academy, and early childhood center where the majority of students were economically disadvantaged. School educational programs focused on basic financial education, building financial futures, careers in banking, and workforce readiness. Noteworthy examples of FNBT's CD services in the El Paso AA are summarized below.

- Home Buyer Seminars - Three FNBT personnel provided four home buyer seminars in the AA, three of which were in YMCA branches. One YMCA branch is located in a moderate-income CT and attendees were from the surrounding area. Seminars in the Shirley Leavell East Branch were part of the organization's Economic Empowerment Services. FNBT's mortgage loan officer in the El Paso AA also provided a homebuyer's workshop to prospective first-time homebuyers. FNBT provided a total of 14 hours of educational service through these homebuyer seminars to 108 LMI individuals and families.
- Money Smart Week - During 2017 and 2018, two FNBT employees provided 58 hours of service and financial education to individuals during the Money Smart Week in El Paso. This event focuses on educating consumers to better manage their finances. The event brings together students, educators, adults, financial institutions, non-profits, and community based organizations. The FDIC and Federal Reserve Bank of Dallas also sponsor the events. One FNBT employee also served on an event planning committee for this event. The program is based upon FDIC's Money Smart curriculum and FNBT's programs for the Money Smart Week focused on Preventing Identity Theft and How to Pay for College.

San Antonio

FNBT provided few CD services in the San Antonio AA. The bank's CD services in this AA are responsive to AA needs, but the level of service activity is not consistent with the bank's capacity and expertise to perform such activities. Performance context considerations are also important to consider such as the LPO/branch conversion in this AA did not occur until January 2019, and prior to this time, the bank only had store branches in this AA. Staff resources, and employee availability for service activities is more limited in store branches.

During the four year evaluation period, two bank personnel devoted approximately 20 community service hours to two different qualifying organizations in the AA. Activities focused on providing financial education to 70 students and providing financial expertise on the board and finance committee of a charitable non-profit organization. The non-profit organization provides various services in the AA

including housing, financial planning, counseling, emergency assistance, and senior services.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance is consistent with the overall "High Satisfactory" Service Test rating in seven of the limited scope AAs, including Austin-RR-Georgetown, Beaumont-Port Arthur, Corpus Christi, Laredo, Lubbock, Victoria, and Waco. The bank's performance was stronger than the overall Service Rating in four AAs, which includes Brownsville-Harlingen, College Station-Bryan, Dallas, and Fort Worth. The bank's performance in these areas was stronger due to excellent branch distributions, CD service activities, and good utilization of ADS in low- and moderate income geographies. Performance in these AA was consistent with the excellent performance in the Killeen and Houston Full Scope AAs and positively impacted the overall Service Test rating.

The bank's performance was weaker in the remaining 11 limited scope AAs, including Amarillo, Longview, McAllen-Edinburg, Midland, Odessa, San Angelo, Sherman-Dennison, Texarkana, Tyler, Wichita Falls, and the TX-Non MSA. Performance was weaker due to few branches in low-and moderate-income areas and few, if any, CD service activities. The bank did not have any branches in low- and moderate-income areas of Amarillo, Odessa, San Angelo, Sherman-Dennison, Tyler, and Wichita Falls AAs. However, in the AAs where branch distributions are weaker, the bank demonstrated reasonable utilization of mobile and online banking services, including low- and moderate income geographies, which help to provide reasonable accessibility across the bank's footprint. Also, it is important to note that the bank has limited control over the opening of store branch locations. FNBT had no CD services during the entire evaluation period in 10 of the weaker AAs, including Longview, McAllen-Edinburg, Midland, Odessa AA, San Angelo, Sherman-Dennison, Texarkana, Tyler AA, and Wichita Falls. Weaker performance in the limited scope AAs had a limited impact on the overall Service Rating. The bank has fewer branches and deposits in these AAs.

State Rating

State of Arizona

CRA rating for the State of Arizona: Satisfactory
The Lending Test is rated: High Satisfactory
The Investment Test is rated: Low Satisfactory
The Service Test is rated: High Satisfactory

The major factors that support this rating include:

- Lending levels reflect good responsiveness to meeting AA credit needs, given the performance context.
- Excellent geographic and borrower distributions of consumer loans in all of the bank's AAs.
- Good geographic and borrower distributions of home mortgage loans in the bank's largest AA.
- Relatively high level of community development loans.
- Good level of flexible lending products that had a positive impact on the Lending Test.
- Adequate level of investments, donations, grants.
- Retail delivery systems are readily accessible to all portions of the bank's AAs.
- Adequate level of CD services in the larger AAs.

Description of Institution's Operations in Arizona

FNBT operates 22 store branches in six Arizona (AZ) counties. The bank's AAs in AZ include four MSAs, and one non-MSA county. FNBT's presence in AZ is concentrated in the Phoenix-Mesa-Chandler MSA (Phoenix AA). The majority of the bank's branches in AZ are in the Phoenix AA, along with the majority of bank loans and deposits in AZ. We performed full scope reviews for the Phoenix and Prescott Valley-Prescott (Prescott) AAs. FNBT offers a range of loan and deposit products to customers in AZ with a primary focus on mortgage and consumer lending. First Community Mortgage (FCM) operates a residential mortgage LPO in Tempe, AZ, which is in the Phoenix AA.

Phoenix

FNBT's Phoenix AA includes all of Maricopa and Pinal counties which represents the entire Phoenix-Mesa-Chandler MSA. This AA meets the requirements of the regulation and does not exclude any LMI geographies. Maricopa comprises over 90 percent of the AA's population. U.S. Census data in 2019 estimated an AA population of 4.9 million, with strong growth of 18 percent since 2010. FNBT operates 16 store branches and ATMs in this AA, along with the one FCM LPO. Six store branches are located within the city of Phoenix, four in Mesa, and the remaining branches are located in the cities of Casa

Grande, Chandler, Goodyear, Scottsdale, Surprise, and Tempe. Most of the branches are located in Walmart stores, except for two, which are located in Los Altos Ranch Market stores.

The most recent census data shows that there are 991 CTs in this area, of which 110 are low-income areas, (11 percent), 231 are moderate-income areas (23 percent), 326 are middle-income areas (33 percent), and 311 are upper-income areas (31 percent). Thirteen CTs are not assigned an income classification (1 percent).

The tables below include additional census demographic information on the AA.

Table A – Demographic Information of the Assessment Area						
Assessment Area: Phoenix 2016						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	991	9.2	24.5	33.9	31.4	1.0
Population by Geography	4,192,887	8.2	24.7	36.0	31.0	0.2
Housing Units by Geography	1,745,666	7.4	26.4	35.9	30.3	0.0
Owner-Occupied Units by Geography	1,008,811	3.7	21.5	38.1	36.8	0.0
Occupied Rental Units by Geography	492,017	14.1	34.3	32.3	19.3	0.0
Vacant Units by Geography	244,838	9.6	30.5	34.0	25.8	0.1
Businesses by Geography	328,447	6.5	15.9	30.8	46.3	0.5
Farms by Geography	6,597	5.5	17.1	34.5	42.4	0.4
Family Distribution by Income Level	1,000,063	21.2	17.8	20.5	40.6	0.0
Household Distribution by Income Level	1,500,828	22.6	17.1	18.5	41.7	0.0
Median Family Income MSA - 38060 Phoenix-Mesa-Scottsdale, AZ MSA		\$64,408	Median Housing Value			\$251,130
			Median Gross Rent			\$934
			Families Below Poverty Level			10.0%
<p><i>Source: 2010 U.S. 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></p>						

Table A – Demographic Information of the Assessment Area Assessment Area: Phoenix 2019						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	991	11.1	23.3	32.9	31.4	1.3
Population by Geography	4,407,915	10.6	23.5	33.7	31.9	0.3
Housing Units by Geography	1,832,045	9.4	23.9	35.6	31.1	0.1
Owner-Occupied Units by Geography	967,478	4.5	19.6	37.1	38.7	0.0
Occupied Rental Units by Geography	602,639	16.7	29.7	32.6	20.8	0.2
Vacant Units by Geography	261,928	10.7	26.4	36.5	26.3	0.1
Businesses by Geography	439,910	6.1	16.3	30.0	47.1	0.5
Farms by Geography	8,508	5.9	19.4	32.2	42.2	0.3
Family Distribution by Income Level	1,036,417	21.9	17.3	19.5	41.3	0.0
Household Distribution by Income Level	1,570,117	23.4	16.5	17.9	42.2	0.0
Median Family Income MSA - 38060 Phoenix-Mesa-Chandler, AZ MSA		\$63,686	Median Housing Value			\$197,320
			Median Gross Rent			\$991
			Families Below Poverty Level			12.5%
<i>Source: 2015 ACS and 2019 D&B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

Market Share

The June 30, 2019 FDIC Deposit Market Share Report for the Phoenix AA shows that FNBT deposits of \$36.8 million, represent a nominal 0.03 percent of the AA market share. The top five market leaders are much larger banks with a nationwide or regional presence, including JP Morgan Chase, Wells Fargo, Bank of America, Western Alliance Bank, and MUFG Union Bank, National Association. These top five banks collectively hold 77 percent of the total deposit market share in the Phoenix AA. The FDIC Report shows 63 banks and savings association in this AA. FNBT ranked 50th in deposit market share. FNBT also competes in this market with credit unions, mortgage companies, finance companies, pay-day lenders, and other non-bank competitors. This this AA represents 67 percent of FNBT deposits in AZ and 69 percent of loans by number.

This market is very competitive for home mortgages. Aggregate HMDA data in 2019 reported 924 mortgage lenders in the AA. FNBT ranked #250 with \$22 million in originations and a nominal 0.03 percent of the market share (by number and dollar volume). FNBT's ranking was in the top 25 percent of lenders. This level of performance was good when considering the bank's nominal deposit market share. During 2017, FNBT ranked as high as 178th or in the top 21 percent of 854 residential lenders.

Economic Conditions

According to a November 2019 market profile report from the Department of Housing and Urban Development (HUD), economic conditions in the Phoenix AA have been strong since 2011. Nonfarm payroll growth had recently moderated, but job growth in the area outpaced the nation. In March 2020, Moody's Analytics reported similar trends in job growth prior to the pandemic. Moody's states that the

cost of business in the Phoenix MSA is lower than neighboring California making it attractive for business and individuals to relocate. Both HUD and Moody's note that the area is a hub for expansion and relocation for banks, insurance companies, and business services firms. Phoenix is recognized as a financial center, driving the economy along with retirees. During the evaluation period, the Phoenix area's population growth and migration trends drove other industries such as healthcare, hospitality, retail, and construction. Major employers in the area include Banner Health System, along with Honor and Dignity Health, Wal-Mart, Wells Fargo, and Arizona State University (ASU). Local, state, and federal governments are also very large employers in this AA. HUD's market profile report indicated that at least six major medical center projects were underway in the area and expected to open in 2020.

Employment Factors

According to BLS data, the unemployment rate in the Phoenix AA has declined every year since 2011. At year-end 2019, the AA unemployment rate was 4.1 percent, which was slightly higher than the national average of 3.7 percent, but below the state's average of 4.7 percent. Moody's report noted a weakness in AA wages, which are below those in other Western regions of the country. At year-end 2019, the FFIEC's median family income for the AA was \$72,900.

Housing Characteristics

During the evaluation period, the single-family housing market in this AA was strong with gains in prices and sales exceeding national levels and demand spurring new construction. The 2019 annual report from the Arizona Department of Housing noted that most of the state's population increase during 2017 – 2018 was in Maricopa County, putting pressure on housing supply, causing increases in housing costs and challenges for low-income residents in locating available units that are modestly priced. The report indicates that builders are responding to strong demand in housing in every category, including entry-level housing, but it will take some time before inventory can catch up to the demand. The report predicts that the increase in AA population will continue to impact the cost of housing as demand outstrips supply.

HUD's November 2019 report further supports declining inventories. In October 2019, only 2.0 months of available inventory were for sale in the AA, down from 2.3 months the previous year and down significantly from 5.9 months in 2010, when foreclosure activity was near its peak. HUD reported increased sales prices for both new and existing homes. The reported average sales price for new homes in 2019 was \$382 thousand and \$313 thousand for existing new homes. Permits for single family and multi-family permits were higher in 2019. HUD noted that several residential developments were underway in the AA, the largest including 1,100 homes, 1,100 multi-family units, office space, retail shops, and town center. Prices ranges from \$340 thousand to \$630 thousand for three-and four bedroom homes. The National Association of Realtors reports that price appreciation in this AA exceeds nationwide appreciation.

HUD's report also reflected a strong apartment market in this AA, with population growth contributing to declining vacancy rates and higher prices. HUD report in 3rd quarter 2019, apartment rents in this AA were up nearly 8 percent over the past year. Rents averaged \$1,139 and vacancy rates averaged 5.4 percent. A significant share of multi-family construction is underway in Tempe, which is where the main campus of ASU is located. FNBT also has a branch in Temple.

The cost of housing is exceeding wage growth, which creates challenges for affordable housing, particularly for LMI individuals and families. Based upon information HUD and census data as reflected in the tables above, the average sales price has increased about 20 percent over the evaluation period, yet

median family income levels have increased only about 11 percent. The 2019 annual report from the Arizona Department of Housing indicated that on a statewide basis, homelessness in Arizona had decreased, except in Maricopa county where unsheltered homeless had increased by about 48 percent.

Community Contacts

To help identify needs and opportunities in the Phoenix AA, the OCC reviewed a regulatory agency contact with an organization that focuses on affordable housing in the AA. We also reviewed information provided from various community organizations and non-profit entities during an interagency listening session. Community organizations identified the need for more investment in affordable housing and rental units, including increased participation from financial institutions in programs that assist individuals and families with down payments and closing costs. Community organizations also identified needs and opportunities for small business lending, technical assistance for small businesses, the need for micro-loan programs, and the need for local decisioning to be more responsive to local needs. Micro loans for consumers were also an identified need to help combat title loans and predatory lenders.

In addition, contacts identified needs for affordable deposit account products and the acceptance of legitimate immigrant identification. Secured credit cards were also mentioned as an identified need to help build credit. Some of the organizations also mentioned concerns with access to banking services, particularly in the rural communities of the AA. Based upon information provided by the contacts and review of the AA demographic information, we determined that there are opportunities in this AA for more community outreach by financial institutions and partnering with community organizations in support of affordable housing and small business needs. There are also opportunities for financial institutions to develop small consumer loan products, financial literacy, and small business training programs. Further there may also be opportunities to partner with Community Development Financial Institutions (CDFIs) or small business development corporations to fund small business and micro loan programs.

Prescott – Prescott Valley (Prescott)

FNBT's Prescott AA includes Yavapai County, which includes the entire MSA. This AA meets the requirements of the regulation and does not arbitrarily exclude any LMI geographies. FNBT operates a single store branch and ATM in this AA within the city of Cottonwood, AZ which is a smaller rural area of the county. The population of Cottonwood was approximately 12 thousand according to U.S. Census data in July 2019, which represents about 5 percent of the entire county population. Larger cities in the county include Prescott Valley and Prescott which are approximately 35 to 45 miles away. The bank's branch is located in the Cottonwood Walmart, which is about 100 miles north of Phoenix.

The most recent census data shows that there are 42 CT in this entire AA. There are no designated low-income CTs in this AA, 11 are moderate-income areas (26 percent), 22 are middle-income areas (52 percent), and 9 are upper income areas (21 percent). There are only 4 CTs that comprise the city of Cottonwood, two are moderate-income, one is middle-income, and one is an upper-income CT.

The tables below include additional census demographic information on the AA.

Table A – Demographic Information of the Assessment Area						
Assessment Area: Prescott 2016						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	42	0.0	16.7	64.3	19.0	0.0
Population by Geography	211,033	0.0	15.2	67.8	17.0	0.0
Housing Units by Geography	108,244	0.0	14.6	65.8	19.6	0.0
Owner-Occupied Units by Geography	64,562	0.0	11.6	68.2	20.2	0.0
Occupied Rental Units by Geography	24,547	0.0	24.4	59.2	16.4	0.0
Vacant Units by Geography	19,135	0.0	12.4	66.3	21.3	0.0
Businesses by Geography	18,052	0.0	17.2	56.7	26.1	0.0
Farms by Geography	532	0.0	10.2	64.3	25.6	0.0
Family Distribution by Income Level	56,321	18.5	20.3	20.9	40.3	0.0
Household Distribution by Income Level	89,109	21.8	16.7	20.4	41.0	0.0
Median Family Income MSA - 39140 Prescott, AZ MSA		\$53,499	Median Housing Value			\$249,033
			Median Gross Rent			\$850
			Families Below Poverty Level			8.8%
<i>Source: 2010 U.S. 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>						

Table A – Demographic Information of the Assessment Area						
Assessment Area: Prescott 2019						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	42	0.0	26.2	52.4	21.4	0.0
Population by Geography	215,996	0.0	24.4	57.2	18.4	0.0
Housing Units by Geography	111,731	0.0	21.9	57.6	20.6	0.0
Owner-Occupied Units by Geography	64,499	0.0	18.7	61.2	20.1	0.0
Occupied Rental Units by Geography	27,811	0.0	31.3	49.2	19.4	0.0
Vacant Units by Geography	19,421	0.0	18.7	57.6	23.7	0.0
Businesses by Geography	22,007	0.0	22.3	51.3	26.4	0.0
Farms by Geography	657	0.0	19.3	54.5	26.2	0.0
Family Distribution by Income Level	58,562	18.8	19.3	22.4	39.6	0.0
Household Distribution by Income Level	92,310	22.8	17.1	18.9	41.3	0.0
Median Family Income MSA - 39150 Prescott Valley-Prescott, AZ MSA		\$54,475	Median Housing Value			\$204,530
			Median Gross Rent			\$878
			Families Below Poverty Level			11.1%
<i>Source: 2015 ACS and 2019 D&B Data</i>						
<i>Due to rounding, totals may not equal 100.0%</i>						
<i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

Market Share

The FDIC's June 30, 2019 Deposit Market Share Report for the Prescott AA shows that FNBT deposits of \$2.2 million, represent a nominal 0.05 percent of the total deposit market share. FNBT ranked last out of 13 financial institutions in this market. The banks with the largest deposit market share in the Prescott AA, include much larger banks with a nationwide presence, including JP Morgan Chase, Wells Fargo, Zions Bancorporation, N.A. and Bank of America, National Association. Combined these financial institutions represent 75 percent of the total Aa deposit market share. FNBT faces other competitors in this market including credit unions, mortgage companies, finance companies, pay-day lenders, and other non-bank competitors. This AA represents only four percent of FNBT deposits in AZ and about 3.5 percent of loans.

FNBT does not have a mortgage LPO in this AA, but still originated nine home mortgage loans during the evaluation period. Aggregate lender reports from 2019 show that FNBT ranked 270th out of 399 lenders in the AA. The bank's mortgage market share was minimal at 0.01 percent by number and dollar volume of loans. The bank's performance in 2018 was similar to 2019. FNBT ranked as high as 166th out of 358 aggregate lenders in 2017. The bank's market share was nominal at 0.05 percent.

Economic Factors

U.S. Census Bureau estimates in July 2019 reflect AA population growth of about 11 percent since 2010 as compared to 9.6 percent in the city of Cottonwood, which is where the bank's branch is located. The Prescott AA is a popular retirement destination, which is reflected in the age of AA population. The July 2019 census data estimates show that almost 33 percent of the county population is 65 and older. An annual report in 2019 from the Northern Arizona Council of Governments, and a March 2020 Report from Moody's Analytics indicates that top industries in the county include education and health services, leisure and hospitality services, retail trade, and state, local governments. Moody's report indicates that during 2016 through 2018 the AA economy grew at a pace faster than the western United States, but by the end of 2019, healthcare, leisure and manufacturing industries were shrinking and the AA economy had shown signs of deacceleration. Some of the top AA employers include the Yavapai Regional Medical Center, Veterans Affairs, Freeport-McMoRan Mine (Copper), Embry-Riddle Aeronautical University, Yavapai Gaming Agency, Walmart and Sam's Club, Mountain Valley Rehabilitation Hospital, Northern Arizona Healthcare, and Yavapai College.

Employment Factors

At year-end 2019, BLS data showed an AA unemployment rate of 4.4 percent, which is slightly lower than the state's average of 4.7 percent and higher than national averages of 3.7 percent. During the evaluation period unemployment reached as high as 4.9 percent in 2016. FFIEC's estimated 2019 AA median family income is was \$66,100, which approximates about 20 percent growth since 2010 according to the census data in the tables above.

Housing Factors

The most recent census data shows a relatively high percentage of home ownership in the AA at almost 58 percent, but the median costs are rising. According to data published in December of 2019 by the county tax assessor, the single family residential median home price was \$336 thousand, an increase of 2.3 percent over the past year. Median prices vary in different regions of the county, the largest median values were in the Prescott- Prescott Valley area at \$339 thousand, and in rural areas of the county, median prices were

\$315 thousand. This data when compared to census data in the tables above reflects strong home price appreciation during the evaluation period, exceeding wage growth. The March 2020 Moody's report also reflects increasing home prices as well as increased permits for both single-family and multi-family units. Rental inventories were reported at just over 2 percent, which was lower than state and national levels. HUD data shows an increase in rents, with a 2019 fair market rate of \$958 for a 2 bedroom unit.

Community Contacts

To help identify needs and opportunities in the AA, the OCC reviewed a regulatory agency contact with an organization that focuses on affordable housing in the larger cities of this AA. The contact expressed concerns with the rising costs of land and the need for additional funds to build homes for LMI individuals and families. The organization also identified needs for access to broadband to help with education and training programs. Further, the contact identified needs for community service related donations.

The Greater Prescott Regional Economic Development Partnership's (GRREP's) three year Economic Development Strategic Plan (2017-2020) identified opportunities for public/private partnerships in support of economic development and regional work force training. This plan also identified potential financial institution opportunities for small business referrals to small business development corporations or other entities for technical assistance and training.

The City of Cottonwood's 2015 five year Economic Development Strategic Plan identified concerns with rising home prices and the need for a diverse stock of affordable housing that will appeal to employers interested in relocating to the area. Affordable housing is needed for younger adult populations, as well as the older, retired populations. The plan identified a need for investment in infrastructure and other capital projects to stimulate private sector development and job growth. In addition, this plan identified needs for workforce development and training. The region's increased retiring workforce and the out migration of younger populations have created challenges in developing, retaining a skilled workforce. The 2020 Moody's report and the city plan both identified skilled talent as a challenge in certain professions in this AA. Financial institutions may have lending and investment opportunities to support the area's affordable housing needs, economic development goals, and there may be opportunities to provide training or support community development organizations which provide counseling, and training for small businesses. Further there may be opportunities for financial institutions to provide financial expertise on the boards or committees of the various public or private organizations focused on AA economic development needs.

Scope of Evaluation in Arizona

Our scope for the state of Arizona (AZ), included full-scope reviews for the Phoenix and Prescott AAs. The Phoenix AA was selected for full-scope analysis due to the significance of AA deposits and lending activity. The Prescott AA was selected as the bank's second largest home lending market in AZ, and the only other AA besides Phoenix with CD lending activity. The Prescott AA was also selected for full-scope review because it has not been previously evaluated using full-scope procedures. These AAs on a combined basis represent 71 percent of the bank's deposits in AZ.

Our analysis of lending activity in Arizona focused primarily on consumer loans and mortgage lending in Phoenix, where FCM has an LPO. FNBT offers all loan and deposit products in this state, but the bank's primary focus is consumer lending within the store locations. The bank does not have a commercial LPO or commercial loan officers in AZ and the bank did not have an adequate volume of business or commercial loans for analysis in any of the AZ AAs. Phoenix was the only AA with a sufficient volume of mortgage

loans for a meaningful analysis. Our conclusions for consumer loan distributions were based upon a sample of 20 consumer loans in each AA and data provided by management which we found to be reliable. Refer to Appendix A for a list of all AAs reviewed

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN ARIZONA

LENDING TEST

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

Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, the bank's performance in the Phoenix and Prescott AA's is good.

Lending Activity

Lending levels reflect good responsiveness to AA credit needs.

The bank's primary lending product in AZ is consumer loans, primarily Smart Cash loans and residential lending in the Phoenix AA, where the bank's mortgage LPO is located. Due to the volume of consumer lending activity, we placed greater weight on this product when analyzing the bank's performance. As reflected in the tables below, the bank originated consumer loans in all of its AZ assessment areas. The tables below do not reflect all of the municipal lending and purchased rehabilitated loans in the bank's AAs. This information is summarized within narratives for full-scope AAs.

Number of Loans* (2016 – 2019)								
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Consumer	Total	% State Loans	% State Deposits
Full Scope								
Phoenix	394	1	0	1	17,811	18,207	68.6	66.8
Prescott Valley	9	0	0	1	596	606	2.3	4.0
Limited Scope								
Lake Havasu Kingman	3	0	0	0	2,286	2,289	8.6	12.9
Tucson	3	0	0	0	4,487	4,490	16.9	7.9
Non MSA	0	0	0	0	955	955	3.6	8.4
Totals	409	1	0	2	26,135	26,547	100.0	100.0
*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only. Source: Bank Data; "--" data not available. Due to rounding, totals may not equal 100.0%								

Dollar Volume of Loans* (000's) (2016 - 2019)								
Assessment Area	\$ Home Mortgage	\$ Small Business	\$ Small Farm	\$ Community Development	\$ Consumer	\$ Total	% Rating Area Loans	% Rating Area Deposits
Full Scope								
Phoenix	88,533	50	0	500	16,875	105,958	88.2	66.8
Prescott Valley	1,819	0	0	3,450	859	6,128	5.1	4.0
Limited Scope								
Lake Havasu Kingman	449	0	0	0	2,092	2,541	2.1	12.9
Tucson	621	0	0	0	4,055	4,676	3.9	7.9
Non MSA	0	0	0	0	805	805	0.7	8.4
Totals	91,422	50	0	3,950	24,686	120,108	100.0	100.0
*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only. Source: Bank Data; "--" data not available. Due to rounding, totals may not equal 100.0%								

Phoenix

Lending activity in the Phoenix AA reflects excellent responsiveness to AA credit needs, taking into consideration the number and amount of home mortgage, community development, and consumer loans in the AA. The bank's percentage of loan originations by number and dollar volume exceeded the percentage of AA deposits. We considered the lending volume in the AA relative to the bank's capacity based on deposits in this AA, strong competition, and the bank's limited deposit market presence.

As mentioned above, FNBT reported deposits in this AA totaling \$36.8 million on June 30, 2019, with a nominal share of the deposit market share at 0.03 percent. FNBT ranked 50th out of 63 depository institutions in deposit market share. According to the 2019 aggregate mortgage data, FNBT ranked in the 251st position out of over 900 mortgage lenders in the Phoenix AA. FNBT's ranking in the home mortgage market is lower than its deposit ranking, but FNBT still ranked in the top 25 percent of all mortgage lenders in this competitive market. The bank's share of the mortgage market in number and dollars at 0.03 percent in 2019 was the same as its deposit share. The bank's home mortgage lending activity is excellent when considering the bank's limited deposit market presence.

Home mortgage loans represented 84 percent of the loan origination volume in dollars, but FNBT also originated a significant number of consumer loans in the AA, which represented 98 percent of the total number of loan originations. The average loan size of consumer loans at \$947 was small which results in the smaller dollar volume of consumer loans. Aggregate lender data is not available on consumer loans.

The bank did not originate enough small business loans for analysis in this AA, but small business lending is not a primary focus in this AA. Aggregate small business data in 2019 indicated that the top five small business lenders have captured 70 percent of the market. FNBT did originate one small business and one CD loan in this AA totaling \$500 thousand. The CD loan was part of the bank's municipal loan portfolio.

In addition to the loans presented in the tables above, FNBT purchased 100 rehabilitated student loans in the Phoenix AA totaling \$690 thousand.

Prescott

Lending activity in the Prescott AA reflects good responsiveness to AA credit needs, taking into consideration the number and amount of home mortgage, consumer and community development loans in the AA. The percentage of bank loan originations by number was below the percentage of the bank's state deposits in this AA, but the dollar volume of loans exceeded the percentage of AA deposits. We considered the bank's lending volume in the AA relative to the bank's capacity based on deposits in this AA, competition, the number of branches in this AA, and the bank's limited deposit market presence.

As mentioned above, FNBT reported deposits in this AA totaling \$2.2 million on June 30, 2019, with a nominal share of the deposit market share at 0.05 percent. FNBT ranked last in AA deposit market share out of 14 depository institutions in the AA. The top four large banks in the AA have captured 75 percent of the deposit market.

According to 2019 peer mortgage data, FNBT had a 0.02 percent market share of home mortgage originations in the AA. FNBT ranked 240th out of 447 lenders in the AA. FNBT's ranking and market share of home mortgage loans is weaker than its deposit market share and ranking, but FNBT did not have a mortgage LPO in this AA. Even with only one branch and a limited share of deposits, FNBT ranked in the top 54 percent of all home mortgage lenders in the AA. Although the bank originated few mortgage loans, the dollar volume was good relative to the volume of AA deposits.

Consumer lending activity in the Prescott AA reflects good responsiveness to AA credit needs. Consumer lending made up the majority of the bank's lending activity in this AA with over 98 percent of the total number of loans. The average loan size of consumer loans at \$1,441 was small which results in a smaller dollar volume of consumer loans. Aggregate lender data is not available on consumer loans.

The bank did not originate any small business loans in this AA, but small business lending is not a primary focus in this AA. However, the bank did originate one responsive municipal CD loan in the AA for \$3.5 million. This one loan exceeded the volume of FNBT deposits in the AA.

FNBT originated an additional large municipal loan in this AA totaling \$2 million. This loan did not meet the technical definition of a community development or small business loan and is not reflected in the table above, but the bank's municipal lending activity reflects management's willingness to support local AA credit needs. Additionally, FNBT purchased three rehabilitated student loans in the Prescott AA totaling \$118 thousand.

Distribution of Loans by Income Level of the Geography

Based on full-scope reviews, the bank exhibits a good geographic distribution of loans in its AAs.

Home Mortgage Loans

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

Phoenix

For the 2016 evaluation period, the overall geographic distribution of home mortgage loans in the Phoenix AA is adequate. The percentage of bank loans in low-income geographies is below the percentage of owner-occupied housing units in those geographies; but the bank's percentage of loans slightly exceeds aggregate lender distributions in those geographies. The percentage of bank loans in moderate-income geographies is also below the percentage of owner-occupied housing units in those geographies, but the bank's loan distribution is similar to aggregate lenders in moderate-income geographies.

For the 2017-2019 evaluation period, the overall geographic distribution of home mortgage loans is also adequate. The percentage of bank loans in low-income geographies is well below the percentage of owner-occupied housing units in low-income geographies and also below distributions by aggregate lenders. The bank's performance is better in moderate-income geographies. The percentage of bank loans in moderate-income geographies is near the percentage of owner-occupied housing units, and bank loan distributions in those areas exceed performance by aggregate lenders.

Prescott

During the 2016 evaluation period, the bank did not originate any home mortgage loans in the Prescott AA.

During the 2017 – 2019 evaluation period, the bank originated nine home mortgage loans totaling \$1.8 million. This number of loans is not sufficient for a meaningful analysis, but we did note that the bank originated three of the nine loans in moderate-income geographies totaling \$571 thousand. There were no low-income geographies in this AA.

Consumer Loans

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

Phoenix

For the 2016 evaluation period, the overall geographic distribution of consumer loans in the Phoenix AA is excellent. The percentage of bank loans in both low-income and moderate-income geographies significantly exceeds the percentage of households located in those geographies.

For the 2017-2019 evaluation period, the overall geographic distribution of consumer loans in the AA is also excellent. The percentage of bank loans in both low-income and moderate-income geographies significantly exceeds the percentage of households located in those area.

Prescott

For the 2016 evaluation period, the bank's overall geographic distribution of consumer loans is excellent. The percentage of bank loans in moderate-income geographies significantly exceeds the percentage of households located in moderate-income geographies. As mentioned above, during this period, there were no low-income geographies in this AA.

During the 2017-2019 evaluation period, the bank's loan distributions were also excellent. The bank's performance during this period was similar to 2016. The distribution of consumer loans in moderate-income geographies significantly exceeds the percentage of households located in those geographies. As in 2016, there were no low-income geographies in this AA during this evaluation period.

Lending Gap Analysis

The OCC evaluated the lending distribution in the AA to determine if any unexplained, conspicuous gaps existed. We reviewed summary reports, maps, and analyzed FNBT's home mortgage and consumer activity over the evaluation period to identify any gaps in the geographic distribution of loans. No unexplained, conspicuous gaps were identified.

Distribution of Loans by Income Level of the Borrower

Based on full scope reviews, the bank exhibits a good distribution of loans among individuals of different income levels.

Home Mortgage Loans

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

Phoenix

For the 2016 evaluation period, the overall borrower distribution of home mortgage loans is adequate. The percentage of bank loans to low-income families in the Phoenix AA is significantly below the percentage of low-income families. However, the bank's performance slightly exceeds performance by aggregate lenders in this AA. The percentage of loans to moderate-income families is excellent, exceeding the percentage of moderate-income families in the AA, and distributions to moderate-income families by aggregate lenders.

For the 2017- 2019 evaluation period, the bank's overall borrower distribution of home mortgage loans is also adequate. The percentage of bank loans to low-income families is significantly below the percentage of low-income families, but the bank's distributions are the same as aggregate lenders. The distribution of bank loans to moderate-income families exceeds the percentage of moderate-income families in the AA. Bank distributions also significantly exceed distributions to moderate-income families by aggregate lenders.

The high and rising cost of housing during the review period significantly impacted the bank's ability to make home mortgage loans to low-income borrowers. As mentioned earlier, the 2019 annual report from the Arizona Department of Housing noted that the AA's increased population had added pressure on the housing supply and caused increases in housing costs and challenges for low-income residents in locating available units that are modestly priced. Reported 2019 median home prices that exceed \$300 thousand can present affordability challenges for both low-and moderate-income individuals and families.

Prescott

The bank did not originate a sufficient number of home mortgage loans in this AA for a meaningful analysis. However, during the 2017 – 2019 evaluation period, the bank originated nine home mortgage loans in this AA totaling \$1.8 million. The bank did not make any loans to low-income borrowers in this AA, but two of the nine loan originations were to moderate-income borrowers totaling \$254 thousand. The high cost of housing, median sales prices exceeding \$300 thousand, and no mortgage LPOs in this AA also impacted the bank’s home mortgage lending performance in this AA.

Consumer Loans

Refer to Table V in the state of Arizona section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank’s consumer loan originations and purchases.

Phoenix

For the 2016 evaluation period, the overall distribution of consumer loans by borrower-income level is excellent. The bank’s consumer loans to low-income borrowers in the AA significantly exceed the percentage of low-income households. The distribution of loans to moderate-income borrowers also significantly exceeds the percentage of moderate-income households in the AA.

For the 2017-2019 evaluation period, the bank’s loan distributions are similar to 2016. The overall distribution of consumer loans by borrower income level is excellent. The percentage of bank loans to both low-income and moderate-income borrowers significantly exceeds the percentage of low- and moderate-income households in the AA.

Prescott

For the 2016 evaluation period, the overall distribution consumer loans by borrower-income level is excellent. The bank’s consumer loans to low-income borrowers in the AA significantly exceed the percentage of low-income households. The distribution of loans to moderate-income borrowers also significantly exceeds the percentage of moderate-income households in the AA.

For the 2017-2019 evaluation period, the bank’s loan distributions were similar to 2016. The overall distribution of consumer loans by borrower income level is excellent. The percentage of bank loans to both low-income and moderate-income borrowers significantly exceeds the percentage of low- and moderate-income households in the AA.

Community Development Lending

The institution has made a relatively high level of CD loans in AZ, which had a positive impact on overall lending performance.

The Lending Activity Tables, shown above, set forth the information and data used to evaluate the institution’s level of CD lending in AZ. These tables include all CD loans, including multifamily loans that also qualify as CD loans.

Phoenix

The volume of CD loans is adequate. During the evaluation period, the bank originated one CD loan totaling \$500 thousand in the AA. The dollar volume represented 13.5 percent of tier 1 capital allocated to the AA based on the June 30, 2019 call report. The CD loan reflects adequate responsiveness to the credit and community needs as it supported community services by providing healthcare services to low-and moderate-income individuals through a CRA Qualified Investment Fund.

Prescott

The volume of CD loans is excellent. During the evaluation period, the bank originated one CD loan totaling \$3.4 million in the AA. The dollar volume exceeded bank deposits in this AA and significantly exceeded the level of tier 1 capital allocated to the AA based on the June 30, 2019 call report. The CD loan reflects excellent responsiveness to the credit and community needs of the AA. It supported community services and provided for revitalization/stabilization of a moderate-income geography. Loan proceeds facilitated construction of a new police department building in a moderate-income census tract where 40 percent of the households earn less than the median family income for the AA.

Broader Statewide

During the evaluation period, the bank made one broader statewide CD loan that provided for revitalization/stabilization in a county outside to the bank's AAs. The bank made a \$9.6 million CD loan in Coconino County that was used to finance certain improvements for water and sewer systems. Twenty eight percent of the county population resides in moderate-income census tracts and 21 percent of the persons in the county are below the poverty level.

Product Innovation and Flexibility

The bank's flexible small dollar lending programs and VA, FHA mortgage loans are also available in AZ. During the evaluation period, FNBT made 187 government guaranteed FHA or VA mortgage loans in AZ totaling \$42 million. FNBT also originated 15 thousand small dollar Smart Cash loans in AZ AAs totaling \$10.6 million as well as 9.6 thousand FSLs in AAs totaling \$5.8 million. The bank's utilization of flexible lending programs contributed positively to the lending test rating.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Lending Test in the Tucson AA is consistent with the overall good performance. Performance in the Lake Havasu-Kingman and AZ-Non MSA AA's is weaker than the bank's overall performance due to lower lending volumes relative to the percentage of AA deposits. FNBT originated a minimal number of home mortgage loans in the limited-scope AAs which did not provide a meaningful analysis. FNBT did not originate any CD loans in the limited-scope AAs.

Refer to Tables O through V in the state of Arizona section of Appendix D for the facts and data that support these conclusions.

INVESTMENT TEST

The bank's performance under the Investment Test in Arizona is rated Low Satisfactory.

The bank's lack of investment performance in the Prescott full scope AA and in the limited scope AAs adversely impacted the overall rating. A broader statewide donation and bank wide investments had a positive minimal impact on the overall rating.

The bank's investment activity for AZ included 10 investments or donations totaling \$4.6 million. The majority of investment activity is in the current evaluation period and in bank's largest Phoenix AA. Total investments in AZ represented 82 percent of the bank's tier 1 allocated capital for AZ. FNBT does not use innovative and/or complex investments to support CD initiatives in Arizona.

Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, the bank's performance in Phoenix AA is excellent and performance in Prescott is "very poor". The table below summarizes investment activity in the bank's AAs.

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Full Scope										
Phoenix	1	536	7	4,027	8	80.00	4,563	99.72	0	0
Prescott	0	0	0	0	0	0	0	00	0	0
Limited Scope										
Lake Havasu-Kingman	0	0	0	0	0	0	0	0	0	0
Tucson	0	0	1	3	1	10.00	3	0.06	0	0
AZ-Non MSA	0	0	0	0	0	0	0	0	0	0
Statewide	0	0	1	10	1	10.00	10	0.22	0	0
Total	1	536	8	4,040	10	100.00	4,576	100.00	0	0

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

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

Phoenix

The bank has an excellent level of qualified investments in the Phoenix AA, particularly those that are not routinely provided by private investors, although rarely in a leadership position. Investment performance in this AA is excellent when considering the number of opportunities in the AA, strong competition, and the bank's limited market share. Phoenix is the bank's largest deposit market in Arizona with 67 percent of the bank's state deposits; however, these deposits only represent two percent of FNBT's total deposits, and a minimal 0.03 percent of the entire deposit market share according to the FDIC's 2019 market share report. FNBT investments in the Phoenix AA represent 123 percent of the bank's tier one allocated capital and 12 percent of the bank's deposits in this AA.

During the evaluation period, investments and donations totaled \$4.6 million. Investments consisted of one prior period mortgage backed security totaling \$536 thousand and two current period investments totaling \$4 million. The prior period investment continues support affordable housing needs in the AA with 79

affordable housing units in a low-income geography. The two current period investments also support affordable housing through FNMA DUS Bonds which provide 270 housing units low-to-moderate income individuals and families.

FNBT also had five CRA qualified donations during the evaluation period totaling \$27 thousand. The most noteworthy and responsive donations are summarized below:

- FNBT contributed \$20 thousand to BankWork\$ (a New Leaf), which is a non-profit organization providing job training in the financial services sector for low-to-moderate income young adults.
- FNBT also contributed \$7 thousand to Banzai, Inc. in support of financial literacy programs in six Phoenix AA schools where the majority of students are on free or subsidized lunch programs. Banzai, provides online, interactive training for students regarding personal finance, budgeting, and taxes.

The bank's community investments and donations are responsive to the needs of the AA as they address the needs for affordable housing to LMI individuals, workforce development for LMI individuals, and education by funding for financial education curriculum in LMI schools.

Prescott

Investment performance in Prescott is poor. The bank made no investments or donations in the Prescott AA. There are investment and grant opportunities in the AA in support of economic development and community service needs. There are various organizations in the community that provide community development and community services to low-to-moderate income individuals and geographies. However, FNBT's presence in this market is limited with only one branch and about \$2.2 million in deposits. As described above in the Lending Activity section, the bank's lending activities in this AA exceeded AA deposits which to some extent limited funds available in this AA for investments, donations, and grants. The bank's deposits in this AA represent only 0.12 percent of the FNBT total deposits and four percent of the state deposits.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Investment Test in the Lake Havasu-Kingman, Tucson and AZ Non-MSA AAs is weaker than the overall performance. Performance in most of the limited-scope AAs was consistent with poor performance in the Prescott AA due to few if any investments or donations. Investment performance in the Tucson AA was weaker than the overall performance, but stronger than performance in the full-scope Prescott AA and stronger than other limited scope AA.

Broader Statewide or Regional Areas

FNBT made two donations totaling \$10 thousand that provided state-wide benefit in Arizona. The donations were to a CRA qualified non-profit organization that operates statewide to help low-to-moderate individuals and families fund tuition and other fees associated with higher learning. This activity had a positive impact on the Investment Test. In addition, the bank-wide SBIC investments mentioned previously in the Texas Investment Test also had a positive impact on AZ AAs.

SERVICE TEST

The bank's performance under the Service Test in Arizona is rated High Satisfactory.

Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, the bank's performance in the Phoenix AA is good and adequate in the Prescott AA. The lack of CD performance affected the rating in the Prescott AA.

This assessment is based upon the accessibility of retail banking services by individuals in low-and moderate-income areas, and responsiveness of CD services. We placed the most weight on branch distributions and performance in the Phoenix AA, where the bank has the most branches, deposits, and lending activity in AZ.

Retail Banking Services

Retail service delivery systems are readily accessible to geographies and individuals of different income levels in the institution's AAs. This assessment was based upon branch distributions as reflected in the table below. We also considered performance context considerations, including review of services, the bank's limited ability to influence branch openings and closings in retail stores, and the demonstrated availability and reasonable utilization of alternative delivery systems (ADS) by the LMI populations in the AAs.

FNBT has 22 branches in Arizona all of which are in retail stores, primarily Wal-Mart stores. FNBT also has 23 ATMs throughout the state. FCM has one LPO in Arizona, which is located in the Phoenix AA. The table below summarizes branch distributions in Arizona.

Distribution of Branch Delivery System											
Assessment Area	Deposits	Branches						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				% of Population within Each Geography			
				Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full Scope											
Phoenix	66.82	16	72.7	18.8	18.8	43.8	18.8	10.6	23.5	33.7	31.9
Prescott	4.03	1	4.6	0.0	100.0	0.0	0.0	0.0	24.4	57.2	18.4
Limited Scope											
Lake Havasu-Kingman	12.94	2	9.1	0.0	0.0	100.0	0.00	0.0	10.3	71.9	17.7
Tucson	7.96	2	9.1	0.0	50.0	0.0	50.0	9.1	27.1	31.2	32.1
AZ-Non-MSA	8.25	1	4.6	0.0	100.0	0.0	0.0	0.0	36.2	57.2	6.6
Total	100.0	22	100.0	13.6	27.3	40.9	18.2	9.5	23.8	35.7	30.7

Note: 0.8% of area populations were in undesignated CTs.

The institution's opening and closing of branches has not adversely affected the accessibility of delivery systems, particularly in LMI geographies or to LMI individuals. The bank did not close any branches in Arizona during the evaluation period. Branch openings are summarized in the table and full scope assessments below.

Distribution of Branch Openings/Closings							
Assessment Area	# Bank Branches	# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)			
				Low	Mod	Mid	Upp
Full Scope							
Phoenix	16	3	0	0	1	2	0
Prescott	1	0	0	0	0	0	0
Limited Scope							
Lake Havasu-Kingman	2	0	0	0	0	0	0
Tucson	2	0	0	0	0	0	0
AZ-Non-MSA	1	0	0	0	0	0	0
Total	22	3	0	0	1	2	0

FNBT provides access to loan and deposit products and services through its branch network, website, mobile banking application, and call center. Retail banking services are available in all branch locations. Most commercial and small business loan activities are available in the traditional branch locations. FNBT does not have any traditional branch locations in Arizona. Most lending activities in this state focus on consumer and residential products. During the evaluation period, FNBT introduced several new products and services designed to expand access to banking services. New products, services have included online loan and deposit applications, digital wallets, person-to-person payments, insurance, SBA lending, as well as the new, low cost Power Stash and E-Account described earlier in this PE. FNBT's Smart Cash and Fresh Start loan products provide an alternative to higher cost payday loan products. Also, as mentioned in the Description of Institution section of this PE, FNBT has partnered with CDFIs to help increase financing opportunities for small businesses.

Services and business hours are tailored to the convenience and needs of the AAs, particularly low-and-moderate income geographies or individuals. All store branches within the AAs are open seven days a week. Branch operating hours may vary slightly according to customer needs or store hours. Store branch hours are typically Monday-Wednesday 10:00AM-6:00PM, Thursday either 9:00 AM-7:00 PM or 10:00 AM-6:00 PM, Friday either 9:00 AM-7:00 PM or 10:00 AM-6:00 PM, Saturday 10:00 AM-6:00 PM, and Sunday 12:00 PM-4:00 PM.

Phoenix

FNBT's service delivery systems in the Phoenix AA are readily accessible to geographies and individuals of different income levels within the AA. FNBT operates 16 branches in this AA, the distribution of which is similar to LMI populations. FNBT has three branches (19 percent) located in low-income geographies as compared to 11 percent of the AA population. Three branches (19 percent) are also located in moderate-income geographies as compared to 24 percent of the AA population.

Branch openings and closings in the Phoenix AA have not adversely affected the accessibility of bank delivery systems, in LMI geographies or to LMI individuals. Branch openings in the Phoenix AA have

improved accessibility of delivery systems in moderate-income geographies. As reflected above in the “Distribution of Branch Openings/Closings” table, FNBT opened three branches in the Phoenix AA during the evaluation period, one of which is in a moderate-income CT. The bank did not close any branches within the AA. FNBT’s store hours in this AA are tailored to meet the convenience and needs of its customers. Branches are open seven days a week and hours are similar to other store locations.

FNBT complements its traditional service delivery methods with alternative delivery systems (ADS), including online banking, mobile banking, ATMs, and telephone banking. These delivery methods provide increased access to banking services throughout the AA. The bank provides 24-hour access, seven days a week to accounts and services through online or mobile channels and through its 16 ATMs. The hours of ATM accessibility may vary depending upon store hours.

FNBT provided additional information demonstrating that mobile and online banking ADS are reasonably accessible to all customers in the AA, including LMI geographies. The bank’s information demonstrated that 51 percent of customers residing in low- or moderate-income CTs use online or mobile banking services. This excellent utilization of online/mobile services exceeds AA populations in LMI geographies and provides a positive impact for individuals within these areas.

Prescott

FNBT’s service delivery systems in the Prescott AA are readily accessible to geographies and individuals of different income levels within the AA. FNBT operates one branch within the AA, which is located in a moderate-income CT. There are no low-income CTs in this AA. Branch openings and openings in the Prescott AA have not adversely affected the accessibility of its delivery systems. The bank did not open or close any branch locations during the evaluation period. FNBT’s hours in this AA are tailored to meet the convenience and needs of its customers. The branch located in this AA is open seven days a week and hours are similar to other store locations. FNBT did not have an LPO in this AA.

FNBT complements its traditional service delivery methods with ADS, including online banking, mobile banking, ATMs, and telephone banking. These delivery methods provide increased access to banking services throughout the AA. The bank provides 24-hour access, seven days a week to accounts and services through online and mobile channels and through its one ATM in this AA. The hours of ATM accessibility may vary depending on store hours.

FNBT provided information demonstrating that mobile and online banking ADS were reasonably accessible to all customers in the AA, including LMI geographies. The bank’s information demonstrated that 37 percent of customers residing in moderate-income CTs use online or mobile banking services. This good utilization of online/mobile services exceeds AA populations in moderate-income CTs and provides a positive impact for individuals within these areas.

Community Development Services

The institution provides an adequate level of CD services.

FNBT has demonstrated improved CD service performance in three of the five AAs since the previous evaluation. We placed the most weight on the bank’s largest AA, Phoenix.

Phoenix

FNBT provides an adequate level of CD services in the Phoenix AA that are responsive to AA needs. During the evaluation period, bank personnel devoted ten community service hours to four different qualifying organizations in the AA. The majority of organizations served in this AA focus on providing financial education to LMI individuals and families and promoting affordable housing in the AA. During the evaluation period, FNBT employees provided literacy and financial educational programs to 91 LMI individuals. Examples of organizations for which the Bank provided CD services include:

- Native American Connection - Three FNBT employees provided financial education to 81 LMI youth through this organization in 2019. The organization's focus is on improving the lives of Native American individuals and families by providing behavioral health, affordable housing, and community development services. Housing communities supported by the organization offer on-site support programs to help residents improve their ability to make good financial decisions.
- Arizona Housing Alliance (AHA) – The bank became a member of the AHA in October of 2014. Rebranded as the Arizona Housing Coalition in July 2017, this organization has a robust training program and collaborates with other community groups on community development initiatives in the Phoenix area. A bank officer provided leadership serving on the legal committee for the organization's Mobile Home Working Group from 2016 – 2017. AHA enacted this Committee to research and develop resources to assist tenants and mobile home park owners with safe and affordable housing options for LMI individuals and families.

Prescott

FNBT provides a limited level of CD services that are responsive to the needs of the AA.

The bank performed few CD services in this AA; however, employee availability is more restricted with only one branch in the AA. Throughout the evaluation period, FNBT personnel provided four community service hours, providing financial education courses to 28 individuals at the local Narcotics Anonymous organization.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Service Test in the Lake Havasu City – Kingman, Tucson, and AZ-Non-MSA AAs is consistent with the bank's overall performance under the Service Test for the full scope areas. The accessibility of retail delivery services in the AZ-Non-MSA and Tucson AAs is good; but the bank did not provide any CD Services in either AA. The bank did not have any branches in moderate-income geographies of the Lake Havasu City-Kingman AA, but CD service activity in this AA was stronger than in the full-scope Phoenix AA. We also considered that FNBT has a limited number of branches and deposits in the limited scope AAs and limited control over store branch locations. Also, as demonstrated in the full scope AAs, the bank has reasonable utilization of mobile and online banking services by individuals in LMI geographies of limited scope AAs.

State Rating

State of New Mexico

CRA rating for the State of New Mexico: Satisfactory

The Lending Test is rated: Low Satisfactory

The Investment Test is rated: High Satisfactory

The Service Test is rated: Low Satisfactory

The major factors that support this rating include:

- Lending levels reflect adequate responsiveness to AA credit needs, particularly needs for small dollar lending.
- Good distribution of loans in LMI geographies and among LMI individuals. Consumer loan distributions by geography and among LMI borrowers is excellent.
- Relatively high level of CD lending, which represented 40 percent of the bank's total deposits in NM.
- A significant level of qualified, responsive investments and donations.
- Retail delivery systems are reasonably accessible to low-and moderate-income geographies

Description of Institution's Operations in New Mexico

FNBT operates 16 store branches in 8 New Mexico (NM) counties. The bank's AAs include three different MSAs, including portions of the Albuquerque MSA, the entire Las Cruces MSA, and the Farmington MSA. Four rural counties comprise the NM non-MSA AA and this AA represents the largest share of the bank's deposits in NM at 47 percent, followed by the Albuquerque AA with 36 percent. FNBT offers a range of loan and deposit products to customers in NM with a primary focus on consumer and residential mortgage lending. The bank originates most of its mortgage loans in the Las Cruces AA, which is near the bank's mortgage LPOs in El Paso, TX. In 2017, FNBT opened a mortgage LPO in Santa Teresa, NM, which is in Dona Ana county and near the bank's branches in Las Cruces and El Paso. Due to the lack of profitability, FNBT consolidated this office with an El Paso LPO in 2018.

Albuquerque

FNBT's Albuquerque AA includes Bernalillo and Sandoval counties, which represents a portion of the entire MSA. The population in Bernalillo county represents about 82 percent of the AA population and Sandoval county includes about 17 percent. Albuquerque, in Bernalillo county is the county seat, largest city in the AA, and largest city in the state of NM. In Sandoval county, Rio Rancho is the largest city. FNBT operates nine store branches and ATMs in this AA. Seven of the branches are in Albuquerque, and the remaining two are located in the cities of Bernalillo, and Rio Rancho, both in Sandoval County. This AA meets the requirements of the regulation and does not arbitrarily exclude any LMI geographies.

The most recent census data shows that there are 181 contiguous CTs in this area, of which 11 are low-income areas (six percent), 51 are moderate-income areas (28 percent), 57 are middle-income areas (31 percent), and 59 are upper-income areas (33 percent). One CT is not assigned an income classification (1 percent).

The tables below include additional census demographic information on the AA.

Table A – Demographic Information of the Assessment Area						
Assessment Area: Albuquerque 2016						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	181	5.5	26.5	34.3	33.1	0.6
Population by Geography	794,125	5.0	30.0	32.0	33.0	0.0
Housing Units by Geography	330,749	5.7	28.8	33.7	31.8	0.0
Owner-Occupied Units by Geography	203,779	2.5	25.6	33.3	38.6	0.0
Occupied Rental Units by Geography	100,246	10.9	35.3	34.0	19.8	0.0
Vacant Units by Geography	26,724	10.0	29.3	35.0	25.8	0.0
Businesses by Geography	50,344	6.8	25.7	33.0	34.4	0.0
Farms by Geography	942	3.8	21.8	35.6	38.9	0.0
Family Distribution by Income Level	192,024	21.4	17.4	19.2	42.0	0.0
Household Distribution by Income Level	304,025	23.2	16.2	17.8	42.8	0.0
Median Family Income MSA - 10740 Albuquerque, NM MSA		\$59,381	Median Housing Value			\$200,935
			Median Gross Rent			\$755
			Families Below Poverty Level			11.2%
<i>Source: 2010 U.S 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>						

Table A – Demographic Information of the Assessment Area						
Assessment Area: Albuquerque 2019						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	181	6.1	28.2	31.5	32.6	1.7
Population by Geography	810,581	5.7	29.0	31.3	33.6	0.4
Housing Units by Geography	340,729	6.3	27.5	32.3	33.6	0.3
Owner-Occupied Units by Geography	202,674	2.5	24.6	32.7	40.1	0.1
Occupied Rental Units by Geography	108,527	12.9	32.4	31.0	23.2	0.5
Vacant Units by Geography	29,528	8.6	29.7	33.9	27.3	0.5
Businesses by Geography	66,742	9.0	22.1	31.3	36.7	0.8
Farms by Geography	1,339	5.0	23.2	31.9	39.8	0.1
Family Distribution by Income Level	195,245	23.7	15.2	18.5	42.5	0.0
Household Distribution by Income Level	311,201	25.2	15.2	16.4	43.2	0.0
Median Family Income MSA - 10740 Albuquerque, NM MSA		\$60,032	Median Housing Value			\$195,875
			Median Gross Rent			\$841
			Families Below Poverty Level			14.1%
<i>Source: 2015 ACS and 2019 D&B Data</i>						
<i>Due to rounding, totals may not equal 100.0%</i>						
<i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

Market Share

The June 30, 2019 FDIC Deposit Market Share Report shows FNBT deposits of \$10.8 million in this AA, represent a nominal 0.08 percent of the deposit market share. The top five market leaders are much larger banks with a nationwide or regional presence, including Wells Fargo, Bank of America, Bank of the West, BOKF, and US Bank NA. The FDIC's report shows 22 banks and savings association in this AA. FNBT ranked 20th in terms of deposit share. FNBT faces additional competitors in this market including credit unions, mortgage companies, finance companies, pay-day lenders, and other non-bank competitors. The Albuquerque AA represents 36 percent of FNBT deposits in NM and 34 percent of loans by number.

Economic Conditions

Economic conditions during the evaluation period were favorable with increases in jobs and AA population growth. A housing market profile report from HUD in June 2020 indicated that the metropolitan area began a recovery in 2013, and nonfarm payrolls increased an average of one percent annually from 2013 through 2019. Job growth in the AA had surpassed pre-2007 recession peaks. A March 2020 report from Moody's Analytics indicated that economic conditions were trending in the right direction prior to the pandemic in first quarter 2020.

Significant economic drivers in the AA include the federal government, defense industries, secondary education, technology, and healthcare. Major employers include the University of New Mexico, Sandia National Laboratories, Kirtland Air Force Base (AFB), and Presbyterian Hospital. HUD's June 2020 report indicated that when combined, Kirkland AFB and Sandia National Laboratories have an economic impact of \$4.6 billion in the metropolitan area. The AA area also benefits from tourism, and growth in the science,

technology, and film industries. Reports from the Albuquerque Economic Development organization reflect that the Sandia Science & Technology Park (SS&T) has attracted over 48 companies and 2,300 employees. Approximately two thirds of the jobs in the SS&T park are in the professional, scientific, and technical services industry subsectors, while manufacturing jobs make up the next largest sector. Wages in these industry sectors are higher than average. In 2019, Netflix, Inc. moved its U.S production hub to the metropolitan area, with the expectation of creating as many as 1,000 new film production jobs in the metropolitan area annually over the next 10 years.

Employment Factors

At year-end 2019, the BLS reported an unemployment rate of 4.4 percent in Bernalillo county and 4.8 percent in Sandoval county. Unemployment rates at year-end 2019 were the lowest during the evaluation period and slightly lower than the state average of 4.9 percent. Unemployment rates; however, were slightly higher than the national average of 4.2 percent. The highest unemployment rates during the evaluation period were in 2016, when Sandoval County reported 6.5 percent and Bernalillo county reported 5.7 percent.

Updated FFIEC information in 2019 shows that the average median family income level in the AA increased to \$65,700. However, family poverty levels also increased as reflected in the tables above. Updated 2018 ACS Census data estimated higher poverty rates for individuals in this AA, at 16.5 percent in Bernalillo County and 12.6 percent in Sandoval County. These percentages are below state estimates of 19.5 percent, but higher than national estimates of 12 percent.

Housing Characteristics

Moody's March 2020 report indicated that the housing market was strengthening in 2019, home sales were at a 12-year high and housing starts had risen. Tight supplies contributed to appreciation in housing prices, although average prices were still reasonable compared to other large metropolitan areas. HUD's Market Profile Report in June 2020, indicated that increased home sales, combined with the sale of lower priced distressed sales had contributed to strong gains in average home prices during the years 2016 and 2017. Year-over-year, new home price increases have occurred in the metropolitan areas since December 2015, and existing home prices have increased since August 2019. HUD's report also indicates that rents have increased in the AA every year since 2012, with stronger rent growth occurring during the past two years. The National Association of Realtors® reported a median sales price of \$225 thousand in 2019, an increase of about 8 percent from the prior year. Census data shows that the overall home ownership rate is 59 percent, with 2.5 percent owner-occupied units in low- income areas, 25 percent in moderate-income areas, 33 percent in middle-income areas and 40 percent in upper-income areas.

Community Contacts

To help identify needs and opportunities in the AA, the OCC reviewed a regulatory agency contact with an organization that focuses on economic development in Bernalillo county. We also considered AA needs identified in the city of Albuquerque's 2018-2022 Consolidated Plan. The community contact identified a need for small business operating loans, lines of credit, and flexible underwriting for small businesses. Albuquerque's consolidated plan identified 17 priority needs, with housing instability as the most pressing need. The plan also identified goals to address needs for additional or improved, infrastructure, community facilities, public safety, and economic opportunity programs to combat poverty for low- and moderate-

income individuals. Educational programs, vocational training, financial literacy, banking/lending assistance are identified in the plan as necessary programs for promoting economic opportunity in the AA.

Las Cruces

The bank's Las Cruces AA includes Dona Ana county, which comprises the entire Las Cruces MSA. This AA meets the requirements of the regulation and does not arbitrarily exclude any LMI geographies. Dona Ana county is the second most populated county in the state. Las Cruces is the largest city within the AA and accounts for approximately 47 percent of the AA population. Las Cruces is located approximately 45 miles north of El Paso, Texas and Ciudad Juarez, Mexico. FNBT operates one store branch and ATM in this AA, within the city of Las Cruces. FNBT previously operated a mortgage LPO in this AA during 2017 through 2018.

The most recent census data shows that there are 41 CT in the entire AA, of which three are low-income areas (7 percent), 16 are moderate-income (39 percent), 13 are middle-income (32 percent), and 9 are upper-income (22 percent). Approximately 46 percent of the AA population live in low-or moderate-income CTs.

The tables below include additional census demographic information on the AA.

Table A – Demographic Information of the Assessment Area						
Assessment Area: Las Cruces 2016						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	41	9.8	39.0	17.1	34.1	0.0
Population by Geography	209,233	9.6	34.5	18.2	37.8	0.0
Housing Units by Geography	79,430	9.2	31.8	17.3	41.6	0.0
Owner-Occupied Units by Geography	47,015	4.6	31.6	18.1	45.7	0.0
Occupied Rental Units by Geography	24,733	17.6	30.5	15.3	36.5	0.0
Vacant Units by Geography	7,682	10.6	37.3	18.9	33.3	0.0
Businesses by Geography	8,676	9.4	26.9	17.8	45.9	0.0
Farms by Geography	373	4.0	44.2	12.1	39.7	0.0
Family Distribution by Income Level	50,020	25.1	16.5	16.3	42.1	0.0
Household Distribution by Income Level	71,748	25.2	16.2	16.0	42.7	0.0
Median Family Income MSA – 29740 Las Cruces, NM MSA		\$43,184	Median Housing Value			\$138,556
			Median Gross Rent			\$665
			Families Below Poverty Level			20.1%

*Source: 2010 U.S. and 2016 D&B Data
Due to rounding, totals may not equal 100.0%
(* The NA category consists of geographies that have not been assigned an income classification.*

Table A – Demographic Information of the Assessment Area
Assessment Area: Las Cruces 2019

Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	41	7.3	39.0	31.7	22.0	0.0
Population by Geography	213,963	7.7	36.0	26.4	29.8	0.0
Housing Units by Geography	83,586	7.1	33.0	26.9	33.0	0.0
Owner-Occupied Units by Geography	48,445	3.6	34.5	24.8	37.1	0.0
Occupied Rental Units by Geography	26,317	13.5	29.6	31.5	25.4	0.0
Vacant Units by Geography	8,824	6.9	35.2	25.3	32.7	0.0
Businesses by Geography	10,940	6.9	32.4	25.2	35.4	0.0
Farms by Geography	425	2.1	40.7	30.1	27.1	0.0
Family Distribution by Income Level	51,781	25.1	15.6	16.9	42.4	0.0
Household Distribution by Income Level	74,762	25.2	16.5	16.1	42.2	0.0
Median Family Income MSA – 29740 Las Cruces, NM MSA		\$45,044	Median Housing Value			\$143,830
			Median Gross Rent			\$710
			Families Below Poverty Level			22.1%
<i>Source: 2015 ACS and 2019 D&B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

Market Share

The 2019 FDIC Deposit Market Share Report shows that FNBT deposits of \$2.5 million in this AA represent a nominal 0.1 percent of the AA deposits. The deposit market leader is Wells Fargo with 28 percent of the deposit market, followed by the local Citizens Bank of Las Cruces with 21 percent, Bank of America with 10 percent, Bank of the West six percent, and First American Bank with five percent. FDIC's report shows 18 banks and savings association in this AA. FNBT ranked last in terms of deposit share. In addition to banks and savings associations, FNBT faces other competitors in this market such as credit unions, mortgage companies, finance companies, pay-day lenders, and other non-bank competitors.

The Las Cruces AA represents 8 percent of FNBT deposits in NM, but this AA is the bank's largest market in NM for mortgage lending. This is due in part to the AA's close proximity to LPOs in El Paso and FCM's specialization in VA, FHA loans, which is attractive to the AA's military population. Aggregate HMDA data in 2019 shows that there were 263 mortgage lenders in this AA. FNBT ranked 84th with a nominal 0.14 percent of the residential lending market. During 2018, when the NM LPO was open, FNBT ranked as high as 51st out of 222 residential lenders.

Economic Conditions

The AA economy is driven by defense, aerospace, manufacturing in the regional area, secondary education, health services, retail trade, agriculture, state, local, and federal government organizations. Las Cruces serves as a center of commerce in the county. New Mexico State University (NMSU), and the area's close

proximity to military installations, Holloman Air Force Base, and Fort Bliss provide for a certain level of stability in the local economy. Data from the U.S. Census shows moderate population growth in the county at 4.3 percent from 2010 to July 2019. A March 2020 report from Moody's Analytics stated that enrollment at NMSU in the fall of 2019 rose for the first time in several years at the main Las Cruces and Dona Ana campuses. Economic strengths identified in the Moody's report include trade with Mexico, the area's proximity to transportation connections in El Paso, and younger than average population. The AA's overreliance on the public sector, relatively low per capita income, weak housing market, and exceptionally high poverty rates were note economic weaknesses. The White Sands Missile Range, New Mexico State University, Memorial Medical center, and Walmart are the AAs largest employers.

Employment Factors

At year-end 2019, BLS data showed an unemployment rate of 5.7 percent in Las Cruces, which was higher than state and national averages. During the evaluation period, the average unemployment reached as high as 7.1 percent in 2016.

Updated information from the FFIEC in 2019 shows that the average median family income levels have increased to \$50,800. However, family poverty levels also increased as noted in the tables above. The percentage of families living at or below poverty levels was very high in this AA at 22 percent according to the 2015 ACS Census dated. Updated 2018 ACS data estimates poverty rates for individuals in the bank's AA, at 24.5 percent, which is much higher than state estimates of 19.5 percent, and national estimates of 12 percent.

Housing Factors

As reflected in the tables above, 2010 Census and 2015 ACS survey data show home prices ranging from \$139 to \$144 thousand, and more recent data from Moody's March 2020 Report and the Federal Housing Finance Agency reflect slightly higher prices ranging from \$162 thousand in 2016 to \$181 thousand in 2019. Year-end 2019 data from the Las Cruces Association of Realtors also shows higher average sales prices of \$214 thousand. ACS 2015 census data estimated the median gross rent at \$710, which is similar to HUD's 2019 fair market rent. The AA's rising home prices create affordability challenges for the AA's low- and moderate-income populations. Census data shows that home ownership rate in the AA is 58 percent, with 7 percent of the owner-occupied units in low- income areas, 33 percent in moderate-income areas, 27 percent in middle-income areas and 33 percent in upper-income areas.

Community Contacts

To help identify needs and opportunities in the Las Cruces AA, the OCC reviewed a regulatory agency contact with a statewide organization that focuses on small business development in NM counties, including Dona Anna. The community contact identified a need for the financing of small business start-ups, grants for local service organizations, and financial literacy.

We also considered AA needs and opportunities identified in the Las Cruces five year 2016-2020 consolidated plan, the February 2020 Elevate Las Cruces Plan, and the comprehensive 2015 Dona Ana County Consolidated Plan (Plan 2040). The various plans identified affordable housing as one of the AAs primary needs. The Las Cruces consolidated plan noted inventory gaps for meeting the existing and growing demand, especially for LMI individuals and families. The plan states that many households in Las Cruces are priced out of the appreciating housing market. Further, the Elevate Las Cruces Plan noted that

medium home values and median gross rents have outpaced growth in median household incomes. The high poverty rates in this AA, also create needs and opportunities for community services targeting LMI individuals and families. The plans identified needs for the homeless population, supportive services, and career training, along with significant needs for mental health and abuse substance options, employment opportunities, and reliable transportation. The Elevate Las Cruces Plan identified a number of challenges to long term community growth and the environment, one of which was that over 40 percent of land in Las Cruces is still undeveloped, and continuing efforts to conserve water resources are necessary to support future growth. Other AA challenges identified in the plans include the lack of job opportunities for younger residents and colleges students and the difficulty in starting new businesses. These AA challenges present opportunities for bank participation in the planning and development of affordable housing projects and balanced economic growth to preserve essential AA resources. Financial institution opportunities may also include investments in community development financial institutions (CDFIs) or local-non-profit organizations that help to provide essential needs for LMI individuals and families and those that support small business start-ups or that provide micro loans to small businesses entities.

NM Non-MSA AA

FNBT's Non-MSA AA in New Mexico includes four rural counties, Chaves, Curry, Lea, and Otero. This AA meets the requirement of the regulation and does not arbitrarily exclude any LMI Geographies. The combined AA population approximates 250,000. FNBT has a store branch in each of these counties. The branches are located in the cities of Alamogordo (Otero County), Clovis (Curry County), Hobbs (Lea County), and Roswell (Chaves County). FNBT focuses primarily on consumer lending in this AA.

The most recent census data shows that this combined non-MSA AA consists of 62 CTs with two designated low-income areas (3 percent), 12 moderate-income areas (21 percent), 26 middle-income areas (42 percent), and 21 upper-income areas (34 percent). During the entire evaluation period, the middle-income geographies of Chaves and Otero counties were considered distressed areas by the FFIEC for high poverty levels. The middle-income areas of Curry county were also distressed during 2016-2018 for high poverty. High unemployment levels in Lea County during 2017-2019 also resulted in distressed middle-income area designations by the FFIEC.

The tables below include additional census demographic information on the AA.

Table A – Demographic Information of the Assessment Area						
Assessment Area: NM-Non MSA 2016						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	62	1.6	21.0	50.0	27.4	0.0
Population by Geography	242,545	0.7	24.1	47.1	28.2	0.0
Housing Units by Geography	102,095	0.9	22.7	48.3	28.1	0.0
Owner-Occupied Units by Geography	58,220	0.6	20.3	45.7	33.3	0.0
Occupied Rental Units by Geography	27,863	1.0	26.3	50.9	21.7	0.0
Vacant Units by Geography	16,012	1.7	25.1	52.8	20.4	0.0
Businesses by Geography	11,497	2.6	20.5	43.8	33.1	0.0
Farms by Geography	645	0.3	8.4	48.4	42.9	0.0
Family Distribution by Income Level	60,395	21.3	17.7	20.2	40.8	0.0
Household Distribution by Income Level	86,083	22.5	16.2	18.2	43.1	0.0
Median Family Income Non-MSAs – NM		\$46,354	Median Housing Value			\$97,255
			Median Gross Rent			\$624
			Families Below Poverty Level			15.5%

Source: 2010 U.S. and 2016 D&B Data
Due to rounding, totals may not equal 100.0%
 (*) The NA category consists of geographies that have not been assigned an income classification.

Table A – Demographic Information of the Assessment Area						
Assessment Area: NM-Non MSA 2019						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	62	3.2	21.0	41.9	33.9	0.0
Population by Geography	249,775	4.5	20.1	41.9	33.5	0.0
Housing Units by Geography	103,367	4.4	18.6	44.1	33.0	0.0
Owner-Occupied Units by Geography	56,328	3.9	16.5	40.8	38.8	0.0
Occupied Rental Units by Geography	30,373	2.7	23.4	46.4	27.5	0.0
Vacant Units by Geography	16,666	9.2	16.9	50.8	23.0	0.0
Businesses by Geography	13,422	3.9	17.0	39.9	39.1	0.0
Farms by Geography	688	2.0	11.0	38.7	48.3	0.0
Family Distribution by Income Level	60,638	21.0	16.6	17.7	44.7	0.0
Household Distribution by Income Level	86,701	22.3	14.9	16.2	46.6	0.0
Median Family Income Non-MSAs – NM		\$49,356	Median Housing Value			\$109,458
			Median Gross Rent			\$774
			Families Below Poverty Level			16.1%

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.

Market Share

The 2019 FDIC Deposit Market Share Report shows that FNBT deposits of total \$14.2 million in this AA represent a nominal 0.40 percent of the market share deposits. The deposit market leader is Wells Fargo with 23 percent of AA deposits, followed by First American Bank and Pioneer Bank, each with 9 percent. The top three depository institutions represent a combined 42 percent of total deposits in the AA. The FDIC report shows 20 banks and savings institutions in this AA. FNBT ranks 19th. This AA is the bank's largest in NM in terms of deposits, with 47 percent of FNBT's NM deposits; but less than 1 percent of the bank's total deposits at 0.8 percent.

Employment Factors

The bank's branches in this AA are located in the largest cities or county seats within each of the four counties. Lea and Curry counties share a border with Texas. Chaves county is adjacent to both Lea and Otero counties. Portions of the Lincoln National Forest cross the southwestern edge of Chaves and Otero counties. A plan developed in April 2018 by the Southeastern New Mexico Economic Development District-Council of Governments, Stronger Economies Together (SET) describes the AA economies indicating that Lea and Chaves counties share oil and gas production, while Curry and Chaves counties share farming, dairy, and cattle.

Chaves county population approximates 65 thousand according to updated census data in July of 2019. The city of Roswell is the county seat and represents 74 percent of the county population. The local economy is fairly diversified. According to the Roswell Chaves County Economic Development Corporation (EDC), major industries include aviation, agriculture, and manufacturing. The Roswell Air Center (RAC), formerly the Walker Air Force Base, is the core of area's industrial activities. The facility is used to store, repair airplanes from around the world and serves as the municipal airport and aviation-related business park. The EDC notes that the county is one of the largest dairy-producing counties in the US and home to the Leprino Cheese factory, which is the largest employer in the county with nearly 600 employees. The SET plan referenced above, indicates that Chaves county sits atop the largest recharge aquifer in the entire southwest which supports growth in the agriculture industry. The county also supports two universities, a branch of Eastern New Mexico University, and the New Mexico Military Institute.

Curry county has a population of approximately 49 thousand according to updated July 2019 U.S. census data. The city of Clovis is the county seat and represents 78 percent of the county population. Cannon Air Force Base is located in Curry County and is a major contributor to the local economy as one of the largest employers. Approximately 5,800 military and civilian personnel make up the workforce on the base. Agriculture, primarily the dairy industry, also has a significant impact on the economy followed by livestock and farming. The Clovis Industrial Development Corporation includes other major employers such as Allsup's Convenience Stores, local schools, city, county, state governments, Plains Regional Medical Center, the Burlington Northern Santa Fe Railway, WalMart, Southwest Cheese LLC, Eastern New Mexico University, and Clovis Community College. A wind power facility, Broadview, also diversifies and supports the local economy.

Lea county has a population of approximately 71 thousand according to the July 2019 census data. Principal cities include Lovington, the county seat, and Hobbs which is where the bank's branch is located. Hobbs is the largest city in the county and serves as the metropolitan center of the county. The population in Hobbs represents 55 percent of the county population. Hobbs supports two secondary schools, New Mexico Junior College, and the University of the Southwest. The SET plan refers to Lea County as the EnergyPlex. The

county is primarily dependent upon energy production, including oil and gas, wind, solar, and nuclear. According to the SET plan, Lea County produces over half of the state's oil production and New Mexico is the third leading state in oil production. Other leading industries in the county include local school districts, city and county governments, healthcare, retail and construction. A race-track and casino, regional airport and multi-purpose event center also contribute to the economy in Lea County and Hobbs.

Otero county, located in south central New Mexico, is the third largest county in NM in terms of land with 6,613 square miles. Alamogordo is the county seat and the metropolitan center, representing 48 percent of the county's total population of 67 thousand according to the July 2019 U. S. census data. The economy in this county is based largely on the government sector, education, and tourism. Otero County is home to Holloman Air Force Base (HAFB), the White Sands Missile Range and a significant portion of Fort Bliss training areas. The county has a large population of retired and former military personnel skilled in the aerospace, defense and homeland security industries. In addition to the HAFB and the White Sands Missile Range, major employers include local schools, city government, regional medical center, Inn of the Mountain Gods – Mescalero Resort, WalMart, and a local branch of New Mexico State University. The county also supports agriculture industries, including a large number of pistachio groves.

Housing Factors

In 2015, American Community Survey (ACS) survey data reported a median home value of \$109 thousand in this AA, which is an 11 percent increase since 2010. Updated data from the ACS in 2018 shows higher median values in some of the AA counties, \$128 thousand in Curry county, and \$124 thousand in Lea county. Rental rates in the AA have also increased since 2015. According to 2019 data from HUD, fair market rents range from as low as \$717 in Otero County to \$942 in Lea County.

2015 ACS and census data reflects that 54 percent of AA housing units are owner-occupied homes, with 4 percent in low-income areas, 17 percent in moderate-income areas, 41 percent in middle-income areas (most of which are distressed), and the remaining 39 percent are in upper-income areas.

Economic Factors

At year-end 2019, BLS data showed unemployment rates of 3.9 percent in Lea County, 4.1 percent in Curry County, and 4.9 percent in both Chaves and Otero counties. During the evaluation period, unemployment rates reached as high as 9.1 percent in Lea County, when the oil and gas industry suffered for a period of time during 2015 and 2016. The average unemployment rate for the entire AA during the entire evaluation period was 5.3, which was higher than state and national averages.

The middle-income areas of Lea County were considered distressed for three years (2016-2018) due to the higher unemployment rates. During 2016, unemployment rates in the other AA counties were also higher, in the range of 6 percent, but these counties fared better than Lea county.

Rural counties in this state struggle with low wage growth and high poverty rates. As reflected in the tables above, income growth during 2010-2015 was only 6 percent, compared to a 24 percent increase in median rents and a 12 percent increase in median home values. The updated 2019 FFIEC median family income for the AA counties was higher at \$53,100, but persons living in poverty is elevated in all of the four counties and higher than state and national averages, particularly in Otero county. Updated 2018 ACS data estimates show that 20 percent of persons in Otero County have income levels below poverty. This percentage was 18.9 percent in Chaves county, 17 percent in Curry County, and 16 percent in Lea County.

Community Contacts

To help identify needs and opportunities in the NM-Non MSA AA, the OCC reviewed a regulatory agency contact with a statewide organization that focuses on small business development in NM counties, including Chaves, Curry, and Lea counties. The community contact identified a need for financial institution sponsors of financial literacy courses, and loans for small businesses. CRA evaluations of other institutions operating in counties of this AA also identified needs for flexible lending programs for small business as well as small dollar loan programs for consumers. One PE identified a need and potential opportunity for affordable multi-family residential developments in Otero County, where rising costs outpace military housing allowances. The high poverty rates in this AA also create opportunities for community services targeting low- and moderate-income individuals and families.

As mentioned above, we also reviewed the SET plan which identified a number of challenges in this AA and the surrounding regional rural counties. Some of these challenges included: poor quality of life, high poverty rates, lower wages, aging infrastructure, drug/crime issues, lack of skilled workforce, lack of access to specialized healthcare, affordable housing, water shortages, weak population growth, and broadband capabilities. Some of the opportunities mentioned in the plan included work force training, public/private partnerships, improved infrastructure, and educational programs.

The Economic Development Corporation of Lea County also identified New Opportunity Zones in Lea County which may present financial institution lending and investment opportunities. Eligible zones include housing, retail, industrial projects, expansions, and new businesses. The state of New Mexico also offers many incentives and bond programs to encourage economic development within the state and rural counties.

Scope of Evaluation in New Mexico

Our scope for the state of New Mexico, included full-scope reviews for the Albuquerque, Las Cruces, and the combined NM Non-MSA counties. The Albuquerque AA was selected for full-scope analysis due to the significance of AA deposits. The Las Cruces AA was selected due to the significance of mortgage lending activity in this market. The combined NM-non-MSA AA was selected because it represents FNBT's largest AA in NM in terms of deposits and this AA has not been valuated previously using full-scope procedures. These AAs on a combined basis represent 91 percent of the bank's deposits in NM.

Our analysis of lending activity in New Mexico focused primarily on consumer loans in all AAs and mortgage lending in the Las Cruces AA. FNBT offers all loan and deposit products in this state, but the bank's primary focus is consumer lending within the store locations. The bank did not have an adequate volume of business or commercial loans for analysis in any of the New Mexico AAs, and they did not have an adequate volume of mortgage loans for a meaningful analysis in any of the AAs, except for Las Cruces. Our conclusions for consumer loan distributions were based upon a sample of 20 consumer loans in each AA and data provided by management, which we found to be reliable. The majority of consumer loans in each AA were small dollar Smart Cash loans. Refer to Appendix A for a list of all AAs reviewed.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN NEW MEXICO

LENDING TEST

The bank's performance under the Lending Test in New Mexico is rated Low Satisfactory.

- We placed the most consideration on consumer lending activity which is the bank's primary focus in this state. The bank originated a relatively high number of small dollar consumer loans in each AA.
- The bank's mortgage lending activity in the Las Cruces AA, lending performance within distressed areas of the Non-MSA AA, and CD lending in Farmington had a positive impact on the bank's overall rating.

Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, the bank's performance in the Albuquerque, Las Cruces, and NM-Non-MSA AAs is adequate.

Lending Activity

Lending levels reflect an adequate responsiveness to AA credit needs.

Lending levels in the bank's AAs reflect an adequate responsiveness to the consumer credit needs when considering lending data in the tables below, the bank's capacity as affected by the level of AA deposits, competition, branch locations, and market presence. The dollar volume of the bank's lending activity is lower than the percentage of state deposits in some of the AAs due to the lack of mortgage, small business, or community development lending, which are typically larger loans. The bank focused on consumer lending in these AAs, and the average consumer loan size is much smaller in comparison to the dollar volume of state deposits. The bank originates a significant number of consumers loans; however, market share information is not available for this primary product. The tables below summarize lending activity by number and dollar volume of loans during the entire evaluation period.

Number of Loans* (2016 – 2019)								
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Consumer	Total	% State Loans	% State Deposits
Full Scope								
Albuquerque	1	0	0	0	3529	3,530	34.4	36.1
Las Cruces	56	0	0	0	2421	2,477	24.2	8.2
Non MSA	8	0	0	0	2063	2,071	20.2	47.4
Limited Scope								
Farmington	0	0	0	1	2,170	2,171	21.2	8.3
Totals:	65	0	0	1	10,183	10,249	100.0	100.0

*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only.
Source: Bank Data; "--" data not available. Due to rounding, totals may not equal 100.0%

Dollar Volume of Loans* (000's) (2016 - 2019)								
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Consumer	Total	% Rating Area Loans	% Rating Area Deposits
Full Scope								
Albuquerque	140	0	0	0	2,525	2,665	8.6	36.1
Las Cruces	9,634	0	0	0	2,216	11,850	38.3	8.2
Non MSA	818	0	0	0	2,085	2,903	9.4	47.4
Limited Scope								
Farmington	0	0	0	11,840	1,671	13,511	43.7	8.3
Totals:	10,592	0	0	11,840	8,497	30,929	100.0	100.0
*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only. Source: Bank Data; "--" data not available. Due to rounding, totals may not equal 100.0%								

Albuquerque

Lending activity in the Albuquerque AA reflects adequate responsiveness to AA credit needs, taking into consideration the number of consumer loans in the AA, the bank's capacity, deposits, competition, and market presence.

As mentioned above, the bank has nine store branches in this AA, which is the largest number of branches in NM markets. FNBT reported deposits in this AA totaling \$10.8 million on June 30, 2019, with a nominal market share of only 0.08 percent. FNBT ranked 20th out of 22 depository institutions with offices in this AA. FNBT has few applicants for mortgage or small business loans in this AA and focuses primarily on AA needs for small dollar consumer loans.

Consumer loans represented 99 percent of total lending activity in the AA. The percentage of consumer loans by number is near the percentage of the FNBT deposits in this AA; but the dollar volume of loans is very low relative to the percentage of AA deposits. The consumer loan volume in dollars is lower, in part due to the small size of consumer loans which averaged only \$716. There is no aggregate peer data available for comparison of consumer lending performance. The bank's consumer lending volumes were highest in this AA, but not significantly higher when considering the number of branches in this AA as compared to the number of branches in other AAs.

Las Cruces

Lending activity in the Las Cruces AA reflects excellent responsiveness to AA credit needs, taking into consideration, the number and dollar volume home mortgage and consumer loans in the AA relative to the bank's capacity, deposits, competition, and market presence.

As mentioned previously, FNBT reported \$2.5 million in deposits in this AA on June 30, 2019, with one store branch, and a nominal deposit market share of only 0.1 percent. The bank ranked last in deposit market share out of 19 depository institutions. The top five banks in this AA have captured 70 percent of the AA deposits.

Las Cruces is FNBT's largest market area for home lending in New Mexico, but competition is strong. The bank's volume of home mortgage lending in this AA is excellent, especially when considering the bank's limited deposit market share and that the bank's LPO in this AA was only open for a year. FNBT's 2019 market share of home mortgage loans at 0.14 percent is slightly better than its deposit market share of 0.1 percent. The bank's ranking among mortgage lenders is not as high as its deposit rank, but there's more competition for mortgage lending. In 2019, after merging the NM LPO with the El Paso location, FNBT still ranked in the top 30 percent of mortgage lenders in this AA in the 84th position out of 263 mortgage lenders. When considering FNBT's limited deposit share and only one-store branch for most of the evaluation period, the bank ranked well among mortgage lenders.

Consumer lending activity in the Las Cruces AA reflects excellent responsiveness to AA credit needs. Consumer lending, primarily Smart Cash Loans made up the majority of lending activity in the AA by number of loans. The level of consumer lending, by number originated was excellent exceeding the percent of state deposits in this AA. The percentage of consumer lending, by dollar volume was good and was very near the percentage of AA deposits.

NM Non-MSA

Lending activity in the NM-Non MSA AA reflects poor responsiveness to AA credit needs, taking into consideration, the number and dollar volume of mortgage and small consumer loan originations, as well as the bank's capacity, deposits, competition, market presence, and AA demographics.

FNBT had \$14.2 million in deposits in the NM non-MSA AA, with four offices, and a nominal deposit market share of 0.40 percent. FNBT's deposit share ranked 19th out of 20 other depository institutions in this market.

The bank originated eight home mortgage loans in this AA during the evaluation period totaling \$818 thousand. This level of lending is an improvement from the previous evaluation, but FNBT's mortgage market share is still weaker than its deposit market share. Peer mortgage lending data in 2019 reported FNBT's share of the mortgage market at 0.11 percent. FNBT ranked 102 out of 267 home mortgage lenders in this AA, which places the bank in the top 38 percent of all home mortgage lenders in the AA,

Consumer loans represented 99 percent of FNBT lending activity in this non-MSA AA, the majority of which were small dollar smart cash loans. These loans are responsive to AA needs, particularly in the AA's distressed areas, but the level of activity by number and dollar volume is low in comparison to the bank's capacity, number of offices, and deposits in this AA. The percentage of both mortgage and consumer loan originations in this AA by number (20 percent) was significantly below the percentage of the bank's deposits in this AA (47 percent). The dollar volume of loan originations was also significantly below the percentage of deposits in this AA, but the dollar volume was somewhat impacted by the small average loan size of \$1,011.

Distribution of Loans by Income Level of the Geography

The bank exhibits a good geographic distribution of loans in its AAs.

Home Mortgage Loans

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

Albuquerque

The bank did not originate a sufficient volume of home mortgage loans for meaningful analysis in this AA; although FNBT did originate one home loan in a moderate-income area of this AA totaling \$140 thousand.

Las Cruces

For the 2016 evaluation period, the overall geographic distribution of home mortgage loans was good. During this period, the bank did not have any loans in low-income geographies, but the distribution of loans in moderate-income geographies was excellent. Loan distributions in moderate-income geographies significantly exceeded the percentage of owner-occupied housing units. The bank's loan distributions in moderate-income areas geographies also significantly exceeded distributions by aggregate lenders.

For the 2017 – 2019 evaluation period, the overall geographic distribution of home mortgage loans is excellent. The bank's loan distribution in low-income geographies is slightly below the percentage of owner-occupied housing units, but distributions exceed performance by aggregate lenders in this AA. FNBT loan distributions in moderate-income geographies significantly exceed the percentage of owner-occupied housing units and distributions by aggregate lenders in moderate-income geographies.

NM Non-MSA

The bank did not originate a sufficient volume of home mortgage loans for meaningful analysis in this AA but during 2017 through 2019, five of the bank's eight loans were in the middle-income distressed CTs of this AA. These loans totaled \$585 thousand.

Consumer Loans

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

Albuquerque

For the 2016 evaluation period, the overall geographic distribution of consumer loans in the Albuquerque AA is excellent. Bank loan distributions in low-income areas exceeds the percentage of households located in those areas. Bank loan distributions in moderate-income geographies significantly exceeds the percentage of households located in those areas.

For the 2017-2019 evaluation period, the overall geographic distribution of consumer loans is excellent. Bank consumer loan distributions in low-income geographies significantly exceed the percentage of

households in those areas. Bank loan distributions in moderate-income geographies also exceed the percentage of households located in those areas.

Las Cruces

For the 2016 evaluation period, the overall geographic distribution of consumer loans in the Las Cruces AA is excellent. The bank's distribution of consumer loans in loans in low-income geographies is the same as the percentage of households in those areas. Loans in moderate-income geographies significantly exceed the percentage of households located in those areas.

For the 2017 – 2019 evaluation period, the overall geographic distribution of consumer loans is also excellent. The bank's distribution of consumer loans in low-income geographies exceeds the percentage of households in those areas. Loans in moderate-income geographies significantly exceeds the percentage of households in those areas.

NM Non-MSA

For the 2016 evaluation period, the overall geographic distribution of consumer loans in the NM Non-MSA AA is excellent. The distribution of bank loans in both low-income and moderate-income geographies exceeds the percentage of households located in those areas.

For the 2017-2017 evaluation period, the overall geographic distribution of consumer loans is also excellent. The distribution of consumer loans significantly exceeds the percentage of households located in both low- and moderate- income geographies.

Lending Gap Analysis

The OCC evaluated lending distributions in the AA to determine if any unexplained, conspicuous gaps existed. We reviewed summary demographic reports, maps, and analyzed FNBT's home mortgage and consumer lending activity over the evaluation period to identify any gaps in the geographic distribution of loans. No unexplained, conspicuous gaps were identified.

Distribution of Loans by Income Level of the Borrower

The bank exhibits a good distribution of loans among individuals of different income levels given the product lines offered by the institution.

Home Mortgage Loans

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

Albuquerque

The bank did not originate a sufficient volume of home mortgage loans for meaningful analysis in this AA; however, during the evaluation period, FNBT did originate one home loan to a moderate-income borrower in this AA totaling \$140 thousand.

Las Cruces

For the 2016 evaluation period, the overall borrower distribution of home mortgage loans is poor. The bank did not make any loans to low-income borrowers in the Las Cruces AA during this period. The bank did make one loan to a moderate-income borrower, representing 5 percent of the bank's mortgage loans, but this distribution is below the percentage of moderate-income families in the AA, and below the performance by aggregate lenders.

For the 2017 - 2019 evaluation period, the overall borrower distribution of home mortgage loans is adequate. The percentage of bank loans to low-income borrowers is significantly below the percentage of low-income families in the AA, but the bank's loan distribution to these borrowers significantly exceeds performance by aggregate lenders in this AA. Bank loan distributions to moderate-income families is slightly below the percentage of moderate-income families in the AA. The percentage of bank loans to moderate-income families exceeds performance by aggregate lenders.

The rising housing costs and the limited availability of affordable housing in this AA impacted the bank's ability to make home mortgage loans to low-income borrowers. Individual and family poverty rates in excess of 20 percent in this AA also create challenges for low- and moderate-income borrowers in qualifying for mortgage loans. The bank's performance during the 2017-2019 period was better than in 2016, due in part to the New Mexico LPO which was open for a year during this period.

NM Non-MSA

For the 2016 evaluation period, the bank did not originate any home mortgage loans in this AA.

For the 2017 – 2019 evaluation period, FNBT originated eight home mortgage loans totaling \$818 thousand. This volume of loans is not sufficient for a meaningful analysis, but the bank did originate one loan to a low-income borrower totaling \$74 thousand, and four loans to moderate-income borrowers totaling \$378 thousand.

Consumer Loans

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

Albuquerque

For the 2016 evaluation period, the overall borrower distribution of consumer loans in the Albuquerque AA is excellent. The percentage of bank loans to low-income borrowers significantly exceeds the percentage of low-income households. The percentage of bank loans to moderate-income borrowers also exceed the percentage of moderate-income households.

During the 2017 – 2019 evaluation period, the bank's overall borrower distribution of consumer loans is also excellent. The percentage of bank loans to low-income borrowers significantly exceeds the percentage of low-income households. The percentage of bank loans to moderate-income borrowers also significantly exceeds the percentage of moderate-income households.

Las Cruces

For the 2016 evaluation period, the overall borrower distribution of consumer loans in the Las Cruces AA is excellent. The percentage of bank loans to low-income borrowers significantly exceeds the percentage of low-income households in this AA. The percentage of bank loans to moderate-income borrowers also significantly exceeds the percentage of moderate-income households in the AA.

For the 2017 – 2019 evaluation period, the overall borrower distribution of consumer loans in this AA is also excellent. The percentage of loans to low-income borrowers significantly exceeds the percentage of low-income households. The percentage of loans to moderate-income borrowers also significantly exceeds the percentage of moderate-income households.

NM Non-MSA

For the 2016 evaluation period, the overall borrower distribution of consumer loans in the NM-Non MSA AA is excellent. The percentage of bank loans to low-income borrowers significantly exceeds the percentage of low-income households. The distribution of loans to moderate-income borrowers also significantly exceeds the percentage of moderate-income households.

During the 2017-2019 evaluation period, the bank's borrower distribution of consumer loans is also excellent. The percentage of loans to both low- and moderate-income borrowers significantly exceeds the percentage of low- and moderate-income households in this AA.

Community Development Lending

FNBT made a low level of CD loans in NM, but the dollar volume of this loan is relatively high, especially when considering the volume of bank deposits in NM.

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

FNBT did not originate any CD loans in full scope AAs.

Although the Farmington AA was evaluated under limited scope procedures, we noted that the bank originated one CD loan in this AA totaling \$11.8 million. This loan represented over 100 percent of the bank's deposits in the Farmington AA, and 39 percent of the total NM deposits. This CD loan exceeded 100 percent of the bank's allocated tier 1 capital for the entire state of NM. This loan funded a 50 bed transitional rehabilitation facility in a medically underserved county as designed by the U.S. government's Health Resources and Services Administration (HRSA). The loan contributed positively to the bank's lending performance in Farmington, and the state of New Mexico.

Product Innovation and Flexibility

The bank's flexible lending programs such as the small dollar Smart Cash loans, FHA, and VA mortgage loans are also available in this state. During the evaluation period, FNBT made 48 government guaranteed FHA or VA mortgage loans in NM state totaling \$8 million. FNBT also originated over 4700 small dollar

Smart Cash loans in NM AAs totaling \$2.8 million as well as 3600 FSLs in AAs totaling \$2.1 million. The bank's utilization of flexible lending programs contributed positively to the lending test rating.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on a limited-scope review, the bank's performance under the Lending Test in the Farmington AA is stronger than the bank's overall performance under the Lending Test in the full-scope area(s). The bank's performance is stronger in this AA due to the large CD loan, which had a positive impact in this AA and the overall rating.

Refer to Tables O through V in the state of New Mexico section of Appendix D for the facts and data that support these conclusions.

INVESTMENT TEST

The bank's performance under the Investment Test in New Mexico is rated High Satisfactory.

Total investment activity for the state consists of 24 investments totaling \$5.5 million. The majority, of the bank's investment activity occurred during the current evaluation period. Total New Mexico investments represent 183 percent of allocated tier 1 capital. The bank's performance in its largest New Mexico AAs positively affected the overall rating. Performance in the limited scope AA was very poor which also impacted the overall rating.

Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, including data in the tables below, and consideration of performance context, the bank's performance in the full scope AAs is good. The institution has an excellent level of qualified investments, donations, grants in the Albuquerque, significant level in the NM-Non-MSA AA and adequate level of investments in the Las Cruces AA. Investment responsiveness to community development needs in all areas is good. The institution does not use innovative and/or complex investments to support CD initiatives in New Mexico.

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Full Scope										
Albuquerque	1	504	13	2,411	14	58.33	2,915	52.63	0	0
Las Cruces	0	0	8	113	8	33.33	113	2.04	0	0
NM Non-MSA	1	261	1	2,250	2	8.33	2,511	45.33	0	0
Limited Scope										
Farmington	0	0	0	0	0	0.0	0	0.0	0	0
Total	2	765	22	4,774	24	100.00	5,539	100.0	0	0

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

** Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system. Due to rounding percentages may not equal 100 percent.

Albuquerque

FNBT has an excellent level of qualified investments, donations, and grants in the Albuquerque AA, particularly those that are not routinely provided by private investors, although rarely in a leadership position. The bank's current and prior period investments in this AA represented 267 percent of allocated tier 1 capital.

The level of bank investments in this AA is excellent when considering the bank's limited market presence, strong competition from larger banks in this AA, and the responsiveness of current and prior period investments. As mentioned earlier, the bank's \$10.8 million in AA deposits, represented a significant share of FNBT deposits in New Mexico, but a very nominal share of the total market deposits at 0.08 percent. The bank's investment activities are responsive to AA affordable housing needs, and financial education.

The bank had one prior period investment in this AA totaling \$504 thousand and 13 current period investments, donations, and grants totaling \$2.4 million. The prior period investment included a local school bond in Bernalillo County that continues to provide benefit for a school district where the majority of schools provide over free or subsidized lunches to over 50 percent of the students.

The current period investments include a \$1.9 million FNMA DUS bond that provides 200 units of affordable housing in the AA. Current period investments also include three investments in Community Capital Management CRA funds totaling \$422 thousand, which provide home financing for three moderate-income families in this AA. FNBT made nine donations in the Albuquerque AA to charitable organizations supporting AA needs for financial literacy. Noteworthy examples are provided below:

- Four annual FNBT donations totaling \$10 thousand supported the Albuquerque Lemonade Day financial literacy campaign.
- FNBT contributed \$22 thousand to sponsor EverFi, Inc., which provides financial education programs for Albuquerque schools where the majority of students are economically disadvantaged and on free and subsidized lunch programs.
- FNBT also contributed \$5 thousand to Hidden Star, a non-profit organization that provides free advice, consulting services, education and guidance to low-income, underprivileged, and minority entrepreneurs in the Albuquerque AA.

Las Cruces

The bank has an adequate level of qualified investments, donations, and grants in the Las Cruces AA, particularly those that are not routinely provided by private investors, although rarely in a leadership position. The bank did not have any prior period investments in this AA, but current period investments represented 45 percent of allocated tier 1 capital.

This level of investment activity was considered adequate when considering the responsiveness of current period investments, competition in this AA, along with the bank's limited deposit market share, and only one store branch in this AA. FNBT's \$2.4 million in AA deposits, represented a nominal share of the total deposit market at 0.11 percent, and a similarly low percentage of the bank's total deposits at 0.14 percent.

The bank had one current period investment in the Las Cruces AA totaling \$102 thousand in a Community Capital Management CRA fund. This investment provided home financing for a moderate-income family in the AA.

FNBT demonstrated good responsiveness to identified AA needs with donations and grants. The bank made seven responsive donations in the AA totaling \$11 thousand to various non-profit community organizations that provide essential community services, support job training, and financial education for LMI individuals and families in the AA. Noteworthy examples of donations include the following:

- FNBT donated two computers, each valued at \$1.2 thousand to the local chapter of Dismas Charities, Inc., which in New Mexico is referred to as Diersen Charities. The computers are used by the local organization to assist LMI with work force training and job searches.
- FNBT contributed \$5 thousand to Hidden Star in support of the organization's free consulting, and educational programs for low-income and minority entrepreneurs in the Las Cruces AA.
- Further, FNBT supported financial education efforts for LMI individuals in the AA by providing \$2.3 thousand in support for the Money Smart Week program in Las Cruces.
- FNBT also provided donations for over \$1200 in support of a ramp project which supports essential needs of disabled LMI individuals in the bank's AA.

NM-Non-MSA

FNBT has a significant level of investments in the NM-Non-MSA AA, particularly those that are not routinely provided by private investors, although rarely in a leadership position. The bank's current and prior period investments in the AA represented 175 percent of allocated tier 1 capital.

The level of bank investment activity was considered significant when considering the size of the investments and responsiveness to AA needs. All of the counties in this AA experienced distressed periods during the evaluation period either due to high poverty rates or high unemployment. The volume of investment activity is significant relative to the bank's capital and very limited market presence in this AA. The bank has one branch in each of the four counties in this broad rural AA. FNBT's \$14.2 million in deposits in this AA, is FNBT's largest AA in New Mexico but the AA deposits represent less than one percent of the bank's total deposits at 0.80 percent and FNBT's share of the total deposit market in this AA is nominal at 0.40 percent. The bank faces strong competition for investment opportunities in this AA from larger nationwide banks like Wells Fargo, as well as local community and regional banks which have a larger share of the deposit market and more branches. FNBT ranks next to last in deposit market share in this AA.

Qualified investments in this AA totaled \$2.5 million, which include one prior period investment for \$261 thousand and one current period investment totaling \$2.25 million. The prior period investment is a local school bond in Lea County that continues to provide benefit for a school district where the majority of schools provide over 50 percent free or subsidized lunches to students. Most of this county was distressed due to high unemployment rates during most of the evaluation period, from 2017-2019.

The current period investment is a FNMA DUS bond that provides 160 units of affordable housing in Chaves County, most of which was also distressed due to high poverty rates throughout the entire evaluation period.

Conclusions for Areas Receiving Limited-Scope Reviews

Performance in the Farmington AA is weaker than in the full scope AAs due to the lack of any investment activities during this evaluation period. In addition, the bank did not have any investment activity in this AA during the previous evaluation period.

SERVICE TEST

The bank's performance under the Service Test in New Mexico is rated Low Satisfactory.

Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, the bank's performance in the Albuquerque AA is good and performance in the Las Cruces and NM-Non MSA AAs is adequate.

Retail Banking Services

The bank's retail service delivery systems are reasonably accessible to geographies and individuals of different income levels in the institution's AAs. This assessment was based upon branch distributions as reflected in the table below. We also evaluated performance context considerations, including products, services in this AA, the bank's inability to influence branch openings, closings in retail stores, and the demonstrated availability and reasonable utilization of alternative delivery systems (ADS) by the LMI populations in the bank's New Mexico AAs. FNBT has 16 branches in New Mexico, all of which are retail store branches located primarily in Wal-Mart. FNBT also has 16 ATMs located within the store branches. The table below provides a summary of branch distributions in each New Mexico AA.

Distribution of Branch Delivery System											
Assessment Area	Deposits	Branches						Population			
	% of Rated Area Deposits in AA	# of Bank Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				% of Population within Each Geography			
				Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full Scope											
Albuquerque	36.1	9	56.3	11.1	33.3	33.3	22.2	5.7	29.0	31.3	33.6
Las Cruces	8.2	1	6.3	0.0	0.0	0.0	100.0	7.7	36.0	26.4	29.8
NM-Non-MSA	47.5	4	25.0	0.0	0.0	25.0	75.0	4.5	20.1	41.9	33.4
Limited Scope											
Farmington	8.3	2	12.5	0.0	50.0	0.0	50.0	3.5	26.0	42	28.4
Total	100.0	16	100.0	6.0	25.0	25.0	44.0	5.6	28.2	33.4	32.6
Note: 0.4 percent of AA populations were in undesignated CTs.											

The institution's opening and closing of branches have not adversely affected the accessibility of bank delivery systems, particularly in LMI geographies or to LMI individuals. The bank did not close any branches in New Mexico during the evaluation period. Branch openings in New Mexico are summarized in the table and full scope assessments below.

Distribution of Branch Openings/Closings							
Assessment Area	# Bank Branches	# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)			
				Low	Mod	Mid	Upp
Full Scope							
Albuquerque	9	3	0	1	0	2	0
NM-Non-MSA	4	0	0	0	0	0	0
Las Cruces	1	0	0	0	0	0	0
Limited Scope							
Farmington	2	0	0	0	0	0	0
Total	16	3	0	1	0	2	0

FNBT provides access to loan and deposit products and services through its branch network, website, mobile banking application, call center, and interactive teller machines (ITMs). These machines incorporate ATM features along with virtual tellers to provide basic banking needs on consumer loan and deposit products.

Retail banking services are available in all branch locations. FNBT does not have any traditional branch locations in New Mexico, which is where most commercial and small business loan activities originate. Most lending activities in this state focus on consumer and home mortgage products. During the evaluation period, FNBT introduced several new products and services designed to expand access to banking services. New products, services have included online loan and deposit applications, digital wallets, person-to-person payments, insurance, SBA lending, as well as the new, low cost Power Stash and E-Account described earlier in this PE. FNBT's Smart Cash and Fresh Start loan products provide an alternative to higher cost payday loan products. Also, as mentioned in the Description of Institution section of this PE, the bank has also partnered with CDFIs in NM to help increase financing opportunities for small businesses in its AAs.

Services and business hours are tailored to the convenience and needs of the AAs, particularly LMI geographies or individuals. All store branches within the AAs are open seven days a week. Branch operating hours may vary slightly according to customer needs or store hours. Stores branches are typically open Monday-Wednesday 10:00 AM-6:00 PM, Thursday either 9:00 AM-7:00 PM or 10:00 AM-6:00 PM, Friday either 9:00 AM-7:00 PM or 10:00 AM-6:00 PM, Saturday 10:00 AM-6:00 PM, and Sunday 12:00 PM-4:00 PM.

Albuquerque

FNBT's service delivery systems in the Albuquerque AA are readily accessible to geographies and individuals of different income levels. FNBT operates nine branches within the AA, one is located in a low-income CT, and three are located in moderate-income CTs. The bank's distribution of branches in both low-and moderate-income geographies exceeds AA populations in these areas.

Branch openings in the Albuquerque AA positively affected accessibility of bank delivery systems, particularly in low-income geographies and among LMI individuals. The bank opened one new branch in a low-income area and two branches in middle-income areas. FNBT did not close any branches during the evaluation period. FNBT's store hours in this AA are tailored to meet the convenience and needs of its customers. Branches are open seven days a week and hours are similar to other store locations.

FNBT complements its traditional service delivery methods with ADS, including online banking, mobile banking, ATMs, and telephone banking. These delivery methods provide increased access to banking services throughout the AA. The bank provides 24-hour access, seven days per week through online and mobile channels and its seven ATMs in the Albuquerque AA. The hours of ATM accessibility may vary depending on store hours.

FNBT provided additional information demonstrating that its mobile and online banking ADS are reasonably accessible to all customers in the AA, including LMI geographies. The bank's information demonstrated that 45 percent of customers residing in low- or moderate-income geographies use the bank's online or mobile services. This excellent utilization of online/ mobile services by individuals in LMI geographies exceeds AA populations in these areas and provides a positive impact for accessibility of banking services.

Las Cruces

FNBT's service delivery systems in the Las Cruces AA are reasonably accessible to geographies and individuals of different income levels. FNBT operates one branch within the AA, and it is located in an upper-income CT. Although FNBT did not have any branches in low- or moderate-income geographies; our assessment considered other factors such as the good utilization of mobile and online banking services in low-and moderate-income geographies, and the bank's limited control over store branch locations.

FNBT complements its traditional service delivery methods with certain ADS, including online banking, mobile banking, ATMs, and telephone banking. These delivery methods provide increased access to banking services throughout the AA. The bank provides 24-hour access, seven days per week through online and mobile channels and the one ATM location in Las Cruces. The hours of ATM accessibility may vary depending on store hours.

FNBT provided additional information demonstrating that its mobile and online banking ADS are reasonably accessible to all customers in the AA, including LMI geographies. The bank's information demonstrated that 39 percent of customers residing in low- or moderate-income CTs use the bank's online or mobile services. This good utilization of online/ mobile services by individuals in LMI geographies exceeds AA populations in these areas and provides a positive impact for accessibility of banking services.

Branch openings and closing in the Las Cruces AA have not adversely affected the accessibility or delivery systems in low-and moderate-income geographies or to low-and moderate-income individuals. The bank did not open or close any branches during the evaluation period. FNBT's store hours in this AA are tailored to meet the convenience and needs of its customers. Branches are open seven days a week and hours are similar to other store locations.

NM-Non-MSA

FNBT's service delivery systems in the NM-Non-MSA AA are reasonably accessible to geographies and individual of different income levels in the AA. FNBT did not have any branches in low- or moderate-income geographies; but our assessment considered other factors such as the good utilization of mobile and online banking services in LMI geographies, the bank's limited control over store branch locations, and the number of branches in distressed middle-income CTs.

FNBT operates four store branches in this AA, one in each county. Three of the branches are in upper-income geographies, and one is located in a middle-income geography. The middle-income area is located in Clovis, NM, Curry county. All of the middle-income geographies in this county were considered distressed areas for high poverty rates during three of the four years during our evaluation period (2016-2018).

FNBT complements its traditional service delivery methods with certain ADS, including online banking, mobile banking, ATMs, and telephone banking. These delivery methods provide increased access to banking services throughout the AA. The bank provides 24-hour access, seven days per week through online and mobile channels and the four ATMs in each county of this AA. The hours of ATM accessibility may vary depending on store hours.

FNBT provided additional information demonstrating that its mobile and online banking ADS are reasonably accessible to all customers in this AA, including LMI geographies. The bank's information demonstrated that 25 percent of customers residing in low- or moderate-income CTs use the bank's online or mobile services. This reasonable utilization of online/mobile services by individuals in low-and moderate-income geographies is consistent with AA populations in these areas and provides a positive impact for accessibility of banking services.

Branch openings and closing in the NM-Non-MSA AA have not adversely affected the accessibility of bank delivery systems in low-and moderate-income geographies or to low-and moderate-income individuals. The bank did not open or close any branches in this AA during the evaluation period. FNBT's store hours in this AA are tailored to meet the convenience and needs of its customers. Branches are open seven days a week and hours are similar to other store locations

Community Development Services

The institution provides an adequate level of CD services.

Albuquerque

FNBT provides a relatively high level of CD services that are responsive to the needs of the Albuquerque AA. During the evaluation period, six FNBT personnel provided 75 community service hours to 571 participants through 11 different events and six different qualifying organizations in the AA. The organizations served in this AA focused primarily on providing financial education to LMI students and individuals. Examples of FNBT service activities are summarized below.

- Management partnered with DISMAS charities in addition to working with local schools and hosting Money Smart Week to provide financial education. FNBT provided curriculum for DISMAS programs in this AA that focused on providing re-entry services for recently released incarcerated individuals.

They provide job education and placement, housing assistance, and other support services to help these individuals successfully re-enter society.

- During the evaluation period, bank employees provided the Money Smart and Ever-Fi financial education curriculums in three local schools where the majority of students were on free or subsidized lunch programs.
- FNBT also partnered with the Rio Grande Educational Collaborative (RGEC) to provide the Lemonade Day educational programs on money management and entrepreneurship. RGEC students are primarily LMI and RGEC provides free before and after school programs.

Las Cruces

FNBT provided an adequate level of CD services that are responsive to the needs of the Las Cruces AA. During the evaluation period, two FNBT personnel provided 59 community service hours in 4 separate events with 3 different qualifying organizations in the AA. The organizations served in this AA focused on providing financial education to LMI students and individuals, with bank employees providing educational programs to 100 LMI individuals. Examples of service activities include the following:

- Bank officers provided the Money Smart Building Wealth curriculum in a local high school where the majority of students were on free or subsidized lunch programs. Employees also participated in the Money Smart Week program, providing education to low- and moderate income participants on how to prevent identity theft and pay for college.
- FNBT officers utilized the curriculum developed for DISMAS in the Las Cruces chapter and partnered to provide financial education for individuals recently released from incarceration. During the assessment period the bank provided financial education through DISMAS for 81 individuals over four hours.

NM-Non-MSA

FNBT provided few if any CD services in this AA. The bank reported no activities for the four branches in this AA during the evaluation period. We placed more weight on branch distributions and ADS utilization in this AA, but the lack of CD activities in this AA had a negative impact on the overall rating.

Conclusions for Area Receiving a Limited-Scope Review

Based on limited-scope reviews, the bank's performance under the Service Test in the Farmington AA is consistent with the bank's overall full-scope performance under the Service Test.

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, 2019 – Lending Test July 6, 2016 to December 31, 2019 – CD Loans, Investment Test, Service Test	
Bank Products Reviewed:	Home mortgage, small business, consumer loans, community development loans, qualified investments, and community development services.	
Affiliate(s)	Affiliate Relationship	Products Reviewed
First Community Foundation	100% owned by FNBT	Charitable Contributions
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
State of Arizona		
Lake Havasu Kingman	Limited Scope	Lake Havasu City-Kingman MSA - (Mohave County)
Phoenix	Full Scope	Phoenix-Mesa-Chandler MSA - (Maricopa, Pinal Counties)
Prescott	Full Scope	Prescott Valley-Prescott MSA (Yavapai County)
Tucson	Limited Scope	Tucson MSA (Pima County)
AZ-Non-MSA	Limited Scope	Santa Cruz County
New Mexico		
Albuquerque	Full Scope	Albuquerque MSA (Bernalillo, Sandoval Counties Only)
Farmington	Limited Scope	Farmington MSA (San Juan County)
Las Cruces	Full Scope	Las Cruces MSA (Dona Ana County)
NM-Non MSA	Full Scope	Chaves, Curry, Lea, Otero Counties
State of Texas		
Amarillo	Limited Scope	Amarillo MSA (Potter, Randall Counties Only)
Austin	Limited Scope	Austin-Round Rock-Georgetown MSA (Bastrop, Caldwell, Hays, Travis, Williamson Counties)
Beaumont-Port Arthur	Limited Scope	Beaumont-Port Arthur MSA (Orange, Jefferson Counties Only)
Brownsville-Harlingen	Limited Scope	Brownsville-Harlingen MSA (Cameron County)
College Station-Bryan	Limited Scope	College Station-Bryan MSA (Brazos County Only)
Corpus Christi	Limited Scope	Corpus Christi MSA (Nueces, San Patricio Counties)

Dallas	Limited Scope	Dallas-Plano-Irving (Collin, Dallas, Denton, Ellis, Hunt, Kaufman, Rockwall Counties)
El Paso	Full Scope	El Paso MSA (El Paso County Only)
Fort Worth	Limited Scope	Fort Worth-Arlington-Grapevine (Parker, Johnson, Tarrant Counties Only)
Houston	Full Scope	Houston-The Woodlands-Sugarland MSA (Galveston, Harris, Montgomery, Fort Bend, Brazoria Counties Only)
Killeen-Temple	Full Scope	Killeen-Temple MSA (Bell, Coryell Counties Only)
Laredo	Limited Scope	Laredo MSA (Webb County)
Longview	Limited Scope	Longview MSA (Gregg County Only)
Lubbock	Limited Scope	Lubbock MSA (Lubbock County Only)
McAllen	Limited Scope	McAllen-Edinburg-Mission MSA (Hidalgo County)
Midland	Limited Scope	Midland MSA (Midland County Only)
Odessa	Limited Scope	Odessa MSA (Ector County)
San Angelo	Limited Scope	San Angelo MSA (Tom Green County Only)
San Antonio	Full Scope	San Antonio-New Braunfels MSA (Atascosa, Wilson, Bexar Counties Only)
Sherman-Denison	Limited Scope	Sherman-Denison MSA (Grayson County)
Texarkana	Limited Scope	Texarkana TX-AR MSA (Bowie County Only, AR not in scope)
Tyler	Limited Scope	Tyler MSA (Smith County)
Victoria	Limited Scope	Victoria MSA (Victoria County Only)
Waco	Limited Scope	Waco MSA (McLennan County Only)
Wichita Falls	Limited Scope	Wichita Falls MSA (Wichita County Only)
TX-Non MSA	Limited Scope	Anderson, Angelina, Bee, Burnet, Calhoun, Deaf Smith, Erath, Gray, Hale, Hill, Hockley, Hood, Hopkins, Jim Wells, Kerr, Matagorda, Moore, Nacogdoches, Palo Pinto, Uvalde, Walker, Wharton, Young

Appendix B: Summary of MMSA and State Ratings

First National Bank Texas				
Overall Bank:	Lending Test Rating*	Investment Test Rating	Service Test Rating	Overall Bank/State/Multistate Rating
	High Satisfactory	High Satisfactory	High Satisfactory	Satisfactory
MMSA or State:				
Texas	High Satisfactory	High Satisfactory	High Satisfactory	Satisfactory
Arizona	High Satisfactory	Low Satisfactory	High Satisfactory	Satisfactory
New Mexico	Low Satisfactory	High Satisfactory	Low Satisfactory	Satisfactory

(*) The Lending Test is weighted more heavily than the Investment and Service Tests in the overall rating.

Appendix C: Definitions and Common Abbreviations

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

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

Aggregate Lending (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 §1003.2 of this title, and that is not an excluded transaction under §1003.3(c)(1) through (10) and (13) of this title.

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

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

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

Low Income Geography: A 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.

MMSA (state): Any multistate metropolitan statistical area or multistate combined statistical area, as defined by the Office of Management and Budget.

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

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

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

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

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

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

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

Appendix D: Tables of Performance Data

Content of Standardized Tables

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

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

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

to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. Because aggregate small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.

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

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																		2016		
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	\$ (000's)	% of Total	Overall Market By #	% 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	
Arizona – Full Scope																				
Phoenix	107	22,154	10.1	235,493	3.7	1.9	1.7	21.5	13.1	13.9	38.1	42.1	40.6	36.8	42.1	43.4	0.0	0.9	0.4	
Prescott	0	0	0.0	10,654	0.0	0.0	0.0	11.6	0.0	11.8	68.2	0.0	70.3	20.2	0.0	17.9	0.0	0.0	0.0	
Arizona - Limited Scope																				
Lake Havasu-Kingman	1	103	0.1	8,079	0.0	0.0	0.0	10.1	0.0	3.5	83.1	100.0	89.9	6.9	0.0	6.7	0.0	0.0	0.0	
Tucson	1	152	0.1	41,567	3.6	0.0	1.8	22.3	100.0	14.6	37.0	0.0	35.7	37.1	0.0	48.0	0.0	0.0	0.0	
AZ-Non MSA	0	0	0.0	1,245	2.8	0.0	0.6	18.6	0.0	7.9	63.3	0.0	69.6	15.3	0.0	21.9	0.0	0.0	0.0	
New Mexico – Full Scope																				
Albuquerque	1	140	0.1	25,848	2.5	0.0	1.8	25.6	100.0	18.2	33.3	0.0	33.5	38.6	0.0	46.5	0.0	0.0	0.0	
Las Cruces	20	3,505	1.9	5,121	4.6	0.0	2.8	31.6	50.0	13.1	18.1	5.0	20.6	45.7	45.0	63.5	0.0	0.0	0.0	
NM Non SA	0	0	0.0	4,885	0.6	0.0	0.3	20.3	0.0	9.0	45.7	0.0	42.0	33.3	0.0	48.6	0.0	0.0	0.0	
New Mexico - Limited Scope:																				
Farmington	0	0	0.0	2,066	5.5	0.0	0.3	9.8	0.0	2.6	65.6	0.0	67.0	19.1	0.0	30.1	0.0	0.0	0.0	
Texas Full Scope:																				
Killeen	452	72,035	42.8	13,305	1.3	0.0	0.3	8.8	8.2	6.2	61.7	59.3	59.0	28.3	32.5	34.4	0.0	0.0	0.0	
Houston	44	6,536	4.2	186,202	4.2	2.3	1.7	20.7	31.8	10.7	29.6	25.0	28.9	45.6	40.9	58.8	0.0	0.0	0.0	
El Paso	315	41,727	29.9	17,268	1.7	0.6	0.5	28.4	20.0	16.7	31.6	44.8	36.7	38.3	34.6	46.1	0.0	0.0	0.0	
San Antonio	5	946	0.5	61,137	5.0	0.0	1.8	26.5	20.0	12.8	33.4	60.0	34.4	35.2	20.0	51.1	0.0	0.0	0.0	
Texas Limited Scope:																				
Amarillo	0	0	0.0	7,821	7.5	0.0	2.1	15.7	0.0	8.4	39.3	0.0	36.7	37.4	0.0	52.7	0.0	0.0	0.0	
Austin	16	3,883	1.5	89,146	4.3	0.0	3.1	18.4	25.0	15.9	38.9	62.5	39.9	38.5	12.5	41.1	0.0	0.0	0.0	
Beaumont-Port Arthur	2	623	0.2	5,884	2.9	50.0	0.9	21.5	0.0	7.9	41.9	0.0	43.9	33.8	50.0	46.9	0.0	0.0	0.5	

Table O: 2016 (Continued)	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	Assessment Area	#	\$ (000's)	% 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
Brownsville-Harlingen	1	200	0.1	5,164	1.0	0.0	0.2	23.6	0.0	11.4	47.5	0.0	45.2	27.8	100.0	43.2	0.0	0.0	0.0
College Station-Bryan	6	976	0.6	5,855	6.0	0.0	4.9	15.8	16.7	9.3	31.1	33.3	30.6	47.1	50.0	55.3	0.0	0.0	0.0
Corpus Christi	20	3,533	1.9	10,717	6.9	0.0	1.9	19.8	15.0	6.8	39.2	30.0	37.3	34.1	55.0	53.9	0.0	0.0	0.0
Dallas	18	2,480	1.7	176,529	5.3	5.6	2.4	19.3	16.7	9.7	29.8	38.9	29.3	45.6	38.9	58.6	0.0	0.0	0.0
Fort Worth	16	2,181	1.5	80,146	3.6	0.0	0.9	19.8	31.3	10.7	40.5	50.0	39.6	36.1	18.8	48.8	0.0	0.0	0.0
Laredo	1	134	0.1	4,181	1.8	0.0	0.5	26.6	0.0	9.5	36.1	0.0	31.0	35.5	100.0	59.1	0.0	0.0	0.0
Longview	0	0	0.0	2,617	1.8	0.0	0.6	20.4	0.0	13.9	44.3	0.0	44.1	33.5	0.0	41.4	0.0	0.0	0.0
Lubbock	3	534	0.3	9,633	4.3	0.0	2.0	17.7	33.3	10.8	36.7	33.3	34.9	41.3	33.3	52.4	0.0	0.0	0.0
McAllen	1	1,650	0.1	9,840	0.6	0.0	0.1	28.5	0.0	14.7	42.2	100.0	34.6	28.7	0.0	50.6	0.0	0.0	0.0
Midland	0	0	0.0	5,767	4.6	0.0	2.2	14.3	0.0	8.1	49.6	0.0	43.2	31.4	0.0	46.6	0.0	0.0	0.1
Odessa	1	25	0.1	3,565	0.0	0.0	0.0	21.9	0.0	8.3	48.0	0.0	33.8	30.1	100.0	57.9	0.0	0.0	0.0
San Angelo	0	0	0.0	3,488	1.3	0.0	0.6	26.2	0.0	16.0	45.3	0.0	48.4	27.2	0.0	35.0	0.0	0.0	0.0
Sherman-Dennison	0	0	0.0	4,027	0.0	0.0	0.0	23.0	0.0	16.8	57.3	0.0	55.0	19.6	0.0	28.2	0.0	0.0	0.0
Texarkana	0	0	0.0	2,071	1.1	0.0	0.9	5.1	0.0	2.1	63.3	0.0	56.3	30.4	0.0	40.8	0.0	0.0	0.0
Tyler	4	644	0.4	6,011	1.2	0.0	0.6	21.7	50.0	10.8	42.2	25.0	42.2	34.9	25.0	46.4	0.0	0.0	0.0
Victoria	1	62	0.1	2,091	3.6	0.0	0.5	16.3	100.0	11.0	51.1	0.0	49.6	29.0	0.0	38.9	0.0	0.0	0.0
Waco	10	1,712	0.9	6,051	5.5	0.0	3.5	15.0	0.0	9.1	30.0	40.0	22.8	49.5	60.0	64.6	0.0	0.0	0.0
Wichita Falls	0	0	0.0	3,345	2.3	0.0	0.7	15.8	0.0	8.1	40.7	0.0	37.9	41.2	0.0	53.3	0.0	0.0	0.0
TX-Non MSA	9	1,986	0.9	15,037	0.8	0.0	0.7	13.1	0.0	8.0	56.9	55.6	55.5	29.2	44.4	35.8	0.0	0.0	0.0
Total	1,055	167,921	100	1,071,856	3.7	0.7	1.8	20.6	15.3	12.0	37.2	48.8	36.7	38.4	35.2	49.4	0.0	0.1	0.1

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 - 2019		
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$ (000's)	% of Total	Overall Market By #	% 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
Arizona – Full Scope																			
Phoenix	287	66,379	10.3	284,728	4.5	1.4	3.3	19.6	17.1	14.7	37.1	43.6	39.4	38.7	38.0	42.1	0.0	0.0	0.6
Prescott	9	1,819	0.3	13,395	0.0	0.0	0.0	18.7	33.3	15.9	61.2	55.6	65.5	20.1	11.1	18.6	0.0	0.0	0.0
Arizona – Limited Scope																			
Lake Havasu-Kingman	2	346	0.1	10,778	0.0	0.0	0.0	9.2	0.0	2.8	72.3	100.0	72.0	18.5	0.0	25.2	0.0	0.0	0.0
Tucson	2	469	0.1	47,472	4.7	0.0	3.3	21.4	0.0	15.2	32.9	0.0	31.3	41.0	100.0	50.3	0.0	0.0	0.0
AZ-Non MSA	0	0	0.0	1,364	0.0	0.0	0.0	26.2	0.0	15.9	62.6	0.0	73.4	11.2	0.0	10.7	0.0	0.0	0.0
New Mexico – Full Scope																			
Albuquerque	0	0	0.0	28,657	2.5	0.0	1.8	24.6	0.0	18.5	32.7	0.0	33.9	40.1	0.0	45.7	0.1	0.0	0.1
Las Cruces	36	6,129	1.3	5,450	3.6	2.8	2.1	34.5	58.3	13.9	24.8	33.3	31.5	37.1	5.6	52.5	0.0	0.0	0.0
NM Non SA	8	818	0.3	5,208	3.9	0.0	1.6	16.5	0.0	8.1	40.8	75.0	34.9	38.8	25.0	55.5	0.0	0.0	0.0
New Mexico – Limited Scope																			
Farmington	0	0	0.0	1,963	3.8	0.0	0.4	20.2	0.0	8.0	44.0	0.0	46.2	32.0	0.0	45.4	0.0	0.0	0.0
Texas Full Scope																			
Killeen	994	180,209	35.5	14,361	0.8	0.6	0.4	8.3	4.0	5.0	57.1	56.6	56.2	33.8	38.7	38.2	0.0	0.0	0.2
Houston	111	18,728	4.0	189,600	5.4	3.6	2.8	21.0	25.2	13.2	28.6	35.1	27.4	44.9	36.0	56.6	0.1	0.0	0.0
El Paso	915	120,579	32.7	16,790	1.8	1.0	0.6	24.7	18.6	13.6	33.2	32.7	28.2	40.2	47.8	57.5	0.0	0.0	0.0
San Antonio	40	13,038	1.4	63,988	5.0	0.0	1.7	26.6	47.5	15.3	29.4	37.5	32.5	39.1	15.0	50.6	0.0	0.0	0.0
Texas Limited Scope																			
Amarillo	1	151	0.1	7,873	1.0	0.0	0.3	22.9	0.0	10.7	34.8	100.0	34.1	41.3	100.0	54.9	0.0	0.0	0.0
Austin	51	15,463	1.8	95,693	3.8	2.0	3.2	18.1	23.5	15.1	40.3	45.1	42.8	37.6	29.4	38.7	0.2	0.0	0.2
Beaumont-Port Arthur	2	234	0.2	6,597	4.2	0.0	1.4	20.7	100.0	8.1	44.0	100.0	50.1	31.1	0.0	40.5	0.0	0.0	0.0

Table O: 2017-2019 (Continued)	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	Assessment Area	#	\$ (000's)	% 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
Brownsville-Harlingen	2	8,832	0.2	5,131	0.0	0.0	0.0	29.1	0.0	13.6	29.9	0.0	26.0	40.9	100.0	60.4	0.0	0.0	0.0
College Station-Bryan	7	839	0.3	5,327	2.3	0.0	4.5	27.6	85.7	21.7	23.6	14.3	24.5	46.6	0.0	49.3	0.0	0.0	0.0
Corpus Christi	111	19,382	4.0	10,373	3.5	0.0	0.6	26.5	18.0	12.6	36.2	27.9	33.6	33.8	54.1	53.2	0.0	0.0	0.0
Dallas	44	23,922	1.6	178,555	5.4	0.0	3.4	20.4	45.5	12.5	28.9	34.1	30.7	45.2	20.5	53.2	0.1	0.0	0.2
Fort Worth	28	4,499	1.0	86,612	4.6	3.6	2.1	17.2	21.4	12.9	37.7	46.4	38.1	40.5	28.6	47.0	0.0	0.0	0.0
Laredo	10	1,500	1.0	4,205	1.1	0.0	0.1	33.8	10.0	19.9	31.7	0.0	29.3	33.3	100.0	50.7	0.0	0.0	0.0
Longview	3	540	0.2	2,702	1.4	0.0	1.4	12.4	66.7	6.0	57.9	66.7	58.0	28.3	0.0	34.6	0.0	0.0	0.0
Lubbock	11	1,428	0.4	10,243	2.5	0.0	1.5	16.4	54.5	8.8	38.2	27.3	42.0	42.9	18.2	47.6	0.0	0.0	0.0
McAllen	4	381	0.2	10,241	1.4	0.0	0.4	24.6	0.0	13.6	42.3	50.0	36.6	31.5	50.0	49.2	0.2	0.0	0.2
Midland	7	1,278	0.4	7,297	2.8	0.0	1.3	13.4	14.3	6.6	41.8	57.1	35.7	42.0	28.6	56.3	0.0	0.0	0.1
Odessa	6	965	0.3	4,912	1.6	0.0	1.0	21.4	33.3	8.9	42.7	50.0	26.7	34.3	33.3	63.4	0.0	0.0	0.0
San Angelo	2	135	0.2	3,391	1.4	0.0	0.5	25.2	100.0	16.5	49.4	0.0	53.7	23.9	0.0	29.3	0.0	0.0	0.0
Sherman-Dennison	1	60	0.1	4,941	0.0	0.0	0.0	20.4	0.0	15.9	50.0	0.0	46.2	29.6	100.0	37.8	0.0	0.0	0.0
Texarkana	1	179	0.1	2,164	0.0	0.0	0.0	12.4	100.0	9.0	63.2	0.0	59.5	24.4	0.0	31.6	0.0	0.0	0.0
Tyler	3	401	0.2	6,005	0.9	0.0	0.3	19.9	33.3	12.9	40.9	66.7	40.7	38.3	33.3	46.1	0.0	0.0	0.0
Victoria	5	817	0.3	1,947	2.2	0.0	1.3	26.6	0.0	21.2	24.5	40.0	24.1	46.7	60.0	53.5	0.0	0.0	0.0
Waco	14	2,027	0.5	6,886	4.5	0.0	4.4	22.1	21.4	15.7	26.9	42.9	20.5	46.4	35.7	59.5	0.0	0.0	0.0
Wichita Falls	70	12,450	2.5	19,465	0.7	0.0	0.4	13.6	10.0	9.1	59.9	58.6	57.7	25.8	31.4	32.8	0.0	0.0	0.0
TX-Non MSA	2	170	0.1	3,331	6.1	0.0	1.9	23.7	100.0	17.4	26.6	50.0	26.3	43.6	50.0	54.4	0.0	0.0	0.0
Total	2,798	505,065	100.0	1,167,645	4.0	0.9	2.6	20.6	15.2	13.6	35.4	43.5	36.1	39.8	40.4	47.5	0.1	0.0	0.2

Source: 2015 ACS Census; 01/01/2017 - 12/31/2019 Bank Data, 2019 HMDA Aggregate Data, 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			
	#	\$(000's)	% of Total	Overall Market #	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	
Arizona – Full Scope																				
Phoenix	107	22,154	10.1	235,493	21.2	4.7	4.2	17.8	21.5	13.7	20.5	27.1	19.1	40.6	33.6	39.6	0.0	13.1	23.4	
Prescott	0	0	0.0	10,654	18.5	0.0	3.4	20.3	0.0	11.5	20.9	0.0	20.1	40.3	0.0	45.3	0.0	0.0	19.6	
Arizona – Limited Scope																				
Lake Havasu-Kingman	1	103	0.1	8,079	18.4	100.0	4.9	19.3	0.0	12.8	23.4	0.0	17.9	38.9	0.0	43.3	0.0	0.0	21.1	
Tucson	1	152	0.1	41,567	21.8	0.0	4.5	17.9	0.0	12.6	19.5	0.0	17.7	40.8	0.0	39.1	0.0	100.0	26.1	
AZ Non MSA	0	0	0.0	1,245	24.1	0.0	3.3	18.7	0.0	13.7	17.9	0.0	15.6	39.4	0.0	38.4	0.0	0.0	29.1	
New Mexico – Full Scope																				
Albuquerque	1	140	0.1	25,848	21.4	0.0	5.9	17.4	100.0	17.2	19.2	0.0	19.3	42.0	0.0	38.0	0.0	0.0	19.6	
Las Cruces	20	3,505	1.9	5,121	25.1	0.0	2.5	16.5	5.0	8.6	16.3	30.0	18.9	42.1	65.0	48.2	0.0	0.0	21.8	
NM-Non MSA	0	0	0.0	4,885	21.3	0.0	3.7	17.7	0.0	10.7	20.2	0.0	19.4	40.8	0.0	38.3	0.0	0.0	27.9	
New Mexico – Limited Scope																				
Farmington	0	0	0.0	2,066	23.9	0.0	3.1	15.8	0.0	13.4	18.0	0.0	19.9	42.3	0.0	39.7	0.0	0.0	23.8	
Texas – Full Scope																				
Killeen	452	72,035	42.8	13,305	19.4	4.6	2.7	19.1	21.2	11.4	21.6	26.3	19.9	39.9	34.1	33.7	0.0	13.7	32.3	
Houston	44	6,536	4.2	186,202	23.7	9.1	2.4	16.5	22.7	10.6	17.5	9.1	17.4	42.4	25.0	50.9	0.0	34.1	18.7	
El Paso	315	41,727	29.9	17,268	23.5	8.6	2.7	17.0	18.7	9.9	17.8	31.7	18.0	41.7	39.7	46.4	0.0	1.3	23.0	
San Antonio	5	946	0.5	61,137	23.9	0.0	3.1	17.3	40.0	9.8	19.4	20.0	19.3	39.4	20.0	41.9	0.0	20.0	25.8	
Texas Limited Scope:																				
Amarillo	0	0	0.0	7,821	22.7	0.0	5.2	16.8	0.0	12.7	20.0	0.0	18.0	40.4	0.0	39.2	0.0	0.0	24.8	
Austin	16	3,883	1.5	89,146	21.6	6.3	3.0	17.4	12.5	13.2	20.0	37.5	19.5	41.0	25.0	48.9	0.0	18.8	15.4	
Beaumont-Port Arthur	2	623	0.2	5,884	24.2	0.0	2.2	16.7	0.0	10.6	17.8	0.0	18.4	41.3	0.0	49.5	0.0	100.0	19.3	

Table P: 2016 Continued	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	Assessment Area:	#	\$(000's)	% of Total	Overall Market #	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans
Brownsville-Harlingen	1	200	0.1	5,164	24.3	0.0	1.5	16.0	0.0	6.2	17.6	0.0	12.0	42.1	0.0	54.9	0.0	100.0	25.5
College Station-Bryan	6	976	0.6	5,855	25.2	0.0	1.5	13.7	0.0	7.1	18.0	33.3	13.9	43.1	66.7	58.6	0.0	0.0	18.8
Corpus	20	3,533	1.9	10,717	24.5	5.0	2.0	16.3	20.0	8.1	17.8	30.0	18.1	41.4	35.0	45.5	0.0	10.0	26.2
Dallas	18	2,480	1.7	176,529	23.1	11.1	3.0	16.6	33.3	10.5	18.3	11.1	17.0	42.1	44.4	51.8	0.0	0.0	17.7
Fort Worth	16	2,181	1.5	80,146	21.5	6.3	3.4	17.5	12.5	12.7	19.6	37.5	18.8	41.5	12.5	43.0	0.0	31.3	22.0
Laredo	1	134	0.1	4,181	23.6	0.0	1.5	16.1	0.0	8.3	18.0	100.0	15.1	42.3	0.0	44.9	0.0	0.0	30.1
Longview	0	0	0.0	2,617	22.2	0.0	2.9	17.8	0.0	11.8	19.1	0.0	20.1	40.9	0.0	39.6	0.0	0.0	25.6
Lubbock	3	534	0.3	9,633	21.0	0.0	2.9	17.8	66.7	9.9	19.1	33.3	15.8	42.1	0.0	42.8	0.0	0.0	28.6
McAllen	1	1,650	0.1	9,840	25.3	0.0	1.2	15.5	0.0	5.5	16.8	0.0	11.3	42.4	0.0	54.6	0.0	100.0	27.4
Midland	0	0	0.0	5,767	22.0	0.0	5.8	16.4	0.0	16.8	20.1	0.0	22.8	41.5	0.0	34.2	0.0	0.0	20.4
Odessa	1	25	0.1	3,565	24.4	0.0	3.3	15.7	0.0	12.8	19.2	100.0	21.8	40.7	0.0	34.8	0.0	0.0	27.3
San Angelo	0	0	0.0	3,488	22.0	0.0	4.2	18.3	0.0	12.4	19.4	0.0	19.6	40.2	0.0	40.1	0.0	0.0	23.6
Sherman-Dennison	0	0	0.0	4,027	20.8	0.0	3.1	18.1	0.0	9.7	21.3	0.0	18.1	39.8	0.0	47.6	0.0	0.0	21.5
Texarkana	0	0	0.0	2,071	21.8	0.0	2.8	15.7	0.0	11.9	19.0	0.0	18.1	43.5	0.0	46.5	0.0	0.0	20.7
Tyler	4	644	0.4	6,011	21.6	0.0	4.7	17.2	0.0	14.9	19.5	75.0	18.3	41.7	0.0	41.2	0.0	25.0	20.9
Victoria	1	62	0.1	2,091	23.5	0.0	3.2	16.1	0.0	9.6	19.8	0.0	16.6	40.7	100.0	43.5	0.0	0.0	27.1
Waco	10	1,712	0.9	6,051	22.1	0.0	1.9	17.3	10.0	7.5	19.5	20.0	16.0	41.1	70.0	52.9	0.0	0.0	21.7
Wichita Falls	0	0	0.0	3,345	20.2	0.0	5.2	17.8	0.0	11.5	23.0	0.0	18.4	39.0	0.0	37.7	0.0	0.0	27.1
TX-Non MSA	9	1,986	0.9	15,037	20.9	0.0	2.7	18.0	11.1	9.2	18.9	11.1	17.4	42.1	44.4	50.8	0.0	33.3	19.9
Total	1,055	167,921	100.0	1,071,856	22.5	6.0	3.3	17.1	19.9	11.8	18.9	27.5	18.2	41.4	35.7	45.6	0.0	10.9	21.1

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

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																		2017-19		
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers			
	#	\$(000's)	% of Total	Overall Market #	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	
Arizona – Full Scope																				
Phoenix	287	66,379	10.3	284,728	21.9	4.9	4.9	17.3	20.2	15.9	19.5	32.1	20.7	41.3	36.6	38.2	0.0	6.3	20.3	
Prescott	9	1,506	0.5	13,395	18.8	0.0	7.2	19.3	22.2	15.0	22.4	22.2	21.9	39.6	55.6	38.5	0.0	0.0	17.4	
Arizona – Limited Scope																				
Lake Havasu Kingman	2	184	0.2	10,778	18.5	0.0	5.3	19.3	0.0	12.7	22.2	50.0	19.5	40.0	50.0	42.6	0.0	0.0	20.0	
Tucson	2	469	0.1	47,472	22.2	0.0	4.7	17.3	0.0	14.8	19.1	0.0	18.9	41.4	0.0	37.9	0.0	100.0	23.6	
AZ Non MSA	8	818	0.9	5,208	21.0	12.5	3.7	16.6	50.0	11.3	17.7	25.0	19.8	44.7	0.0	43.4	0.0	12.5	21.8	
New Mexico – Full Scope																				
Albuquerque	0	0	0.0	28,657	23.7	0.0	5.4	15.2	0.0	17.2	18.5	0.0	21.4	42.5	0.0	40.2	0.0	0.0	15.8	
Las Cruces	36	6,129	3.6	5,450	25.1	8.3	2.8	15.6	13.9	10.7	16.9	38.9	20.0	42.4	36.1	45.3	0.0	2.8	21.2	
NM-Non MSA	8	818	0.9	5,208	21.0	12.5	3.7	16.6	50.0	11.3	17.7	25.0	19.8	44.7	0.0	43.4	0.0	12.5	21.8	
New Mexico – Limited Scope																				
Farmington	0	0	0.0	1,963	24.5	0.0	6.4	16.3	0.0	20.3	17.5	0.0	23.2	41.8	0.0	29.8	0.0	0.0	20.4	
Texas – Full Scope																				
Killeen	994	180,209	35.5	14,361	20.0	3.5	3.3	18.7	19.0	13.4	21.2	24.1	22.8	40.2	43.0	33.9	0.0	10.4	26.6	
Houston	111	18,728	5.8	189,600	24.4	1.8	3.3	16.0	19.8	14.2	17.0	18.9	20.8	42.6	27.9	45.3	0.0	31.5	16.4	
El Paso	915	120,579	32.7	16,790	22.3	7.9	2.8	17.4	29.5	10.0	19.1	33.2	21.0	41.2	28.0	46.9	0.0	1.4	19.2	
San Antonio	40	13,038	2.1	63,988	23.9	15.0	3.7	17.6	15.0	14.2	19.3	12.5	21.8	39.3	32.5	36.9	0.0	25.0	23.3	
Texas Limited Scope:																				
Amarillo	2	151	0.2	7,873	22.0	0.0	6.8	17.0	0.0	16.2	19.7	50.0	19.9	41.3	0.0	32.8	0.0	50.0	24.3	
Austin	51	15,463	2.8	95,693	22.5	3.9	4.5	16.9	31.4	17.1	19.8	25.5	22.2	40.8	31.4	42.1	0.0	7.8	14.2	
Beaumont-Port Arthur	4	234	0.4	6,597	23.3	25.0	2.9	17.3	25.0	11.5	18.8	0.0	21.2	40.6	25.0	46.8	0.0	25.0	17.6	

Table P: 2017-2019 (Continued)	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	Assessment Area:	#	\$(000's)	% of Total	Overall Market #	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans
Brownsville-Harlingen	2	8,832	0.2	5,131	24.6	0.0	1.0	16.6	0.0	7.3	15.7	0.0	14.5	43.0	50.0	56.3	0.0	50.0	20.9
College Station-Bryan	7	431	0.8	5,327	24.5	0.0	2.7	15.8	0.0	10.6	16.9	28.6	19.4	42.8	42.9	53.9	0.0	28.6	13.5
Corpus	111	19,382	4.0	10,373	22.4	5.4	3.5	17.3	18.9	11.7	18.1	29.7	20.6	42.2	45.9	42.2	0.0	0.0	22.0
Dallas	44	23,922	2.5	178,555	23.7	18.2	3.8	16.5	36.4	13.9	17.6	18.2	19.8	42.2	11.4	46.4	0.0	15.9	15.9
Fort Worth	28	4,499	3.1	86,612	22.6	10.7	3.3	16.6	32.1	14.4	19.4	17.9	22.0	41.4	17.9	42.5	0.0	21.4	17.8
Laredo	11	1,500	1.2	4,205	25.6	0.0	1.5	15.4	0.0	4.6	16.8	0.0	13.1	42.3	9.1	58.6	0.0	90.9	22.3
Longview	4	347	0.4	2,702	23.5	25.0	3.3	15.6	0.0	14.0	19.1	25.0	19.8	41.8	50.0	42.0	0.0	0.0	20.9
Lubbock	11	1,258	1.2	10,243	22.1	36.4	2.3	16.4	18.2	10.7	19.5	9.1	17.4	41.9	18.2	48.3	0.0	18.2	21.3
McAllen	4	381	0.2	10,241	25.1	0.0	0.6	16.3	0.0	4.2	15.4	0.0	12.8	43.2	100.0	60.2	0.0	0.0	22.3
Midland	7	1,278	0.8	7,297	21.7	0.0	1.6	17.5	71.4	10.8	20.2	0.0	19.9	40.5	28.6	52.2	0.0	0.0	15.5
Odessa	7	1,112	0.4	4,912	21.8	0.0	2.4	17.3	42.9	15.3	20.5	57.1	25.7	40.4	0.0	37.5	0.0	0.0	19.1
San Angelo	2	135	0.2	3,391	21.5	50.0	4.0	18.2	50.0	13.5	20.7	0.0	23.1	39.5	0.0	41.1	0.0	0.0	18.3
Sherman-Dennison	1	60	0.1	4,941	22.4	0.0	4.1	17.5	0.0	11.5	19.3	0.0	19.8	40.9	100.0	41.8	0.0	0.0	22.8
Texarkana	1	179	0.1	2,164	22.4	0.0	1.8	16.1	0.0	11.4	18.8	0.0	20.2	42.6	100.0	43.9	0.0	0.0	22.7
Tyler	4	433	0.2	6,005	21.9	0.0	5.1	17.7	50.0	17.0	18.7	50.0	21.6	41.7	0.0	39.3	0.0	0.0	17.0
Victoria	5	817	0.6	1,947	23.4	0.0	3.2	16.9	0.0	12.6	18.0	80.0	20.5	41.6	20.0	41.9	0.0	0.0	21.8
Waco	14	2,027	1.6	6,886	22.5	7.1	3.4	17.7	14.3	13.4	18.0	42.9	19.9	41.8	35.7	45.9	0.0	0.0	17.4
Wichita Falls	4	258	0.4	3,331	22.5	25.0	4.3	16.5	25.0	11.6	20.8	50.0	21.6	40.2	0.0	39.2	0.0	0.0	23.3
TX-Non MSA	70	12,450	7.8	19,465	21.8	4.3	2.3	17.6	22.9	9.6	19.3	22.9	18.8	41.3	41.4	52.8	0.0	8.6	16.5
Total	2,798	505,065	100.0	1,167,645	23.1	5.9	4.0	16.8	23.3	14.5	18.4	27.8	20.7	41.7	35.1	42.4	0.0	8.0	18.5

Source: 2015 ACS Census; 01/01/2017 - 12/31/2019 Bank Data, 2019 HMDA Aggregate Data, 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			
	#	\$(000's)	% of Total	Overall Market #	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	
Arizona – Full Scope																				
Phoenix	0	0	0.0	124,716	6.5	0.0	6.3	15.9	0.0	14.5	30.8	0.0	28.4	46.3	0.0	50.3	0.5	0.0	0.4	
Prescott	0	0	0.0	7,955	0.0	0.0	0.0	17.2	0.0	14.4	56.7	0.0	58.4	26.1	0.0	27.2	0.0	0.0	0.0	
Arizona – Limited Scope																				
Lake Havasu-Kingman	0	0	0.0	3,914	0.0	0.0	0.0	5.2	0.0	4.6	87.8	0.0	87.8	7.1	0.0	7.6	0.0	0.0	0.0	
Tucson	0	0	0.0	22,187	6.0	0.0	4.9	25.8	0.0	23.5	29.7	0.0	29.9	38.5	0.0	41.8	0.0	0.0	0.0	
AZ Non MSA	0	0	0.0	1,152	2.1	0.0	2.3	32.8	0.0	24.7	49.3	0.0	55.6	15.8	0.0	17.4	0.0	0.0	0.0	
New Mexico – Full Scope																				
Albuquerque	0	0	0.0	16,307	6.8	0.0	6.0	25.7	0.0	23.3	33.0	0.0	29.9	34.4	0.0	40.8	0.0	0.0	0.0	
Las Cruces	0	0	0.0	2,150	9.4	0.0	6.9	26.9	0.0	27.3	17.8	0.0	17.2	45.9	0.0	48.6	0.0	0.0	0.0	
NM - Non MSA	0	0	0.0	2,631	2.6	0.0	2.2	20.5	0.0	21.4	43.8	0.0	41.0	33.1	0.0	35.3	0.0	0.0	0.0	
New Mexico – Limited Scope																				
Farmington	0	0	0.0	1,348	0.4	0.0	0.5	13.0	0.0	11.2	65.2	0.0	59.7	21.4	0.0	28.6	0.0	0.0	0.0	
Texas – Full Scope																				
Killeen	20	2,263	58.8	3,902	1.7	0.0	1.3	18.1	45.0	15.4	53.3	35.0	51.1	26.1	20.0	32.2	0.8	0.0	0.0	
Houston	11	1,862	32.4	151,640	8.1	9.1	7.6	19.1	9.1	17.9	24.7	36.4	24.5	48.1	45.5	49.9	0.0	0.0	0.0	
El Paso	0	0	0.0	12,277	7.1	0.0	6.2	28.2	0.0	28.9	27.5	0.0	27.1	36.3	0.0	37.4	0.8	0.0	0.4	
San Antonio	3	820	8.8	32,898	5.5	0.0	5.6	23.4	66.7	21.5	30.6	33.3	27.8	40.3	0.0	44.7	0.3	0.0	0.3	
Texas Limited Scope:																				
Amarillo	0	0	0.0	4,905	20.8	0.0	17.3	10.8	0.0	8.6	34.7	0.0	33.3	33.6	0.0	40.7	0.2	0.0	0.1	
Austin	0	0	0.0	52,714	6.3	0.0	6.2	17.9	0.0	16.8	30.6	0.0	30.6	45.1	0.0	46.3	0.1	0.0	0.1	
Beaumont-Port Arthur	0	0	0.0	5,238	2.6	0.0	2.0	26.8	0.0	25.5	36.0	0.0	34.7	34.3	0.0	37.7	0.4	0.0	0.2	

Table Q: 2016 (Continued)					Total Loans to Small Businesses			Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts		
	Assessment Area:	#	\$(000's)	% of Total	Overall Market #	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans
Brownsville-Harlingen	0	0	0.0	5,783	3.7	0.0	4.0	27.6	0.0	26.4	38.5	0.0	38.2	29.9	0.0	31.3	0.3	0.0	0.2
College Station-Bryan	0	0	0.0	3,471	9.5	0.0	7.0	17.1	0.0	16.7	35.4	0.0	35.1	37.7	0.0	41.1	0.3	0.0	0.1
Corpus Christi	0	0	0.0	6,780	15.6	0.0	15.5	18.6	0.0	18.6	35.7	0.0	33.6	29.8	0.0	32.2	0.3	0.0	0.1
Dallas	0	0	0.0	118,002	8.1	0.0	7.9	17.4	0.0	16.6	25.9	0.0	24.1	48.3	0.0	51.3	0.2	0.0	0.2
Fort Worth	0	0	0.0	48,878	4.7	0.0	4.8	20.7	0.0	20.1	35.9	0.0	34.6	38.5	0.0	40.5	0.2	0.0	0.1
Laredo	0	0	0.0	5,501	0.8	0.0	0.4	21.4	0.0	16.9	29.1	0.0	25.5	48.3	0.0	56.8	0.5	0.0	0.5
Longview	0	0	0.0	2,957	0.7	0.0	0.6	34.0	0.0	31.7	39.1	0.0	37.6	25.9	0.0	29.8	0.2	0.0	0.3
Lubbock	0	0	0.0	5,857	5.7	0.0	4.8	14.5	0.0	11.2	38.5	0.0	37.9	41.3	0.0	46.0	0.1	0.0	0.1
McAllen	0	0	0.0	12,024	0.4	0.0	0.3	22.7	0.0	21.9	36.1	0.0	36.3	40.7	0.0	41.4	0.1	0.0	0.1
Midland	0	0	0.0	3,105	2.4	0.0	3.1	24.9	0.0	22.2	41.6	0.0	44.6	30.4	0.0	29.5	0.6	0.0	0.6
Odessa	0	0	0.0	2,415	0.0	0.0	0.0	17.3	0.0	15.3	45.4	0.0	44.0	37.3	0.0	40.7	0.0	0.0	0.0
San Angelo	0	0	0.0	1,597	11.9	0.0	7.8	15.4	0.0	16.3	44.9	0.0	45.3	27.4	0.0	30.1	0.4	0.0	0.5
Sherman-Dennison	0	0	0.0	2,170	0.0	0.0	0.0	25.1	0.0	22.5	59.1	0.0	58.5	15.8	0.0	19.0	0.0	0.0	0.0
Texarkana	0	0	0.0	1,590	6.8	0.0	6.0	6.6	0.0	5.7	51.5	0.0	44.9	35.1	0.0	43.3	0.0	0.0	0.0
Tyler	0	0	0.0	4,774	8.4	0.0	7.3	19.6	0.0	17.6	34.6	0.0	35.6	37.1	0.0	39.2	0.2	0.0	0.3
Victoria	0	0	0.0	1,716	3.1	0.0	3.3	21.2	0.0	20.0	49.7	0.0	48.4	25.8	0.0	28.0	0.2	0.0	0.4
Waco	0	0	0.0	3,123	5.1	0.0	5.1	21.6	0.0	17.6	31.0	0.0	30.1	41.7	0.0	46.8	0.6	0.0	0.3
Wichita Falls	0	0	0.0	1,455	4.5	0.0	4.9	26.3	0.0	26.8	28.6	0.0	24.4	40.4	0.0	43.8	0.1	0.0	0.1
TX-Non MSA	0	0	0.0	14,727	1.3	0.0	1.1	16.4	0.0	14.5	54.6	0.0	54.0	27.7	0.0	30.3	0.0	0.0	0.0
Total	34	4,945	100.0	691,859	6.5	2.9	6.3	19.2	35.3	17.8	31.3	35.3	29.8	42.8	26.5	46.0	0.2	0.0	0.2

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

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																	2017-19		
Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
Arizona Full Scope																			
Phoenix	1	50	0.6	108,647	6.1	0.0	6.8	16.3	100.0	16.9	30.0	0.0	27.9	47.1	0.0	47.8	0.5	0.0	0.6
Prescott	0	0	0.0	5,532	0.0	0.0	0.0	22.3	0.0	23.1	51.3	0.0	51.0	26.4	0.0	25.9	0.0	0.0	0.0
Arizona Limited Scope																			
Lake Havasu-Kingman	0	0	0.0	3,671	0.0	0.0	0.0	4.4	0.0	4.9	71.7	0.0	73.8	23.9	0.0	21.3	0.0	0.0	0.0
Tucson	0	0	0.0	17,564	6.3	0.0	6.3	23.3	0.0	24.1	29.6	0.0	29.2	39.8	0.0	39.4	1.0	0.0	1.0
AZ Non MSA	0	0	0.0	1,067	0.0	0.0	0.0	41.5	0.0	42.6	50.4	0.0	50.5	8.1	0.0	6.8	0.0	0.0	0.0
New Mexico Full Scope																			
Albuquerque	0	0	0.0	13,830	9.0	0.0	10.1	22.1	0.0	24.1	31.3	0.0	28.5	36.7	0.0	36.9	0.8	0.0	0.4
Las Cruces	0	0	0.0	2,589	6.9	0.0	6.0	32.4	0.0	36.0	25.2	0.0	22.8	35.4	0.0	35.3	0.0	0.0	0.0
NM - Non MSA	0	0	0.0	3,233	3.9	0.0	3.7	17.0	0.0	15.2	39.9	0.0	37.0	39.1	0.0	44.1	0.0	0.0	0.0
New Mexico Limited Scope																			
Farmington	0	0	0.0	1,347	0.7	0.0	0.2	25.1	0.0	23.8	42.1	0.0	44.0	32.0	0.0	32.0	0.0	0.0	0.0
Texas Full Scope																			
Killeen	77	16,372	42.5	4,330	4.2	9.1	3.6	12.8	22.1	9.7	53.6	46.8	51.0	29.0	22.1	35.4	0.4	0.0	0.2
Houston	52	8,082	28.7	163,325	9.5	9.6	9.9	18.3	21.2	18.2	22.9	26.9	22.9	49.2	42.3	48.8	0.2	0.0	0.2
El Paso	0	0	0.0	12,565	6.9	0.0	5.8	26.6	0.0	29.3	30.3	0.0	29.0	35.5	0.0	35.6	0.7	0.0	0.3
San Antonio	23	3,958	12.7	30,220	4.9	4.3	4.6	22.8	65.2	22.4	28.9	21.7	27.8	43.2	8.7	45.0	0.3	0.0	0.3
Texas Limited Scope																			
Amarillo	0	0	0.0	5,050	5.6	0.0	5.2	24.4	0.0	19.9	30.7	0.0	30.4	39.0	0.0	44.4	0.2	0.0	0.1
Austin	14	4,038	7.7	55,327	6.7	0.0	7.1	14.0	42.9	14.6	33.9	50.0	34.2	44.2	7.1	43.4	1.2	0.0	0.8
Beaumont-Port Arthur	0	0	0.0	5,595	5.0	0.0	5.2	22.3	0.0	17.5	47.1	0.0	49.0	25.5	0.0	28.3	0.1	0.0	0.0
Brownsville-Harlingen	2	80	1.1	5,802	0.0	0.0	0.0	30.9	0.0	29.6	27.5	100.0	30.1	41.3	0.0	39.9	0.3	0.0	0.3

Table Q 2017-2019 (Continued)	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	Assessment Area:	#	\$ (000's)	% of Total	Overall Market #	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans
College Station-Bryan	0	0	0.0	3,735	8.0	0.0	4.6	26.7	0.0	26.3	25.8	0.0	26.3	39.2	0.0	42.8	0.4	0.0	0.0
Corpus Christi	0	0	0.0	6,968	3.3	0.0	2.4	29.4	0.0	28.2	35.7	0.0	33.2	31.2	0.0	36.1	0.3	0.0	0.1
Dallas	3	212	1.7	121,564	7.2	0.0	7.1	18.2	0.0	18.6	26.1	0.0	24.9	47.6	100.0	48.4	0.8	0.0	1.0
Fort Worth	3	905	1.7	49,395	6.0	66.7	6.6	19.3	0.0	19.1	30.3	33.3	31.4	44.3	0.0	42.7	0.1	0.0	0.1
Laredo	0	0	0.0	5,868	0.8	0.0	0.6	32.8	0.0	32.3	17.6	0.0	13.9	48.4	0.0	53.0	0.5	0.0	0.3
Longview	0	0	0.0	3,431	8.9	0.0	9.1	10.8	0.0	9.8	53.1	0.0	54.0	26.9	0.0	26.8	0.3	0.0	0.3
Lubbock	0	0	0.0	5,868	3.6	0.0	2.7	15.8	0.0	15.1	36.1	0.0	34.4	44.4	0.0	47.8	0.1	0.0	0.0
McAllen	1	789	0.6	11,401	0.5	0.0	0.5	19.0	100.0	18.8	34.4	0.0	35.3	46.0	0.0	45.2	0.2	0.0	0.2
Midland	0	0	0.0	4,581	1.6	0.0	2.2	22.7	0.0	18.8	36.6	0.0	40.0	38.4	0.0	38.4	0.7	0.0	0.5
Odessa	0	0	0.0	3,376	1.4	0.0	1.2	22.0	0.0	20.9	33.3	0.0	35.9	43.3	0.0	42.0	0.0	0.0	0.0
San Angelo	0	0	0.0	1,799	11.6	0.0	7.6	21.0	0.0	22.3	43.8	0.0	44.8	23.3	0.0	25.0	0.4	0.0	0.3
Sherman- Dennison	0	0	0.0	2,167	0.0	0.0	0.0	21.3	0.0	22.9	49.6	0.0	44.8	29.1	0.0	32.3	0.0	0.0	0.0
Texarkana	1	20	0.6	1,668	0.0	0.0	0.0	21.9	100.0	20.1	52.9	0.0	52.3	25.2	0.0	27.6	0.0	0.0	0.0
Tyler	0	0	0.0	5,342	6.1	0.0	7.3	17.9	0.0	18.2	35.0	0.0	32.8	40.8	0.0	41.4	0.2	0.0	0.3
Victoria	0	0	0.0	1,709	2.2	0.0	2.9	35.1	0.0	28.7	25.0	0.0	21.6	37.5	0.0	46.3	0.2	0.0	0.5
Waco	2	159	1.1	3,363	5.1	50.0	4.4	30.4	0.0	28.0	25.3	0.0	27.9	38.6	50.0	39.3	0.6	0.0	0.4
Wichita Falls	0	0	0.0	1,390	4.8	0.0	4.9	32.5	0.0	32.7	17.2	0.0	14.0	45.4	0.0	48.3	0.1	0.0	0.1
TX-Non MSA	2	725	1.1	17,516	1.1	0.0	0.9	17.5	50.0	16.6	55.7	50.0	59.1	25.7	0.0	23.4	0.0	0.0	0.0
Total	181	36,095	100.0	690,835	6.6	8.8	6.8	18.9	29.3	18.9	29.8	36.5	29.2	44.2	25.4	44.7	0.5	0.0	0.4

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, 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	
Arizona Full Scope												
Phoenix	0	0	0	124,716	87.4	0	41.6	4.4	0	8.2	0	
Prescott	0	0	0	7,955	88.9	0	40.3	3.4	0	7.7	0	
Arizona Limited Scope												
Lake Havasu- Kingman	0	0	0	3,914	85.9	0	45.0	4.2	0	9.8	0	
Tucson	0	0	0	22,187	86.0	0	40.2	4.3	0	9.7	0	
AZ Non MSA	0	0	0	1,152	79.7	0	39.7	7.6	0	12.7	0	
New Mexico Full Scope												
Albuquerque	0	0	0	16,307	84.1	0	43.9	5.7	0	10.3	0	
Las Cruces	0	0	0	2,150	80.5	0	45.5	5.4	0	14.1	0	
NM - Non MSA	0	0	0	2,631	77.6	0	43.7	5.8	0	16.6	0	
New Mexico Limited Scope												
Farmington	0	0	0	1,348	77.3	0	38.5	6.8	0	15.9	0	
Texas Full Scope												
Killeen	20	2,263	58.8	3,902	83.4	90.0	46.4	3.5	5.0	13.1	5.0	
Houston	11	1,862	32.4	151,640	85.3	45.5	40.7	5.8	54.5	8.9	0.0	
El Paso	0	0	0	12,277	82.3	0	39.1	5.2	--	12.5	--	
San Antonio	3	820	8.8	32,898	83.9	33.3	40.3	5.1	66.7	11.0	0.0	
Texas Limited Scope												
Amarillo	0	0	0	4,905	82.5	0	45.6	5.3	0	12.2	0	
Austin	0	0	0	52,714	85.6	0	41.3	4.7	0	9.6	0	
Beaumont-Port Arthur	0	0	0	5,238	80.8	0	40.5	5.3	0	13.9	0	
Brownsville- Harlingen	0	0	0	5,783	81.3	0	39.7	5.0	0	13.8	0	
College Station-Bryan	0	0	0	3,471	79.5	0	43.2	5.2	0	15.3	0	
Corpus Christi	0	0	0	6,780	80.3	0	38.0	5.4	0	14.3	0	

Table R - 2016 (Continued)											
Dallas	0	0	0	118,002	85.4	0	42.5	5.5	0	9.1	0
Fort Worth	0	0	0	48,878	85.1	0	42.4	4.9	0	10.0	0
Laredo	0	0	0	5,501	80.9	0	45.3	6.8	0	12.4	0
Longview	0	0	0	2,957	78.5	0	44.2	6.4	0	15.1	0
Lubbock	0	0	0	5,857	83.6	0	39.2	5.0	0	11.4	0
McAllen	0	0	0	12,024	84.5	0	38.0	4.4	0	11.2	0
Midland	0	0	0	3,105	80.1	0	30.9	7.6	0	12.4	0
Odessa	0	0	0	2,415	78.8	0	27.0	7.5	0	13.7	0
San Angelo	0	0	0	1,597	81.6	0	39.4	5.0	0	13.4	0
Sherman- Dennison	0	0	0	2,170	83.3	0	48.3	4.6	0	12.1	0
Texarkana	0	0	0	1,590	79.7	0	47.9	5.4	0	15.0	0
Tyler	0	0	0	4,774	83.1	0	44.2	5.6	0	11.4	0
Victoria	0	0	0	1,716	79.4	0	37.2	5.5	0	15.1	0
Waco	0	0	0	3,123	81.4	0	38.5	5.8	0	12.8	0
Wichita Falls	0	0	0	1,455	79.5	0	39.5	6.1	0	14.4	0
TX-Non MSA	0	0	0	14,727	81.6	0	45.3	4.8	0	13.6	0
Total	34	4,945	100.0	691,859	84.9	70.6	41.5	5.2	26.5	9.9	2.9
<i>Source: 2016 D&B Data; 01/01/2016 - 12/31/2016 Bank Data; 2016 CRA Aggregate Data, Due to rounding, totals may not equal 100.0%</i>											

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2017-19	
	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available		
Assessment Area:	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans	
Arizona Full Scope												
Phoenix	1	50	0.6	108,647	89.7	100.0	46.5	3.4	0.0	6.9	0.0	
Prescott	0	0	0	5,532	90.3	0	51.0	2.9	0	6.8	0	
Arizona Limited Scope												
Lake Havasu-Kingman	0	0	0	3,671	87.5	0	48.9	3.8	0	8.7	0	
Tucson	0	0	0	17,564	87.6	0	46.2	3.7	0	8.7	0	
AZ Non MSA	0	0	0	1,067	79.4	0	36.0	7.7	0	12.9	0	
New Mexico Full Scope												
Albuquerque	0	0	0	13,830	87.1	0	45.1	4.3	0	8.6	0	
Las Cruces	0	0	0	2,589	83.7	0	42.5	4.3	0	12.0	0	
NM - Non MSA	0	0	0	3,233	80.0	0	33.7	5.2	0	14.8	0	
New Mexico Limited Scope												
Farmington	0	0	0	1,347	78.8	0	37.3	5.8	0	15.4	0	
Texas Full Scope												
Killeen	77	16,372	42.5	4,330	85.5	53.2	41.3	3.1	40.3	11.5	6.5	
Houston	52	8,082	28.7	163,325	87.1	42.3	40.7	4.9	57.7	8.0	0.0	
El Paso	0	0	0	12,565	84.1	--	43.3	4.5	0	11.3	--	
San Antonio	23	3,958	12.7	30,220	85.8	65.2	43.0	4.3	34.8	9.9	0.0	
Texas Limited Scope												
Amarillo	0	0	0	5,050	83.7	0	45.8	4.8	0	11.5	0	
Austin	14	4,038	7.7	55,327	88.1	57.1	42.8	3.7	42.9	8.1	0.0	
Beaumont-Port Arthur	0	0	0	5,595	82.2	0	34.8	4.9	0	12.9	0	
Brownsville- Harlingen	2	80	1.1	5,802	83.2	100.0	40.4	4.3	0.0	12.5	0.0	
College Station-Bryan	0	0	0	3,735	82.2	0	39.1	4.5	0	13.3	0	

Corpus Christi	0	0	0	6,968	82.1	0	33.0	4.7	0	13.2	0
Dallas	3	212	1.7	121,564	87.6	33.3	42.1	4.4	66.7	8.0	0
Fort Worth	3	905	1.7	49,395	87.2	66.7	42.4	4.0	33.3	8.8	0
Laredo	0	0	0	5,868	82.6	0	42.3	6.2	0	11.2	0
Longview	0	0	0	3,431	79.6	0	43.2	5.8	0	14.6	0
Lubbock	0	0	0	5,868	85.3	0	38.8	4.2	0	10.5	0
McAllen	1	789	0.6	11,401	86.2	100.0	38.0	3.9	0	9.9	0
Midland	0	0	0	4,581	82.9	0	28.8	6.2	0	10.9	0
Odessa	0	0	0	3,376	80.9	0	24.3	6.4	0	12.7	0
San Angelo	0	0	0	1,799	81.6	0	35.1	5.0	0	13.4	0
Sherman- Dennison	0	0	0	2,167	84.1	0	42.5	4.4	0	11.4	0
Texarkana	1	20	0.6	1,668	79.8	100.0	49.3	5.3	0	14.9	0
Tyler	0	0	0	5,342	84.9	0	40.8	4.7	0	10.4	0
Victoria	0	0	0	1,709	80.4	0	36.5	5.3	0	14.3	0
Waco	2	184	1.1	3,363	83.2	50.0	37.6	5.2	50.0	11.6	0
Wichita Falls	0	0	0	1,390	81.1	0	41.2	5.6	0	13.3	0
TX-Non MSA	2	1,405	1.1	17,516	82.7	100.0	42.6	4.6	0.0	12.6	0
Total	181	36,095	100.0	690,835	87.0	53.6	42.4	4.3	43.6	8.7	2.8

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, 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	
	#	\$ (000's)	% of Total #	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans
Arizona Full Scope													
Phoenix	4,020	3,161	5.0	7.1	19.8	25.7	36.8	36.2	31.6	31.0	11.6	0.0	0.1
Prescott	105	63	0.1	0.0	0.0	15.1	20.0	65.7	78.1	19.2	1.9	0.0	0.0
Arizona Limited Scope													
Lake Havasu Kingman	534	350	0.7	0.0	0.0	11.2	26.6	82.8	70.8	5.9	2.6	0.0	0.0
Tucson	872	595	1.1	6.3	15.8	29.0	52.4	34.1	22.6	30.6	9.2	0.0	0.0
AZ Non MSA	258	154	0.3	3.1	2.3	24.0	35.7	59.3	60.1	13.7	1.9	0.0	0.0
New Mexico Full Scope													
Albuquerque	995	672	1.2	5.3	7.0	28.8	43.4	33.6	35.3	32.4	14.3	0.0	0.0
Las Cruces	645	461	0.8	9.1	9.6	31.3	54.6	17.1	14.3	42.5	21.6	0.0	0.0
NM Non MSA	508	427	0.6	0.8	3.3	22.3	32.7	47.4	44.7	29.5	19.3	0.0	0.0
New Mexico Limited Scope													
Farmington	630	395	0.8	5.2	27.5	11.4	6.2	66.8	55.1	16.6	11.3	0.0	0.0
Texas Full Scope													
Killeen	3,319	4,937	4.1	2.2	4.5	17.9	20.7	58.6	58.8	21.3	16.0	0.0	0.1
Houston	14,114	13,152	17.5	9.8	18.8	25.0	42.4	27.8	29.5	37.4	9.4	0.0	0.0
El Paso	5,556	3,716	6.9	4.0	5.7	31.5	39.4	30.9	35.7	33.6	19.3	0.0	0.0
San Antonio	3,093	2,067	3.8	6.8	11.5	30.4	46.9	32.8	34.5	29.9	7.0	0.0	0.0
Texas Limited Scope													
Amarillo	910	562	1.1	11.5	20.9	17.7	22.3	39.9	45.8	30.9	11.0	0.0	0.0
Austin	1,866	1,761	2.3	10.1	4.7	23.0	41.7	36.0	45.3	30.9	8.3	0.0	0.0
Beaumont-Port Arthur	608	390	0.8	4.9	9.0	25.7	37.0	39.0	37.0	30.4	16.9	0.0	0.0
Brownsville-Harlingen	282	201	0.4	2.1	1.1	26.8	28.0	46.8	53.5	24.3	17.4	0.0	0.0
College Station-Bryan	1,051	989	1.3	15.7	12.8	22.6	37.8	30.2	31.2	31.5	18.2	0.0	0.1
Corpus Christi	2,548	1,726	3.2	9.6	16.4	20.6	39.1	38.9	32.5	30.7	11.9	0.1	0.0

Table U: 2016 (Continued)	Total Consumer Loans			Low-Income Tracts		Moderate-Income Tracts		Middle-Income Tracts		Upper-Income Tracts		Not Available-Income Tracts	
	Assessment Area:	#	\$ (000's)	% of Total #	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households
Dallas	15,188	11,735	18.8	11.4	20.5	23.3	36.5	29.1	30.0	36.2	13.0	0.0	0.0
Fort Worth	8,702	6,831	10.8	5.7	10.8	25.2	36.7	40.9	40.6	28.2	11.9	0.0	0.0
Laredo	1,436	1,076	1.8	2.4	2.6	30.0	34.5	37.4	44.7	30.2	18.2	0.0	0.0
Longview	501	331	0.6	2.2	3.6	25.2	47.9	42.4	31.9	30.2	16.6	0.0	0.0
Lubbock	1,798	1,276	2.2	7.2	11.4	21.5	38.0	37.3	36.3	34.1	14.3	0.0	0.0
McAllen	667	621	0.8	0.6	1.2	28.7	43.8	42.3	39.6	28.3	15.4	0.0	0.0
Midland	442	618	0.5	5.1	8.1	14.3	30.5	47.9	42.5	32.7	18.8	0.0	0.0
Odessa	643	693	0.8	0.0	0.0	23.0	29.1	45.9	53.0	31.1	17.9	0.0	0.0
San Angelo	716	613	0.9	1.9	7.7	28.9	40.2	42.4	39.5	26.9	12.6	0.0	0.0
Sherman-Dennison	430	382	0.5	0.0	0.0	24.4	30.5	59.2	60.7	16.4	8.8	0.0	0.0
Texarkana	244	180	0.3	2.7	1.2	8.8	2.5	61.4	85.7	27.2	10.7	0.0	0.0
Tyler	926	765	1.1	3.1	5.6	24.2	32.4	40.7	46.1	32.0	15.9	0.0	0.0
Victoria	575	408	0.7	4.7	8.0	21.9	32.2	50.0	51.8	23.4	8.0	0.0	0.0
Waco	1,036	797	1.3	13.0	19.7	19.3	29.5	30.0	32.1	37.6	18.2	0.0	0.4
Wichita Falls	944	594	1.2	3.3	3.5	19.5	35.5	38.1	40.7	39.1	20.3	0.0	0.0
TX Non MSAs	4,463	3,633	5.5	1.9	1.6	16.0	27.7	55.4	53.3	26.7	17.5	0.0	0.0
Total	700	427	100	8.3	8.9	24.5	34.6	34.1	42.3	32.9	14.3	0.2	0.0

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

* All Middle Income CTs in the NM-Non MSA AA were distressed or underserved.

Table U: Assessment Area Distribution of Consumer Loans by Income Category of the Geography												2017-2019	
Assessment Area:	Total Consumer Loans			Low-Income Tracts		Moderate-Income Tracts		Middle-Income Tracts		Upper-Income Tracts		Not Available-Income Tracts	
	#	\$ (000's)	% of Total #	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans
Arizona Full Scope:													
Phoenix	13,791	13,7144	5.8	9.1	25.6	23.5	32.4	35.4	30.1	31.9	11.8	0.1	0.1
Prescott	491	796	0.2	0.0	0.0	22.5	49.3	57.6	34.6	19.9	16.1	0.0	0.0
Arizona Limited Scope													
Lake Havasu-Kingman	1,752	1,742	0.7	0.0	0.0	10.2	24.3	71.2	63.8	18.5	12.0	0.0	0.0
Tucson	3,615	3,460	1.5	8.7	23.6	26.9	47.5	31.5	20.9	32.9	8.0	0.1	0.0
AZ Non MSA	697	651	0.3	0.0	0.0	33.9	56.2	56.7	41.8	9.4	2.0	0.0	0.0
New Mexico Full Scope:													
Albuquerque	2,534	1,853	3.0	6.1	13.8	27.3	31.7	32.1	39.0	34.2	15.4	0.3	0.1
Las Cruces	1,776	1,755	0.7	7.1	8.9	32.8	56.1	27.1	22.7	33.0	12.2	0.0	0.0
NM Non MSA	1,555	1,658	0.6	3.5	15.9	18.9	27.3	42.8	33.6	34.9	23.2	0.0	0.0
Limited Scope:													
Farmington	1,540	1,276	1.8	3.3	2.6	23.3	38.4	42.6	45.3	30.8	13.7	0.0	0.0
Texas Full Scope:													
Killeen	9,807	16,623	4.1	1.9	3.9	16.4	22.0	55.7	57.1	26.0	16.9	0.0	0.0
Houston	39,740	43,721	16.6	11.7	23.8	24.7	43.2	26.8	24.0	36.6	8.6	0.3	0.3
El Paso	17,594	16,308	7.3	4.2	5.3	27.3	36.0	34.2	37.4	34.2	21.3	0.0	0.0
San Antonio	10,412	8,022	4.3	6.4	11.0	32.1	48.9	29.6	32.0	31.9	8.1	0.0	0.0
Limited Scope:													
Amarillo	2,679	2,021	1.1	2.1	4.0	28.4	39.5	36.3	41.8	33.2	14.7	0.0	0.0
Austin	5,400	5,806	2.3	10.0	8.9	20.5	35.8	38.3	45.6	30.4	9.5	0.8	0.2
Beaumont-Port Arthur.	1,762	1,421	0.7	5.8	11.4	24.5	43.2	44.0	35.0	25.7	10.4	0.0	0.0
Brownsville-Harlingen	1,195	956	0.5	0.0	0.0	32.1	42.6	31.3	25.2	36.6	32.2	0.0	0.0
College Station-Bryan	3,237	3,147	1.4	13.3	5.5	34.3	54.9	23.2	25.6	29.2	14.0	0.0	0.0
Corpus Christi	7,386	5,284	3.1	4.9	10.3	28.8	43.8	35.5	32.1	30.7	13.9	0.0	0.0

Table U: 2017-2019 (Continued)	Total Consumer Loans			Low-Income Tracts		Moderate-Income Tracts		Middle-Income Tracts		Upper-Income Tracts		Not Available-Income Tracts	
	Assessment Area	#	\$ (000's)	% of Total #	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households
Dallas	41,551	36,598	17.3	11.8	22.8	24.2	37.8	28.0	27.8	35.7	11.3	0.3	0.3
Fort Worth	25,037	22,095	10.5	8.3	17.0	22.2	33.6	36.6	36.9	32.9	12.5	0.0	0.0
Laredo	5,302	4,801	2.2	2.2	2.1	40.4	45.7	29.1	37.6	28.3	14.6	0.0	0.0
Longview	1,670	1,288	0.7	3.0	4.9	13.4	27.4	58.4	51.9	25.3	15.7	0.0	0.0
Lubbock	4,963	3,592	2.1	6.0	9.7	21.4	39.6	38.3	35.0	34.3	15.7	0.0	0.0
McAllen	3,018	2,716	1.3	1.3	0.6	25.7	37.3	41.3	47.8	31.4	13.2	0.2	1.2
Midland	1,244	1,582	0.5	2.5	3.5	14.2	23.6	45.8	45.9	37.5	26.9	0.0	0.0
Odessa	1,823	2,120	0.8	2.3	3.6	22.1	27.7	39.0	44.5	36.6	24.2	0.0	0.0
San Angelo	1,919	1,762	0.8	2.2	6.1	26.5	41.3	51.1	43.8	20.2	8.8	0.0	0.0
Sherman-Dennison	1,114	934	0.5	0.0	0.0	22.7	35.6	50.4	49.2	26.9	15.2	0.0	0.0
Texarkana	691	537	0.3	0.0	0.0	19.2	18.4	60.5	60.3	20.3	21.3	0.0	0.0
Tyler	2,383	2,203	1.0	1.8	0.8	24.3	33.1	40.4	51.1	33.6	15.0	0.0	0.0
Victoria	1,929	1,471	0.8	3.3	5.5	33.9	44.5	24.8	30.7	37.9	19.2	0.0	0.0
Waco	2,737	2,288	1.1	11.2	12.6	29.9	52.0	24.3	20.7	34.6	14.7	0.0	0.0
Wichita Falls	2,783	1,802	1.2	6.7	14.1	26.4	38.2	25.0	25.7	41.8	22.1	0.0	0.0
TX Non MSAs	14,385	13,812	17.0	0.9	1.2	18.0	27.5	58.2	55.3	22.9	15.9	0.0	0.1
Total	239,512	229,815	100.0	8.3	14.4	24.5	37.7	34.1	34.6	32.9	13.1	0.2	0.1

Source: 2015 ACS Census; 01/01/2017 - 12/31/2019 Bank Data. Due to rounding, totals may not equal 100.0.

* 30% of middle income areas in the TX Non-MSA AA is distressed or underserved.

Table V: Assessment Area Distribution of Consumer Loans by Income Category of the Borrower												2016	
	Total Consumer Loans			Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Not Available-Income Borrowers	
Assessment Area:	#	\$ (000's)	% of Total #	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans
Arizona Full Scope:													
Phoenix	4,020	3,161	5.0	22.6	54.7	17.1	33.0	18.5	9.4	41.7	2.7	0.0	0.2
Prescott	105	63	0.1	21.8	56.2	16.7	29.5	20.4	14.3	41.0	0.0	0.0	0.0
Arizona Limited Scope:													
Lake Havasu Kingman	534	350	0.7	21.0	61.8	17.8	24.9	20.9	9.6	40.3	3.6	0.0	0.2
Tucson	872	595	1.1	23.8	57.5	16.8	30.5	17.3	8.0	42.1	3.4	0.0	0.6
AZ-Non MSA	258	154	0.3	23.5	48.1	16.8	37.2	17.9	12.4	41.8	1.6	0.0	0.8
New Mexico Full Scope:													
Albuquerque	995	672	1.2	23.2	70.4	16.2	21.0	17.8	6.5	42.9	1.8	0.0	0.3
Las Cruces	645	461	0.8	25.2	50.5	16.2	28.8	16.0	13.3	42.7	6.7	0.0	0.6
NM-Non MSA	508	427	0.6	22.5	54.7	16.2	26.8	18.2	11.8	43.1	6.3	0.0	0.4
New Mexico Limited Scope:													
Farmington	630	395	0.8	25.2	64.9	15.0	26.5	17.9	6.5	41.8	2.1	0.0	0.0
Texas Full Scope:													
Killeen	3,319	4,937	4.1	21.2	58.8	17.7	24.5	20.4	9.2	40.7	3.9	0.0	3.6
Houston	14,114	13,152	17.5	24.1	60.7	16.4	26.9	16.9	8.3	42.7	2.5	0.0	1.6
El Paso	5,556	3,716	6.9	25.1	52.5	15.6	28.3	16.9	12.3	42.4	6.5	0.0	0.3
San Antonio	3,093	2,067	3.8	25.5	65.7	16.5	23.0	18.2	8.3	39.8	2.4	0.0	0.6
Texas Limited Scope:													
Amarillo	910	562	1.1	24.8	71.0	16.3	21.3	17.4	6.2	41.5	1.4	0.0	0.1
Austin	1,866	1,761	2.3	23.2	68.3	16.9	22.9	18.1	6.2	41.8	1.4	0.0	1.1
Beaumont-Port Arthur	608	390	0.8	25.8	53.3	16.1	28.5	16.3	9.4	41.8	8.7	0.0	0.2
Brownsville-Harlingen	282	201	0.4	26.0	33.7	15.5	28.4	15.9	20.9	42.6	16.0	0.0	1.1
College Station-Bryan	1,051	989	1.3	30.5	60.9	13.1	25.8	13.1	9.1	43.3	3.1	0.0	1.0
Corpus Christi	2,548	1,726	3.2	24.9	63.8	16.2	21.9	16.2	9.5	42.7	4.0	0.0	0.7
Dallas	15,188	11,735	18.8	23.4	63.0	16.8	26.7	17.6	8.0	42.2	1.6	0.0	0.7

Table V: 2016 (Continued)	Total Consumer Loans			Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Not Available-Income Borrowers	
	Assessment Area:	#	\$(000's)	% of Total #	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households
Fort Worth	8,702	6,831	10.8	22.8	60.1	16.9	28.2	18.4	8.8	41.8	2.3	0.0	0.5
Laredo	1,436	1,076	1.8	25.6	41.9	14.9	34.1	17.3	14.8	42.3	7.7	0.0	1.5
Longview	501	331	0.6	24.5	54.7	15.9	26.1	18.4	13.8	41.1	5.2	0.0	0.2
Lubbock	1,798	1,276	2.2	25.0	64.8	15.2	22.6	17.9	9.5	41.9	2.6	0.0	0.6
McAllen	667	621	0.8	26.6	38.4	14.8	28.6	15.9	17.4	42.7	15.0	0.0	0.6
Midland	442	618	0.5	23.9	61.3	16.2	19.2	17.6	16.5	42.3	2.0	0.0	0.9
Odessa	643	693	0.8	25.4	45.3	15.2	28.3	17.3	17.3	42.1	8.6	0.0	0.6
San Angelo	716	613	0.9	23.0	59.5	17.4	25.0	17.2	11.9	42.4	2.9	0.0	0.7
Sherman-Dennison	430	382	0.5	23.2	50.5	16.5	31.6	18.6	12.8	41.7	3.5	0.0	1.6
Texarkana	244	180	0.3	24.5	55.3	14.8	28.7	16.9	9.8	43.8	5.3	0.0	0.8
Tyler	926	765	1.1	23.7	66.6	16.6	22.8	17.6	7.7	42.1	2.3	0.0	0.6
Victoria	575	408	0.7	24.4	59.5	16.7	24.5	17.8	11.0	41.2	4.9	0.0	0.2
Waco	1,036	797	1.3	24.7	52.2	15.3	29.4	17.0	11.7	43.0	5.8	0.0	0.9
Wichita Falls	944	594	1.2	23.4	66.8	16.9	23.2	20.0	7.9	39.6	1.7	0.0	0.3
TX-Non MSA	4,463	3,633	5.5	24.0	57.9	15.9	24.6	17.4	12.4	42.6	4.2	0.0	0.9
Total	80,625	66,332	100.0	23.8	59.7	16.5	26.7	17.7	9.5	42.0	3.2	0.0	0.9

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

Table V - Assessment Area Distribution of Consumer Loans by Income Category of the Borrower												2017-2019	
Assessment Area:	Total Consumer Loans			Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Not Available-Income Borrowers	
	#	\$ (000's)	% of Total #	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans
Arizona – Full Scope													
Phoenix	13,791	13,7144	5.8	23.4	52.4	16.5	31.5	17.9	9.3	42.2	6.3	0.0	0.4
Prescott	491	796	0.6	22.8	54.6	17.1	25.3	18.9	11.8	41.3	7.5	0.0	0.8
Arizona Limited Scope													
Lake Havasu Kingman	1,752	1,742	1.1	21.6	60.4	17.9	24.8	19.4	10.6	41.1	3.8	0.0	0.5
Tucson	3,615	3,460	1.5	24.7	56.0	16.1	29.5	16.9	7.7	42.3	6.3	0.0	0.6
AZ-Non MSA	697	651	0.4	24.8	43.9	15.2	37.6	14.8	9.8	45.2	7.7	0.0	1.0
New Mexico – Full Scope													
Albuquerque	2,534	1,853	1.1	25.2	60.5	15.2	22.3	16.4	6.8	43.2	10.0	0.0	0.4
Las Cruces	1,776	1,755	1.1	25.2	47.5	16.5	26.8	16.1	13.8	42.2	11.4	0.0	0.5
NM-Non MSA	1,555	1,658	0.9	22.3	47.4	14.9	24.1	16.2	13.4	46.6	14.6	0.0	0.5
New Mexico Limited Scope													
Farmington	1,540	1,276	0.9	25.8	60.1	15.1	21.8	16.1	9.0	43.0	9.0	0.0	0.2
Texas – Full Scope													
Killeen	9,807	16,623	4.1	22.3	54.2	16.8	25.4	20.1	10.2	40.8	8.1	0.0	2.1
Houston	39,740	43,721	16.6	24.8	61.8	15.9	23.8	16.8	7.4	42.5	5.9	0.0	1.1
El Paso	17,594	16,308	7.3	24.6	51.5	15.6	25.5	18.1	12.2	41.7	10.2	0.0	0.5
San Antonio	10,412	8,022	4.3	25.4	62.1	16.2	24.2	18.0	7.4	40.4	5.9	0.0	0.5
Texas Limited Scope:													
Amarillo	2,679	2,021	1.6	25.1	66.2	16.0	20.4	17.8	7.5	41.1	5.7	0.0	0.2
Austin	5,400	5,806	2.3	23.6	70.4	16.6	19.8	18.0	4.4	41.7	4.7	0.0	0.7
Beaumont Port Arthur	1,762	1,421	1.1	26.3	53.8	15.5	24.0	16.7	10.6	41.6	10.8	0.0	0.8
Brownsville Harlingen	1,195	956	0.7	26.0	29.7	15.3	30.6	15.4	21.0	43.2	17.7	0.0	1.0
College Station-Bryan	3,237	3,147	2.0	27.8	63.4	14.5	22.8	15.0	7.6	42.7	5.5	0.0	0.7
Corpus Christi	7,386	5,284	3.1	24.7	60.9	16.0	20.7	17.1	10.3	42.2	7.6	0.0	0.5

Table V: 2017-2019 (Continued)	Total Consumer Loans			Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Not Available-Income Borrowers	
	Assessment Area:	#	\$ (000's)	% of Total #	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households
Dallas	41,551	36,598	17.3	24.0	60.5	16.5	25.5	17.5	7.6	42.0	5.9	0.0	0.5
Fort Worth	25,037	22,095	10.5	23.6	56.6	16.4	26.9	18.3	9.7	41.7	6.3	0.0	0.6
Laredo	5,302	4,801	2.2	27.4	36.0	13.7	31.1	16.2	17.4	42.7	14.5	0.0	1.0
Longview	1,670	1,288	1.0	25.3	55.6	15.6	25.2	17.5	12.1	41.5	7.0	0.0	0.2
Lubbock	4,963	3,592	2.1	24.4	55.4	16.0	26.0	17.7	10.9	41.9	7.1	0.0	0.6
McAllen	3,018	2,716	1.3	26.6	35.8	15.2	26.2	14.9	16.5	43.4	20.9	0.0	0.6
Midland	1,244	1,582	0.8	23.1	52.5	16.9	25.2	17.6	13.7	42.4	8.3	0.0	0.3
Odessa	1,823	2,120	0.8	24.1	43.8	16.3	27.0	17.5	17.6	42.0	10.9	0.0	0.7
San Angelo	1,919	1,762	0.8	23.4	56.2	17.0	24.9	17.0	9.6	42.6	8.5	0.0	0.8
Sherman Dennison	1,114	934	0.7	24.6	54.8	16.0	29.4	16.7	8.5	42.7	7.0	0.0	0.4
Texarkana	691	537	0.4	24.6	48.0	15.2	24.5	16.6	17.9	43.5	9.0	0.0	0.6
Tyler	2,383	2,203	1.0	23.8	58.0	16.6	22.7	17.2	10.2	42.4	8.3	0.0	0.8
Victoria	1,929	1,471	1.2	23.3	57.9	16.6	25.0	18.2	9.2	41.9	7.4	0.0	0.5
Waco	2,737	2,288	1.1	25.3	53.1	16.0	28.5	15.6	9.4	43.1	8.6	0.0	0.5
Wichita Falls	2,783	1,802	3.4	24.5	62.3	16.3	21.2	18.6	9.3	40.6	7.1	0.0	0.1
TX-Non MSA	14,385	13,812	6.0	24.3	50.9	16.0	26.9	17.2	11.7	42.5	9.7	0.0	0.7
Total	239,512	229,815	100.0	24.3	56.9	16.2	25.5	17.4	9.5	42.1	7.4	0.0	0.7

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