



## **PUBLIC DISCLOSURE**

October 04, 2021

# **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

The First National Bank of Ballinger  
Charter Number: 3533

911 Hutchins Avenue  
Ballinger, TX 76821

Office of the Comptroller of the Currency  
Southern District  
San Antonio 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.

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## Overall CRA Rating

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

The lending test is rated: **Satisfactory**

The major factors that support this rating include:

- The bank's loan-to-deposit (LTD) ratio is reasonable.
- A substantial majority of the bank's loans are inside its assessment areas (AAs).
- The bank exhibits reasonable geographic distribution of loans.
- The bank exhibits reasonable distribution of loans to individuals of different income levels and to businesses of different sizes.

The Lending Test rating is based on the bank's performance in full scope review AAs.

## Loan-to-Deposit Ratio

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

The bank's quarterly average LTD ratio calculated on a bank-wide basis for the 15-quarter evaluation period was 73.53 percent. Over the same time frame, the LTD ratio ranged from a low of 65.99 percent at December 31, 2020, to a high of 78.25 percent at September 30, 2019. The bank's average quarterly ratio has improved from 62 percent reported during the prior evaluation period.

The bank's quarterly average LTD ratio is higher than the quarterly average LTD ratio for four similarly situated institutions. The similarly situated institution's quarterly average LTD ratio was 52.32 percent ranging from a low of 16.27 percent to a high of 89.35 percent.

## Lending in Assessment Area

A substantial majority of the bank's loans are inside its AAs. The bank originated and purchased 85.9 percent of its total loans inside the bank's AAs during the evaluation period. This analysis is performed at the bank, rather than the AA, level. The bank did not have any affiliate lending activities included in this assessment.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgages	37	82.2	8	17.8	45	3,364	20.3	13,235	79.7	16,600
Commercial	36	90.0	4	10.0	40	9,357	34.6	17,668	65.4	27,025
<b>Subtotal</b>	<b>73</b>	<b>85.9</b>	<b>12</b>	<b>14.1</b>	<b>85</b>	<b>12,721</b>	<b>29.2</b>	<b>30,903</b>	<b>70.8</b>	<b>43,625</b>

Source: Bank Data

Due to rounding, totals may not equal 100.0%

## Description of Institution

The First National Bank of Ballinger (FNB Ballinger), is an intrastate bank headquartered in Ballinger, TX. The bank is a wholly owned subsidiary of Texas Country Bancshares, Inc., a two-bank holding company. The holding company is located in Brady, TX and had total assets of \$39 million as of June 30, 2021. We did not review any affiliate activities for this performance evaluation.

FNB Ballinger operates three locations, the main office located in Ballinger, TX, one branch located in San Angelo, TX, and a loan production office located in Fort Worth, TX. The bank has not opened or closed any branches since the previous evaluation and there was no merger or acquisition activity. Refer to the “Description of Institution’s Operations in Texas” in the State Rating section for additional information.

The bank offers a full selection of deposit and lending products and services. FNB Ballinger’s primary lending focus is the commercial sector, specifically commercial real estate, and small business lending. At December 31, 2020, FNB Ballinger reported total assets of \$219 million. Tier 1 capital totaled \$20 million, and the tier 1 leverage ratio was 9.25 percent. Net loans totaled \$129 million and represented 59 percent of total assets and 66 percent of total deposits. FNB Ballinger’s loan portfolio consists of commercial real estate and construction/development loans secured by real estate (43 percent), residential real estate and multifamily (25 percent), commercial and industrial loans (12 percent), farmland and agriculture (12 percent), and consumer and other loans (3 percent).

In response to the Coronavirus Aid, Relief, and Economic Security Act or CARES Act established in 2020, FNB Ballinger participated in the Small Business Administrations’ Paycheck Protection Program (PPP). These loans were designed to provide a direct incentive for small businesses to keep their workers on payroll during the COVID pandemic. The bank originated 170 PPP loans totaling \$13.7 million in 2020. Internal bank reports show that a majority of the loans, 86 percent by number and 85 percent by dollar volume originated inside the bank’s AAs.

Based on the financial condition, size, product offerings, and branch network, there are no legal, financial, or other factors that inhibit FNB Ballinger’s ability to help meet credit needs in its AAs. The prior examination, dated May 1, 2017, assigned an overall “Satisfactory” rating to FNB Ballinger’s CRA performance.

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

The evaluation period for this examination was January 1, 2018 to December 31, 2020. Qualifying lending activities performed in response to the Coronavirus pandemic during the evaluation period are included in this CRA evaluation.

Mortgage loan data reported under the Home Mortgage Disclosure Act (HMDA) from January 1, 2018 through December 31, 2019 was tested in June 2021 to verify accuracy of the reported data. It was determined that the data was reliable for use in this evaluation. The bank did not meet HMDA reporting

thresholds for 2020 and was not required to submit data. Separate transaction testing of all home mortgage loans originated in 2020 was completed and included in the analysis.

To evaluate lending performance, analysis was completed on home mortgage loans and a random sample of loans to small businesses. For the geographic and borrower distribution analyses, we compared lending performance data to updated 2015 American Community Survey census data effective January 2017.

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

In each state where the bank has an office, one or more of AAs within that state was selected for a full-scope review. For purposes of this evaluation, bank delineated assessment areas located within the same metropolitan statistical area (MSA), multistate metropolitan statistical area (MMSA), or combined statistical area (CSA) are combined and evaluated as a single AA. Similarly, bank delineated non-MSA AAs within the same state are combined and evaluated as a single area. These combined AAs may be evaluated as full- or limited-scope.

For analytical purposes, FNB Ballinger has two AAs. The Runnels County AA includes the full county and contains four census tracts (CTs). The San Angelo AA includes two of the three counties within the San Angelo MSA, Tom Green county and Irion county. In 2019, Sterling county was added to the San Angelo MSA by the Office of Management and Budget. The bank does not consider this as part of its AA for this evaluation period. We performed full-scope reviews for both the Runnels County AA and the San Angelo AA. Refer to the “Scope” section under each State Rating for details regarding how full-scope AAs were selected. Refer to appendix A, Scope of Examination, for a list of full- and limited-scope AAs.

### **Ratings**

The bank’s overall rating is based on performance in the State of Texas. The state rating is based on performance in all bank AAs with each weighted equally. We considered the lending volume in each AA relative to the bank’s capacity based on deposits, competition, and market presence. More weight was placed on loans to small businesses activity as FNB Ballinger originated a significant number and dollar volume of these loans during the evaluation period. Refer to the “Scope” section under the State Rating section for details regarding how the areas were weighted in arriving at the respective ratings.

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

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

The OCC has not identified that this institution (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: Satisfactory**

The major factors that support this rating include:

- The bank's LTD ratio is reasonable.
- A substantial majority of the bank's loans are inside its AAs.
- The bank exhibits reasonable geographic distribution of loans.
- The bank exhibits reasonable distribution of loans to individuals of different income levels and to businesses of different sizes.

### **Description of Institution's Operations in Texas**

FNB Ballinger operates three locations including its headquarters in the State of Texas. The bank headquarters is located in Ballinger, TX inside the Runnels County AA, one branch is located in San Angelo, TX inside the San Angelo AA, and a loan production office is located in Ft Worth, TX and is located outside the bank's AAs. Both banking locations offer lobby and drive thru services, with convenient hours and have a non-deposit taking ATM. FNB Ballinger also offers 24-hour telephone banking, internet banking, and mobile banking.

### **Runnels County AA**

The Runnels County AA consists of four CTs. There are no low-income CTs, one moderate-income CT, two middle-income CTs, and one upper-income CT. The AA meets the regulatory requirements, does not reflect discrimination, and does not arbitrarily exclude any low- or moderate- income (LMI) geographies. The town of Ballinger is the county seat for Runnels County.

FNB Ballinger's headquarters is located in a middle-income CT. The AAs one moderate-income CT includes Winters, TX and is located in northern Runnels County, where the bank does not have a physical presence. Security State Bank operates in Winters and is the primary bank for the area.

The Runnels County AA has a competitive banking environment that mainly includes smaller community banks, and credit unions. The FDIC's June 30, 2021 Deposit Market Share Report reflects five financial institutions that operate five offices within the AA. FNB Ballinger ranks first with a deposit market share of 33 percent.

The largest industry in the AA is services at 32 percent, followed by agriculture, forestry and fishing at 15 percent, and retail trade at 14 percent. The U.S. Bureau of Labor Statistics identified the unemployment rate for Runnels County as 4.9 percent as of December 2020. The county rate compares favorably to the 6.9 percent for the state of Texas and the national rate of 6.7 percent. There are 803 total businesses in the AA; 85 percent are single location businesses with 71 percent reporting four or fewer employees and 81 percent report annual revenues of less than \$1 million.

To help identify needs and opportunities in the AA we interviewed a community contact at a local economic development organization and found the primary needs are small business lending.

The following table reflects pertinent demographic information about the AA.

Demographic Information of the Assessment Area						
Assessment Area: Runnels County						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	4	0.0	25.0	50.0	25.0	0.0
Population by Geography	10,445	0.0	22.3	65.5	12.2	0.0
Housing Units by Geography	5,268	0.0	20.5	62.4	17.1	0.0
Owner-Occupied Units by Geography	2,814	0.0	17.6	66.3	16.1	0.0
Occupied Rental Units by Geography	889	0.0	33.1	59.1	7.9	0.0
Vacant Units by Geography	1,565	0.0	18.6	57.2	24.2	0.0
Businesses by Geography	686	0.0	20.0	65.6	14.4	0.0
Farms by Geography	117	0.0	9.4	54.7	35.9	0.0
Family Distribution by Income Level	2,669	23.2	19.3	20.1	37.4	0.0
Household Distribution by Income Level	3,703	24.9	15.9	18.7	40.5	0.0
Median Family Income Non-MSAs - TX		\$52,198	Median Housing Value			\$69,342
			Median Gross Rent			\$534
			Families Below Poverty Level			15.4%
<i>Source: 2015 ACS and 2020 D&amp;B Data. 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>						

## San Angelo AA

The San Angelo AA is comprised of Tom Green County and Irion County; two of three counties in the San Angelo MSA. The AA has 26 census tracts (CTs), one low-income CT, eight moderate-income CTs, eleven middle-income CTs, five upper-income CTs, and one with no income designation (location of San Angelo airport). The AA meets the regulatory requirements, does not reflect discrimination, and does not arbitrarily exclude any LMI geographies. The city of San Angelo is the county seat for Tom Green County. The town of Mertzon is the county seat of Irion County. FNB Ballinger operates one branch with an ATM in San Angelo. This branch is located in an upper-income CT.

The San Angelo MSA has a highly competitive banking environment that includes large national banks, large regional banks, smaller community banks, and credit unions. The FDIC's June 30, 2021 Deposit Market Share Report reflects 15 financial institutions that operate 28 offices within the San Angelo MSA. FNB Ballinger ranks seventh with a deposit market share of 3.53 percent. First Financial Bank, NA ranks first with a 29 percent deposit market share. Additionally, four of these financial institutions are located within the one low-income CT of this AA, limiting the banking opportunities for financial institutions with locations outside the CT.

The largest industry in the AA is services at 36 percent, followed by retail trade at 14 percent, and finance, insurance, and real estate at 10 percent. The U.S. Bureau of Labor Statistics identified the unemployment rate for San Angelo MSA as 5.9 percent as of December 2020. The county rate compares favorably to the 6.9 percent for the state of Texas and the national rate of 6.7 percent. There are 8,457 total businesses in the AA; 87 percent are single location businesses with 64 percent reporting four or fewer employees and 83 percent reporting annual revenues of less than \$1 million.

The January 2021 Moody's Analytics report indicates that the AA's economic recovery slowed at the end of 2020. Employment growth has not recovered to pre-pandemic levels, driven by weak growth in the public sector and leisure & hospitality industry, although professional & business services ended the year in expansion. Housing permits reached a multiyear high due to price appreciation from high demand for single-family homes increasing new construction. The analyst notes the energy, education, and medical industries will provide a boost to the economy moving forward. It is anticipated that the AA's recovery will progress but underperform other metro areas within Texas in the near term.

To help identify needs and opportunities in the AA we reviewed a regulatory contact with a local economic development organization completed during the evaluation period. The primary needs of the AA include small business lending and affordable housing.

The following table reflects pertinent demographic information about the AA.

<b>Demographic Information of the Assessment Area</b>						
<b>Assessment Area: San Angelo</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	26	3.8	30.8	42.3	19.2	3.8
Population by Geography	116,700	2.2	27.8	50.3	19.7	0.0
Housing Units by Geography	48,240	2.4	28.2	48.2	21.2	0.0
Owner-Occupied Units by Geography	26,972	1.4	24.8	48.5	25.3	0.0
Occupied Rental Units by Geography	16,511	3.5	28.2	53.4	14.8	0.0
Vacant Units by Geography	4,757	3.8	47.8	28.9	19.4	0.0
Businesses by Geography	8,017	11.2	20.3	43.5	24.7	0.3
Farms by Geography	440	5.0	9.3	31.8	53.9	0.0
Family Distribution by Income Level	27,907	21.4	18.1	20.7	39.7	0.0
Household Distribution by Income Level	43,483	23.3	16.9	17.0	42.8	0.0
Median Family Income MSA - 41660 San Angelo, TX MSA		\$59,960	Median Housing Value			\$118,628
			Median Gross Rent			\$785
			Families Below Poverty Level			10.7%
<i>Source: 2015 ACS and 2020 D&amp;B Data. 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>						

## Scope of Evaluation in Texas

The Runnels County AA and San Angelo AA were selected for full scope reviews as 47 percent and 53 percent of deposits respectively are in these AAs. Based on internal bank reporting, loans originated in the Runnels County AA represented 45 percent by number and 30 percent by dollar, of all loans originated during the evaluation period. While loans originated in the San Angelo AA represented 50 percent by number and 48 percent by dollar.

## Lending Test

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

The bank originated a minimal number of home mortgage loans in the Runnels County AA during the evaluation period. An analysis of these loans would not be meaningful and has not been included.

## Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, the bank's performance in the Runnels County AA and the San Angelo AA is good.

## Distribution of Loans by Income Level of the Geography

The bank exhibits reasonable geographic distribution of loans in the State.

### *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.

#### San Angelo AA

The geographic distribution of the bank's home mortgage loans is excellent. The bank did not originate or purchase any home mortgage loans in the low-income CT, but the percentage of bank loans in moderate-income geographies exceeds the percentage of owner-occupied housing units in these areas. The bank's lending performance in moderate-income areas significantly exceeds performance from other area mortgage lenders as reported in the Aggregate Lending (aggregate) data.

### *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.

#### Runnels AA

The geographic distribution of the bank's small loans to businesses is reasonable. The AA does not include any low-income geographies. The bank did not originate or purchase any loans to small businesses in the moderate-income CT. However, the AA includes only one moderate-income CT, in which the bank does not have a physical presence.

San Angelo AA

The geographic distribution of the bank's small loans to businesses is reasonable. The bank did not originate or purchase any small loans to businesses in the low-income geography, but the percentage of loans in moderate-income CTs exceeds the percentage of businesses and the aggregate lending in these geographies.

***Lending Gap Analysis***

We reviewed geographic distribution reports for home mortgage loans and small loans to businesses in both AAs and did not identify any unexplained conspicuous gaps in lending activity.

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

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

***Home Mortgage Loans***

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

San Angelo AA

The distribution of home mortgage loans to individuals of different income levels is reasonable. The percentage of bank loans to low-income borrowers is below the percentage of low-income families in the AA but exceeds aggregate lending data. The percentage of bank loans to moderate-income borrowers is below the percentage of moderate-income families but is near aggregate lending data.

***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 originations and purchases of small loans to businesses.

Runnels AA

The distribution of small loans to businesses is reasonable. The percentage of bank loans to businesses with annual revenues of \$1 million or less is near the reported percentage of small businesses in the AA and significantly exceeds the aggregate percentage reported by other business lenders in the AA.

San Angelo AA

The distribution of small loans to businesses is reasonable. The percentage of bank loans to businesses with annual revenues of \$1 million or less is near the reported percentage of small businesses in the AA and significantly exceeds the aggregate percentage reported by other business lenders in the AA.

**Responses to Complaints**

FNB Ballinger did not receive any complaints related to its CRA or fair lending performance during the evaluation period.

## Appendix A: Scope of Examination

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

<b>Time Period Reviewed:</b>	(January 1, 2018 – December 31, 2020)	
<b>Bank Products Reviewed:</b>	Home mortgage loans and small loans to businesses	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
None	Not Applicable	Not Applicable
<b>List of Assessment Areas and Type of Examination</b>		
<b>Rating and Assessment Areas</b>	<b>Type of Exam</b>	<b>Other Information</b>
<b>State of Texas</b>		
Runnels County AA	Full-Scope	Runnels County, TX – four census tracts
San Angelo AA	Full-Scope	Tom Green County, TX – all 25 census tracts Irion County, TX – one census tract

## Appendix B: Summary of MMSA and State Ratings

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RATINGS: First National Bank of Ballinger	
Overall Bank:	Lending Test Rating
First National Bank of Ballinger	Satisfactory
MMSA or State:	
Texas	Satisfactory

## Appendix C: Definitions and Common Abbreviations

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## Appendix D: Tables of Performance Data

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### Content of Standardized Tables

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

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

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

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

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

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

**Table S. Assessment Area Distribution of Loans to Farms by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$500,000)

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

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

<b>Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography</b>																			<b>2018-20</b>	
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	
Runnels County AA	13	1,180	20.5	204	0.0	0.0	0.0	17.6	7.7	9.3	66.3	84.6	77.9	16.1	7.7	12.7	0.0	0.0	0.0	
San Angelo AA	47	4,581	79.5	4,558	1.4	0.0	0.4	24.8	38.3	13.3	48.5	40.4	53.0	25.3	21.3	33.3	0.0	0.0	0.0	
<b>Total</b>	<b>60</b>	<b>5,761</b>	<b>100.0</b>	<b>4,762</b>	<b>1.3</b>	<b>0.0</b>	<b>0.4</b>	<b>24.1</b>	<b>31.7</b>	<b>13.1</b>	<b>50.2</b>	<b>50</b>	<b>54.1</b>	<b>24.5</b>	<b>18.3</b>	<b>32.4</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	

*Source: 2015 ACS Census; 01/01/2018 - 12/31/2020 Bank Data, 2020 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%*

<b>Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower</b>																			<b>2018-20</b>	
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers			
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	
Runnels County AA	13	1,180	21.7	204	23.2	0.0	3.9	19.3	0.0	11.8	20.1	23.1	18.6	37.4	76.9	45.1	0.0	0.0	20.6	
San Angelo AA	47	4,581	78.3	4,558	21.4	6.4	3.4	18.1	10.6	11.9	20.7	10.6	18.8	39.7	57.4	40.1	0.0	14.9	25.8	
<b>Total</b>	<b>60</b>	<b>5,761</b>	<b>100.0</b>	<b>4,762</b>	<b>21.6</b>	<b>5.0</b>	<b>3.5</b>	<b>18.2</b>	<b>8.3</b>	<b>11.9</b>	<b>20.7</b>	<b>13.3</b>	<b>18.8</b>	<b>39.5</b>	<b>61.7</b>	<b>40.3</b>	<b>0.0</b>	<b>11.7</b>	<b>25.6</b>	

*Source: 2015 ACS Census ; 01/01/2018 - 12/31/2020 Bank Data, 2020 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%*

**Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography 2018-20**

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
Runnels County AA	20	1,109	50	127	0.0	0.0	0.0	20.0	0.0	8.7	65.6	95.0	74.8	14.4	5.0	16.5	0.0	0.0	0.0
San Angelo AA	20	6,860	50	1,815	11.2	0.0	7.5	20.3	25.0	22.0	43.5	35.0	44.3	24.7	40.0	25.9	0.3	0.0	0.3
<b>Total</b>	<b>40</b>	<b>7,969</b>	<b>100</b>	<b>1,942</b>	<b>11.8</b>	<b>0.0</b>	<b>7.5</b>	<b>20.3</b>	<b>12.5</b>	<b>19.3</b>	<b>45.4</b>	<b>65.0</b>	<b>45.4</b>	<b>22.2</b>	<b>22.5</b>	<b>26.5</b>	<b>0.3</b>	<b>0.0</b>	<b>0.3</b>

Source: 2020 D&B Data; 01/01/2018 - 12/31/2020 Bank Data; 2019 CRA Aggregate Data, "--" data not available.  
 Due to rounding, totals may not equal 100.0%

**Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues 2018-20**

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
Runnels County AA	20	1,109	50.0	127	78.9	75.0	22.8	4.2	25.0	16.9	0.0
San Angelo AA	20	6,860	50.0	1,815	82.2	80.0	38.5	4.8	20.0	13.0	0.0
<b>Total</b>	<b>40</b>	<b>7,969</b>	<b>100</b>	<b>1,942</b>	<b>81.9</b>	<b>77.5</b>	<b>37.4</b>	<b>4.7</b>	<b>22.5</b>	<b>13.3</b>	<b>0.0</b>

Source: 2020 D&B Data; 01/01/2018 - 12/31/2020 Bank Data; 2019 CRA Aggregate Data, "--" data not available.  
 Due to rounding, totals may not equal 100.0%