



PUBLIC DISCLOSURE

September 9, 2019

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

First National Bank of Anderson
Charter Number 7337

1071 Highway 90 South
Anderson, TX 77830

Office of the Comptroller of the Currency

1301 McKinney Street
Suite 1410
Houston, TX 77010-3031

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 bank has a satisfactory record of meeting community credit needs. The rating is based on the following findings:

- The bank originated a majority of loans inside the assessment area (AA).
- The bank's lending performance reflects reasonable distribution across geographies of different income levels.
- The bank's lending performance reflects reasonable distribution to borrowers of different incomes and businesses of different sizes.
- There were no Community Reinvestment Act (CRA)-related complaints during the evaluation period.

Description of Institution

First National Bank of Anderson (FNB) is a full-service community bank headquartered at 1071 Highway 90 South in Anderson, Texas. The bank was chartered June 27, 1904 and is wholly owned by First Anderson Bancshares, Inc., a Texas holding company. FNB is a single-state institution in the state of Texas. FNB has two AAs and a total of eight census tracts (CTs) contained within three contiguous counties; Grimes, Walker, and Montgomery. FNB has two branch locations, of which both branches are located in Grimes County. The main branch is located at the intersection in Anderson, Texas and the second branch is located in Navasota, Texas.

FNB has a comprehensive offering of loan and deposit products, including commercial and retail products. Other banking services include, but are not limited to, online and mobile banking, check cards, night depository, merchant services, wire transfer, and safe deposit boxes. Automated teller machines (ATMs) and night drop boxes are located at both branch locations and are accessible 24 hours. Both branch locations provide lobby and drive-through services Monday through Friday, with reasonable hours of operation. There were no branch openings or closing during the evaluation period.

As of December 31, 2018, FNB had total assets of \$171 million, of which \$122 million or 71 percent is represented by loans. The tier 1 leverage capital ratio was 11.16 percent and the bank is well-capitalized. Based on the overall condition and size of the bank, there are no legal or financial factors impeding FNB's ability to meet the credit needs of its AAs. The previous CRA evaluation dated February 23, 2015 resulted in an overall "Satisfactory" rating.

Scope of the Evaluation

Evaluation Period/Products Evaluated

The evaluation includes a review of FNB's CRA activities within its AAs, evaluated under the Small Bank procedures, which includes a Lending Test. The Lending Test evaluates the bank's record of meeting the credit needs of the AA through its lending activities. The evaluation period for the Lending Test is January 1, 2015 through December 31, 2018.

For the evaluation we identified three primary products consisting of residential mortgages, commercial, and consumer loans. By dollar volume residential mortgages and commercial loans were the largest. By number, consumer loans were the largest. A random sample was selected using bank internal reports on loan originations in the major loan categories. For the evaluation a total of 176 loans were sampled that included (51) residential mortgages, (60) commercial, and (65) consumer loans.

This performance evaluation is based on 2010 U.S. census data and the updated 2015 American Community Survey (ACS) demographic information. We analyzed 2015 and 2016 data separately from the combined years of 2017 and 2018 due to the 2015 ACS U.S. census that applies to the data beginning in 2017. The 2010 U.S. census applies to years 2015 and 2016. Comparative data was different for each year due to the census change and the change of the income level of CTs, also referred to as geographies.

Selection of Areas for Full-Scope Review

FNB operates in the state of Texas. The designated AA includes all the CTs in Grimes County, one CT in Walker County, and one CT in Montgomery County. The counties of Grimes and Walker are in non-metropolitan statistical area (MSA) geographies. Montgomery County is a part of the Houston-The Woodlands-Sugar Land MSA.

Ratings

The bank's overall rating is based on the full-scope review of its AA. Performance in the limited-scope AA was not heavily weighted due to the lower volume of loans originated in the Montgomery County AA. In addition, in years 2015 and 2016, there were no low-income CTs and in years 2017 and 2018, there was only one low-income CT. Therefore, more weight was placed on FNB's performance in moderate-income CTs.

Discriminatory or Other Illegal Credit Practices Review

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

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

Loan-to-Deposit Ratio

The quarterly average loan-to-deposit (LTD) ratio is more than reasonable given the bank's capacity to lend, demographic and economic factors, and lending opportunities in the AA's. FNB's LTD ratio exceeds the LTD ratios of similarly sized and situated institutions. The average quarterly LTD ratio for the bank during the 16 quarters since the prior CRA evaluation is 66 percent and ranged from a high of 80 percent to a low of 53 percent over the evaluation period. As of December 31, 2018, the LTD ratio was 80 percent, representing the highest level reported during the evaluation period. We identified no internal or external factors prohibiting the bank from lending.

The following table shows the total assets and quarterly average LTD ratios of FNB and two similarly situated intuitions. Please note that all LTD ratios are calculated on a bank-wide basis.

Institution	Total Assets (\$000)	Average LTD Ratio (%)
First National Bank of Anderson	171,181	65.52
The Brenham National Bank	357,439	55.43
First State Bank of Bedia	158,604	53.92

Source: Call Report Data as of December 31, 2018; Call Report Data (previous 16 quarters 03/31/2015 - 12/31/2018)

Lending in Assessment Area

A majority of the bank's loans are inside the AA.

FNB originated 75.6 percent of its total loans inside the bank's AAs during the evaluation period. This analysis is performed at the bank, rather than the AA level. FNB's primary products based on loan originations and purchases are residential mortgages, commercial, and consumer loans.

Table D - 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		
	#	%	#	%		\$	%	\$	%	
Residential Mortgage	45	88.3	6	11.7	51	5,783	89.6	671	10.4	6,454
Commercial	43	71.7	17	28.3	60	5,461	28.8	13,532	71.2	18,993
Consumer	45	69.2	20	30.8	65	585	65.1	314	34.9	899
Total	133	75.6	43	24.4	176	11,829	44.9	14,517	55.1	26,346
<i>Source: Evaluation Period: 1/1/2015 - 12/31/2018 Bank Data Due to rounding, totals may not equal 100.0</i>										

State Rating

CRA rating for the State of Texas: Satisfactory

The Lending Test is rated: Satisfactory

The major factors that support this rating include:

- The bank originated a majority of loans inside the AA.
- Lending performance reflects reasonable distribution to borrowers of different incomes and businesses of different sizes.
- Lending performance reflects reasonable distribution across geographies of different income levels.
- There were no CRA-related complaints during the evaluation period.

Description of Institution's Operations in Texas

FNB operates exclusively in the state of Texas as described in the Description of Institution and the Scope of the Evaluation section of this Performance Evaluation. The bank's primary business focus is residential, commercial, and consumer lending. FNB has two branches and two ATMs located in Grimes County, Texas.

As of June 30, 2018, FNB held deposits totaling \$154 million, which represented 0.02 percent of the deposit market share in the state of Texas. FNB ranked 300 out of 524 institutions in the state of Texas. The bank's competitors include other local community banks in its markets and large banks that have a nationwide footprint. The largest depository institutions were JPMorgan Chase Bank, N.A., Bank of America, N.A., and USAA Federal Savings Bank, which held a combined 45 percent market share in the state of Texas. For the full-scope AA, FNB had 12 percent of the deposit market share and ranked 4th out of eleven institutions. The bank's competitors in the full-scope AA include First National Bank of Huntsville, Prosperity Bank, and First Financial Bank, N.A.

During the evaluation, we utilized a community contact to determine the general banking and credit needs, as well as opportunities for local financial institutions to meet these needs. The community contact was with a director of a business development association that promotes local businesses and economic development throughout the community. The representative stated that there is a need for rental housing and multifamily investments in the local community. The contact explained there is a shortage of affordable housing options for working professionals such as police officers and teachers in the AA. Lastly, the contact stated there is a continued need for small business loans and general financing for businesses in the AA. Overall, the contact stated that local banks are meeting the financial needs of the community.

The following tables depict the demographic information for the full-scope AA.

Table A – Demographic Information of the Assessment Area						
Assessment Area: Grimes-Walker Non-MSA AA 2010 Census						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	7	0.0	28.6	28.6	28.6	14.3
Population by Geography	34,982	0.0	23.1	30.5	38.1	8.4
Housing Units by Geography	14,617	0.0	26.9	28.0	44.4	0.7
Owner-Occupied Units by Geography	9,094	0.0	24.5	26.4	48.6	0.5
Occupied Rental Units by Geography	2,729	0.0	26.3	37.7	33.9	2.1
Vacant Units by Geography	2,794	0.0	35.2	23.7	41.1	0.0
Businesses by Geography	2,100	0.0	22.9	30.4	46.4	0.3
Farms by Geography	160	0.0	28.7	33.1	38.1	0.0
Family Distribution by Income Level	8,494	18.5	16.8	16.8	47.9	0.0
Household Distribution by Income Level	11,823	20.5	15.3	15.4	48.8	0.0
Median Family Income Non-MSAs - TX	\$47,817	Median Housing Value				\$108,324
		Median Gross Rent				\$622
		Families Below Poverty Level				10.3%

Source: 2010 U.S. Census 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: Grimes -Walker Non-MSA AA 2015 Census						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	7	14.3	0.0	57.1	28.6	0.0
Population by Geography	34,143	6.0	0.0	58.0	36.0	0.0
Housing Units by Geography	14,525	0.6	0.0	58.0	41.4	0.0
Owner-Occupied Units by Geography	9,555	0.1	0.0	55.8	44.1	0.0
Occupied Rental Units by Geography	2,503	2.0	0.0	68.6	29.4	0.0
Vacant Units by Geography	2,467	0.9	0.0	56.0	43.1	0.0
Businesses by Geography	2,107	0.2	0.0	52.6	47.2	0.0
Farms by Geography	144	0.0	0.0	60.4	39.6	0.0
Family Distribution by Income Level	8,220	16.5	13.5	18.6	51.3	0.0
Household Distribution by Income Level	12,058	21.5	13.3	14.7	50.5	0.0
Median Family Income Non-MSAs - TX	\$52,076	Median Housing Value				\$123,571
		Median Gross Rent				\$690
		Families Below Poverty Level				10.4%

Source: 2015 U.S. Census and 2018 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.

During the evaluation period the income designation of CTs within the full-scope AA changed, as referenced in Table A. The 2010 U.S. Census Bureau data for the period 2015-2016 noted that there were no low-income CTs and 28.6 percent of tracts in the AA were moderate-income. The 2015 U.S. Census Bureau data for the period 2017 through 2018 noted that 14.3 percent of tracts in the AA were low-income and there were no moderate-income CTs.

FNB AAs in Texas include all six CTs in Grimes County, one CT in Walker County, and one CT in Montgomery County. The counties of Grimes and Walker were identified as the full-scope AA for the state of Texas.

Grimes County is adjacent to Walker and Montgomery Counties and is in southeast Texas. The county seat is Anderson. Grimes county had an estimated population of 28,300 as of July 2018. The U.S. Census Bureau reports an approximate 78 percent owner-occupied housing unit rate in 2017. The median household income in 2017 was \$49,745. The median home value for the county is \$110,100. Major industries within Grimes County include manufacturing, retail trade, educational services, and agriculture.

Walker County is adjacent to Grimes and Montgomery Counties. The county seat is Huntsville. According to the U.S. Census Bureau, Walker County had an estimated population of 72,480 as of July 2018. The U.S. Census Bureau reports an approximate 53 percent owner-occupied housing unit rate in 2017. The median household income in 2017 was \$41,456 and the median home value was \$132,200. Owner-occupied housing units comprised 53 percent of total housing. Major industries within Walker County include public administration, educational services, and law enforcement.

Scope of Evaluation in Texas

The Grimes-Walker Non-MSA AA will receive a full-scope review. Refer to the table in appendix A for a list of AAs under review. For the purposes of this evaluation, we combined and evaluated the two non-MSA counties of Grimes and Walker as a single AA. The combined AA of Grimes-Walker non-MSA received a full-scope review due to the volume of loans and deposits in the AA. In addition, FNB has two banking offices located in Grimes County.

Montgomery County was identified as a limited-scope AA due to the low volume of loan originations in the AA. During the evaluation period, FNB originated three loans in the one CT located in Montgomery County. Refer to appendix A, Scope of Examination, for a list of full- and limited-scope AAs.

LENDING TEST

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

Conclusions for Area Receiving Full-Scope Review

Based on the full-scope and limited-scope reviews in the state of Texas, FNB's lending performance is reasonable.

Distribution of Loans by Income Level of the Geography

The bank exhibits reasonable geographical distribution of loans throughout the full-scope AA.

Home Mortgage Loans

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

The geographic distribution of home mortgage loans reflects reasonable distribution throughout the full-scope AA.

For 2015 and 2016, there were no low-income CTs in the AA during the evaluation period. FNB's mortgage lending in moderate-income geographies was lower but comparable to the level of owner-occupied housing units in the geography.

For 2017 and 2018, there was one low-income CT and no moderate-income CTs in the AA. FNB's performance in low-income geographies was lower but comparable to the owner-occupied housing units and aggregate lending in low-income geographies.

Small Loans to Businesses

Refer to Table Q 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.

The geographic distribution of small loans to businesses reflects reasonable distribution throughout the full-scope AA.

For 2015 and 2016, there were no low-income CTs in the AA during the evaluation period. For moderate-income geographies, FNB's lending exceeded the percent of businesses located in moderate-income geographies in the AA.

For 2017 and 2018, there was one low-income CT and no moderate-income CTs in the AA. During the 2017 through 2018 evaluation period, there were no loans originated in the low-income geography in the AA. FNB's performance in the low-income geography is comparable to the reported percent of small businesses and equal to the aggregate data.

Consumer Loans

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

The geographic distribution of consumer loans reflects excellent distribution throughout the full-scope AA.

For 2015 and 2016, there were no low-income CTs in the AA during the evaluation period. FNB's consumer lending in moderate-income geographies exceeds the AA percentage of households located moderate-income CTs.

For 2017 and 2018, there was one low-income CT and no moderate-income CTs in the AA. FNB's consumer lending in low-income CTs exceeds the AA percentage of households located in low-income CTs.

Distribution of Loans by Income Level of the Borrower

The bank exhibits 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 of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The distribution of home mortgage loans reflects reasonable distribution among low- and moderate-income individuals in the AA.

For 2015 and 2016, FNB's mortgage lending to low-income individuals was lower than the percent of families identified as low-income in the AA. Lending to moderate-income borrowers, while lower, was comparable to the percent of families identified as moderate-income.

For 2017 and 2018, FNB's mortgage lending to low-income individuals was lower than the percent of families identified as low-income but exceeded the aggregate lending to low-income borrowers. For moderate-income individuals, FNB's lending significantly exceeded both the percent of families identified as moderate-income and the aggregate lending to moderate-income individuals.

FNB's lending to low-income families is lower due to increased housing costs and limited borrower income. The median housing value in the full-scope AA increased from \$108,000 in 2015 to \$124,000 in 2018, while median income ranges remained relatively stable. In 2018, the median income range for moderate-income families was \$28,000 to \$45,000 while low-income families were less than \$28,000. The elevated housing prices in the AA and limited borrower income make it difficult to lend.

Small Loans to Businesses

Refer to Table R 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.

FNB's lending performance demonstrated reasonable borrower distribution of loans to small businesses in the full-scope AA. The majority of commercial sampled loans during the evaluation were extended to small businesses.

For 2015 and 2016, FNB's loans to businesses with revenues less than or equal to \$1 million was lower than but near the percent of businesses identified as having revenues less than or equal to \$1 million.

For 2017 and 2018, FNB's loans to businesses with revenues less than or equal to \$1 million was lower than the percent of businesses identified as having revenues less than \$ 1 million but exceeded the aggregate lending for these businesses.

Consumer Loans

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

The distribution of consumer loans reflects excellent borrower distribution among low- and moderate-income individuals in the full-scope AA.

For 2015 and 2016, FNB's consumer lending to low-income borrowers is lower but comparable to the AA household percentage. Loans to moderate-income borrowers exceeds the AA household percentage.

For 2017 and 2018, FNB's consumer lending to both low- and moderate-income borrowers exceeds the AA household percentage.

Responses to Complaints

There have been no CRA related complaints during the evaluation period.

Conclusions for Area Receiving a Limited Scope Review

Based on the limited-scope review the bank's performance under the Lending Test in the Montgomery County AA is weaker than the bank's overall performance under the Lending Test in the full-scope area. FNB originated three loans in the one CT in Montgomery County during the evaluation period.

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:	01/01/2015-12/31/2018	
Bank Products Reviewed:	Home Mortgage, Small Business, and Consumer loans	
Affiliate(s)	Affiliate Relationship	Products Reviewed
None	NA	
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
Grimes and Walker Non-MSA AA	Full-scope	Whole county of Grimes and one CT (7903.00) in Walker.
Montgomery AA	Limited- scope	One CT (6947.00)

Appendix B: Summary of State Ratings

RATINGS	
First National Bank of Anderson	
Overall Rating:	Lending Test Rating
First National bank of Anderson	Satisfactory
Texas:	
Grimes-Walker Non-MSA AA	Satisfactory

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/AA.

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

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

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

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

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

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

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

Geography: A CT delineated by the U.S. Census Bureau in the most recent decennial census.

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

Home Mortgage Loans: A closed-end mortgage loan or an open-end line of credit as these terms are defined under 12 CFR 1003.2, 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 CT with a median family income that is less than 50 percent.

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

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. The median is the point at which half of the families have income above, and half below, a range of incomes. Also, the median income determined by the 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 (MSA): An area, defined by the Office of Management and Budget, as a core based statistical area associated with at least one urbanized area that has a population of at least 50,000. The MSA comprises the central county or counties containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

Middle-Income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a 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 (MMSA). 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 MMSA, the institution will receive a rating for the MMSA.

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

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

Tier 1 Capital: The total of common shareholders' equity, perpetual preferred shareholders' equity with 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 are treated as originations; and (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all HMDA or CRA-reporting lenders in the MMSA/AA. Deposit data are compiled by the FDIC and are available as of June 30th of each year. Tables without data are not included in this PE.

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

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

Table U. Assessment Area Distribution of Consumer Loans by Income Category of the Geography - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households in those geographies.

Table V. Assessment Area Distribution of Consumer Loans by Income Category of the Borrower - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of households by income level in each MMSA/AA.

Assessment Area:	Total Home Mortgage Loans			Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	% 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
Grimes-Walker Non-MSA AA 2015-2016	21	2,037	100	0.0	0.0	--	24.5	19.1	--	26.4	47.6	--	48.6	33.3	--	0.5	0.0	--
Total	21	2,037	100	0.0	0.0	--	24.5	19.1	--	26.4	47.6	--	48.6	33.3	--	0.5	0.0	--

*Source: 2010 U.S. Census; 01/01/2015 - 12/31/2016 Bank Data, "--" data not available.
Due to rounding, totals may not equal 100.0*

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
Grimes-Walker Non-MSA AA 2017-2018	23	3,492	100	934	0.1	0.0	0.1	0.0	0.0	0.0	55.8	69.6	42.9	44.1	30.4	57.0	0.0	0.0	0.0
Total	23	3,492	100	934	0.1	0.0	0.1	0.0	0.0	0.0	55.8	69.6	42.9	44.1	30.4	57.0	0.0	0.0	0.0

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

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2015- 2016		
Assessment Area:	Total Home Mortgage Loans			Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers					
	#	\$	% of Total	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate			
Grimes-Walker Non-MSA AA 2015-2016	21	2,037	100	18.5	4.8	--	16.8	14.3	--	16.8	33.3	--	47.9	47.6	--	0.0	0.0	--			
Total	21	2,037	100	18.5	4.8	--	16.8	14.3	--	16.8	33.3	--	47.9	47.6	--	0.0	0.0	--			

Source: 2010 U.S. Census; 01/01/2015- 12/31/2016 Bank Data, "--" data not available.
Due to rounding, totals may not equal 100.0

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2017-2018		
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		
Grimes-Walker Non-MSA AA 2017-2018	23	3,492	100	934	16.5	4.4	1.5	13.5	26.1	7.9	18.6	21.7	17.6	51.3	47.8	57.1	0.0	0.0	16.0		
Total	23	3,492	100	934	16.5	4.4	1.5	13.5	26.1	7.9	18.6	21.7	17.6	51.3	47.8	57.1	0.0	0.0	16.0		

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

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography													2015-2016	
Assessment Area:	Total Loans to Small Businesses			Low-Income Tracts		Moderate-Income Tracts		Middle-Income Tracts		Upper-Income Tracts		Not Available-Income Tracts		
	#	\$	% of Total	% Businesses	% Bank Loans	% Businesses	% Bank Loans	% Businesses	% Bank Loans	% Businesses	% Bank Loans	% Businesses	% Bank Loans	
Grimes-Walker Non- MSA AA 2015-16	20	2,256	100	0.0	0.0	22.9	25.0	30.4	55.0	46.4	20.0	0.3	0.0	
Total	20	2,256	100	0.0	0.0	22.9	25.0	30.4	55.0	46.4	20.0	0.3	0.0	

Source: 2016 D&B Data; 01/01/2015- 12/31/2016 Bank Data; "--" data not available.
Due to rounding, totals may not equal 100.0

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																			2017-2018	
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	
Grimes-Walker Non-MSA AA 2017-2018	21	3,162	100	715	0.2	0.0	0.0	0.0	0.0	0.0	53.5	56.0	51.0	46.3	44.0	49.0	0.0	0.0	0.0	
Total	21	3,162	100	715	0.2	0.0	0.0	0.0	0.0	0.0	53.5	56.0	51.0	46.3	44.0	49.0	0.0	0.0	0.0	

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

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2015- 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	
Grimes-Walker Non-MSA AA 2015-16	20	2,256	100	--	83.7	60.0	--	4.6	0.0	11.7	40.0	
Total	20	2,256	100	--	83.7	60.0	--	4.6	0.0	11.7	40.0	

*Source: 2016 D&B Data; 01/01/2015 - 12/31/2016 Bank Data, "--" data not available.
Due to rounding, totals may not equal 100.0*

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2017-2018	
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	
Grimes-Walker Non-MSA AA 2017-2018	21	3,162	100	715	83.3	56.0	39.2	4.7	8.0	12.0	36.0	
Total	21	3,162	100	715	83.3	56.0	39.2	4.7	8.0	12.0	36.0	

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

Table U: Assessment Area Distribution of Consumer Loans by Income Category of the Geography													2015-2016	
Assessment Area:	Total Consumer Loans			Low-Income Tracts		Moderate-Income Tracts		Middle-Income Tracts		Upper-Income Tracts		Not Available-Income Tracts		
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	
Grimes-Walker Non-MSA AA 2015-2016	21	397	100	0.0	0.0	25.0	28.6	29.0	47.6	45.2	23.8	0.8	0.0	
Total	21	397	100	0.0	0.0	25.0	28.6	29.0	47.6	45.2	23.8	0.8	0.0	

*Source: 2010 U.S. Census; 01/01/2015- 12/31/2016 Bank Data.
Due to rounding, totals may not equal 100.0*

Table U: Assessment Area Distribution of Consumer Loans by Income Category of the Geography													2017-2018	
Assessment Area:	Total Consumer Loans			Low-Income Tracts		Moderate-Income Tracts		Middle-Income Tracts		Upper-Income Tracts		Not Available-Income Tracts		
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	
Grimes-Walker Non-MSA AA 2017-2018	24	188	100	0.5	4.2	0.0	0.0	58.5	70.8	41.0	25.0	0.0	0.0	
Total	24	188	100	0.5	4.2	0.0	0.0	58.5	70.8	41.0	25.0	0.0	0.0	

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

Table V - Assessment Area Distribution of Consumer Loans by Income Category of the Borrower													2015- 2016	
Assessment Area:	Total Consumer Loans			Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Not Available-Income Borrowers		
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	
Grimes-Walker Non-MSA AA 2015-2016	21	397	100	20.5	19.0	15.3	23.8	15.4	23.8	48.8	19.0	0.0	14.3	
Total	21	397	100	20.5	19.0	15.3	23.8	15.4	23.8	48.8	19.0	0.0	14.3	

*Source: 2010 U.S. Census; 01/01/2015- 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													2017-2018	
Assessment Area:	Total Consumer Loans			Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Not Available-Income Borrowers		
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	
Grimes-Walker Non-MSA AA 2017-2018	24	188	100	21.5	25.0	13.3	16.7	14.7	12.5	50.5	16.7	0.0	29.2	
Total	24	188	100	21.5	25.0	13.3	16.7	14.7	12.5	50.5	16.7	0.0	29.1	

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