



Office of the
Comptroller of the Currency
Washington, DC 20219

INTERMEDIATE SMALL BANK

PUBLIC DISCLOSURE

February 25, 2019

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

FirstCapital Bank of Texas, NA
Charter Number 23681

310 West Wall Street
Midland, TX 79701

Office of the Comptroller of the Currency
Lubbock Field Office
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Lubbock, TX 79424

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
DEFINITIONS AND COMMON ABBREVIATIONS	4
DESCRIPTION OF INSTITUTION	8
SCOPE OF THE EVALUATION.....	9
DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW	10
CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS.....	11
LENDING TEST	11
COMMUNITY DEVELOPMENT TEST.....	21
APPENDIX A: SCOPE OF EXAMINATION.....	A-1
APPENDIX B: COMMUNITY PROFILES FOR FULL-SCOPE AREAS.....	B-1

Overall CRA Rating: This institution is rated Satisfactory

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Outstanding

FirstCapital Bank of Texas, NA (FCBT) has a satisfactory record of meeting community credit needs. The ratings are based on the following:

- *FCBT has a more than reasonable quarterly average net loan-to-deposit ratio of 80 percent during the evaluation period.*
- *FCBT originated a majority of its loans by number (78 percent) and dollar amount (66 percent) to borrowers located within the assessment areas (AAs).*
- *FCBT reflects a reasonable penetration among businesses of different sizes.*
- *FCBT's geographic distribution of small businesses and home mortgage loans reflects a reasonable dispersion given the bank's performance context, business strategy, and location.*
- *FCBT's community development performance demonstrates excellent responsiveness to the needs of its AAs through community development loans, qualified investments, and community development services.*

Definitions and Common Abbreviations

The following terms and abbreviations are used throughout 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. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Aggregate Lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

Census Tract (CT): A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan areas. Census tracts generally have a population between 1,200 and 8,000 people, with an optimal size of 4,000 people. Their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

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; activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas; or loans, investments, and services that support, enable or facilitate projects or activities under HUD Neighborhood Stabilization Program criteria that benefit low-, moderate-, and middle-income individuals and geographies in the bank's assessment area(s) or outside the assessment area(s) provided the bank has adequately addressed the community development needs of its assessment area(s).

Community Reinvestment Act (CRA): the statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, 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, home equity 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 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), loan pricing, the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

Home Mortgage Loans: Such loans include home purchase, home improvement and refinancings, as defined in the HMDA regulation. These include loans for multifamily (five or more families) dwellings, manufactured housing and one-to-four family dwellings other than manufactured housing.

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 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 income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

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 MA/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. 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 it and half below it.

Metropolitan Area (MA): Any metropolitan statistical area or metropolitan division, as defined by the Office of Management and Budget, and any other area designated as such by the appropriate federal financial supervisory agency.

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.

Other Products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

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.

Rated Area: A rated area is a state or multi-state metropolitan 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 area, the institution will receive a rating for the multi-state metropolitan 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 One 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.

Description of Institution

FCBT is an intrastate bank headquartered in Midland, Texas, located in the Permian Basin area of the state. The bank is a wholly-owned subsidiary of First Bancshares of Texas, Inc., a one-bank holding company headquartered in Midland, Texas. FCBT reported total assets of \$1.12 billion on December 2018.

FCBT provides community banking services including a variety of traditional loan and deposit accounts. FCBT has identified four assessment areas (AAs): Midland County AA, Lubbock County AA, Potter-Randall Counties AA, and the Hill Country AA. Within these four AAs, FCBT has 11 branch locations, 25 interactive teller machines, and 3 stand-alone ATMs. Four locations, including the main banking office, are in the Midland County AA, which is the bank's primary market. Two offices are located in the Lubbock County AA, two offices in the Potter-Randall Counties AA, and three offices in the Hill Country AA (Fredericksburg, Marble Falls, and Horseshoe Bay, TX). One office in the Lubbock County AA and the three offices in the Hill Country AA were opened since the last CRA evaluation. Bank lobby and drive-through services are provided Monday through Friday at each location. The interactive teller machines are available 6:00 am to 12:00 am seven days a week, excluding major holidays. FCBT also provides online banking services through its website at www.fcbtexas.com.

As of December 31, 2018, FCBT net loans totaled \$836 million and represented 85 percent of total deposits and 74 percent of total assets. The bank is primarily a commercial and secondarily a residential real estate lender, as shown in this chart.

Loan Originations in 2016, 2017 and 2018 by Original Amount				
Loan Category	\$ of Loans (000s)	% of \$	# of Loans	% of #
Commercial and Commercial Real Estate	\$1,220,831	65%	4,011	49%
Residential Real Estate (1-4 Family)	\$542,831	29%	2,665	33%
Agricultural and Farmland	\$97,705	5%	156	2%
Consumer	\$29,694	1%	1,322	16%
TOTAL	\$1,891,331	100%	8,154	100%

Consistent with its business strategy, FCBT's loan volumes are heavily concentrated in commercial real estate and larger commercial loans. No legal impediments or other factors hinder FCBT's ability to provide credit to its AAs. The bank was rated "Satisfactory" at its last CRA evaluation dated March 16, 2015.

Scope of the Evaluation

Evaluation Period/Products Evaluated

The CRA evaluation period is January 1, 2016 through December 31, 2018. We evaluated FCBT using Intermediate Small Bank criteria, which include the Lending Test and the Community Development (CD) Test. The evaluation period for the CD Test is March 17, 2015 through December 31, 2018. The bank has two primary products, commercial loans and home mortgage loans, in that order of importance. We sampled 180 commercial loans, 90 of which were originated in 2016, with the remaining 90 originated in 2017-2018. We included all home mortgage loans originated in 2016, and 2017-2018.

Data Integrity

We performed a data integrity review of Home Mortgage Disclosure Act (HMDA) residential loans in November 2018 to assess accuracy of that information. We determined through sampling that the reporting of HMDA loans is accurate and can be relied upon for our analysis.

We obtained financial and geographic information for the commercial loan sample directly from the bank's loan files.

Selection of Areas for Full-Scope Review

The Midland County AA, Lubbock County AA, and Potter-Randall Counties AA will receive full-scope reviews. We did not evaluate performance in the Hill Country AA due to the relatively short time the branches were in operation, and the corresponding low volume of lending in that AA.

Ratings

The bank's overall rating is based primarily on the AAs receiving a full-scope review. The most weight is given to the Midland County AA due to its high percentage of bank deposits and substantial lending volume. This is followed by the Lubbock County AA then the Potter-Randall Counties AA, in that order.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 C.F.R. §25.28(c), in determining a national bank's 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 Consumer Financial Protection Bureau, as applicable.

The OCC has not identified that this bank 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.

Conclusions with Respect to Performance Tests

LENDING TEST

FCBT's performance under the Lending Test is Satisfactory.

Loan-to-Deposit Ratio

FCBT's net loan-to-deposit (LTD) ratio is more than reasonable given the bank's size, financial condition, local competition, and AAs credit needs. This determination is based on the bank's quarterly average net LTD ratio for 16 quarters from March 31, 2015 through December 31, 2018 of 80 percent. The quarterly average net LTD ratios of five similarly situated banks with total assets below \$1.5 billion located in counties in or adjacent to the AAs range from 50 percent to 79 percent, and average 66 percent.

Institution	Total Assets (\$000s) As of 12/31/2018	Quarterly Average Net LTD Ratio
FirstCapital Bank of Texas, NA	1,122,516	79.96
Lubbock National Bank	1,084,605	64.92
Community National Bank (Midland)	1,351,767	72.58
West Texas National Bank (Midland)	1,430,581	50.47
Firstbank Southwest (Amarillo)	996,832	60.57
First United Bank (Dimmitt)	1,315,753	79.30

Source: Institution Reports of Condition from March 2015 to December 2018.

Lending in Assessment Areas

A majority of FCBT's loans were made inside the bank's AAs. We sampled 180 commercial loans and included all home mortgage loans originated or purchased in 2016-2018. About 78 percent of the number of loans and 66 percent of the dollar amount of loans in the sample were made within the bank's combined AAs. Results by category are depicted in the following table.

Lending in the Assessment Areas										
Loan Type	Number of Loans					Dollars of Loans				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Commercial Loans	154	86	26	14	180	32,154	69	14,180	31	46,334
Home Mortgage Loans	1,066	77	317	23	1,383	203,062	65	107,303	35	310,365
Totals	1,220	78	343	22	1,563	235,216	66	121,483	34	356,699

Source: 2016-2018 HMDA LARs and loan sample

Lending to Businesses of Different Sizes and Borrowers of Different Incomes

The distribution of loans made to businesses of different sizes and individuals of different income levels reflects a reasonable distribution. The commercial loan distribution was reasonable for each AA. The distribution of home mortgages was reasonable for the Midland County AA, but poor for other AAs. When considering the business strategy of FCBT, more weight is placed on loans to small businesses rather than home mortgages.

Midland County AA

The distribution of commercial loans reflects a reasonable distribution among businesses of different sizes within the AA. Lending performance in 2016 reflects reasonable distribution, with 68 percent of commercial loans by number originated to businesses with revenues less than \$1 million. This is somewhat below demographic data showing that 80 percent of the AA's businesses are considered small. However, commercial loans by dollar amount reflect excellent distribution at 81 percent originated to businesses with revenues less than \$1 million.

Lending performance in 2017-2018 reflects reasonable distribution, with 76 percent of commercial loans by number originated to business with revenues less than \$1 million. This is slightly below demographic data showing 81 percent of the area's businesses are considered small. However, commercial loans by dollar amount reflect excellent distribution at 82 percent originated to businesses with revenues less than \$1 million.

Borrower Distribution of Loans to Businesses in Midland County AA (2016)				
Business Revenues (Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Businesses	80%	8%	12%	100%
% of Bank Loans in AA by #	68%	32%	0%	100%
% of Bank Loans in AA by \$	81%	19%	0%	100%

Source: 2016 Loan sample; 2016 D&B data

Borrower Distribution of Loans to Businesses in Midland County AA (2017-2018)				
Business Revenues (Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Businesses	81%	7%	12%	100%
% of Bank Loans in AA by #	76%	21%	3%	100%
% of Bank Loans in AA by \$	82%	16%	2%	100%

Source: 2017-2018 Loan sample; 2018 D&B data

The distribution of home mortgage loans is reasonable among borrowers of different income levels, given performance context. Home mortgage lending in 2016 to moderate-income borrowers reflects reasonable distribution at 10 percent, which is somewhat below the level of moderate-income families at 16 percent. Home mortgage lending in 2017-2018 also reflects reasonable distribution at 11 percent, which is somewhat below the level of moderate-income families at 18 percent.

In both 2016 and 2017-2018, home mortgage lending to low-income borrowers reflected poor distribution as the bank made no loans to these borrowers in either evaluation period. This is significantly lower than 22 percent of low-income families in the AA in both evaluation periods. About 37 percent and 15 percent of low-income families are below the poverty level in 2016 and 2017-2018, respectively. In addition, the median housing value in the Midland County AA increased 34 percent from 2010 to 2015 due to the impact of the strong oil and gas economy. Combined, these factors make it extremely challenging for low-income borrowers to qualify for mortgages.

Borrower Distribution of Residential Real Estate Loans in Midland County AA (2016)								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Home Mortgage	22	0	16	10	20	19	40	64

Source: 2010 U.S. Census; 2016 HMDA Reported Loans, 10% of income information not available.

Borrower Distribution of Residential Real Estate Loans in Midland County AA (2017-2018)								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Home Mortgage	22	0	18	11	20	24	41	55

Source: 2015 ACS Census; 2017-2018 HMDA Reported Loans, 11% of income information not available.

Lubbock County AA

The distribution of commercial loans reflects a reasonable distribution among businesses of different sizes within the AA. Lending performance in 2016 reflects a reasonable distribution, with 68 percent of commercial loans by number originated to businesses with revenues less than \$1 million. This is somewhat below demographic data showing 84 percent of the area's businesses are considered small. However, commercial loans by dollar amount reflect excellent distribution at 85 percent originated to businesses with revenues less than \$1 million.

Lending performance in 2017-2018 reflects reasonable distribution, with 78 percent of commercial loans by number originated to business with revenues less than \$1 million. This is slightly below demographic data showing 84 percent of the area's businesses are considered small. Commercial loans by dollar amount also reflects reasonable distribution at 80 percent originated to businesses with revenues less than \$1 million.

Borrower Distribution of Loans to Businesses in Lubbock County AA (2016)				
Business Revenues (Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Businesses	84%	5%	11%	100%
% of Bank Loans in AA by #	68%	32%	0%	100%
% of Bank Loans in AA by \$	85%	15%	0%	100%

Source: 2016 Loan sample; 2016 D&B data

Borrower Distribution of Loans to Businesses in Lubbock County AA (2017–2018)				
Business Revenues (Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Businesses	84%	5%	11%	100%
% of Bank Loans in AA by #	78%	22%	0%	100%
% of Bank Loans in AA by \$	80%	20%	0%	100%

Source: 2017-2018 Loan sample; 2018 D&B data

The distribution of home mortgage loans is poor among borrowers of different income levels. The borrower distribution of home mortgage loans in 2016 for moderate-income borrowers reflects a poor distribution at 8 percent, which is significantly below the level of moderate-income families at 18 percent. The borrower distribution of home mortgage loans in 2017-2018 also reflects a poor distribution at 7 percent, which is below the level of moderate-income families at 16 percent.

In 2016, FCBT originated 1 percent of home mortgage loans to low-income borrowers and in 2017-2018 3 percent, which reflects a poor distribution and is significantly lower than 21 percent of low-income families in the AA for both evaluation periods. About 42 percent and 47 percent of low-income families are below the poverty level in 2016 and 2017-2018, respectively. It is challenging for very low-income borrowers to qualify for mortgages.

Borrower Distribution of Residential Real Estate Loans in Lubbock County AA (2016)								
Borrower Income Level	Low		Moderate		Middle		Upper	
	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Home Mortgage	21	1	18	8	19	9	42	47

Source: 2010 U.S. Census; 2016 HMDA Reported Loans, 35% of income information not available.

Borrower Distribution of Residential Real Estate Loans in Lubbock County AA (2017-2018)								
Borrower Income Level	Low		Moderate		Middle		Upper	
	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Home Mortgage	22	3	16	7	20	8	42	52

Source: 2015 ACS Census; 2017-2018 HMDA Reported Loans, 30% of income information not available.

Potter-Randall Counties AA

The distribution of loans to businesses is reasonable among businesses of different sizes within the AA. Lending performance in 2016 reflects a reasonable distribution with 76 percent of commercial loans by both number and dollar amount originated to businesses with revenues less than \$1 million. This is slightly below demographic data showing 83 percent of the AA's businesses are considered small.

Lending performance in 2017-2018 also reflects a reasonable distribution, with 63 percent of commercial loans by number originated to business with revenues less than \$1 million. This is somewhat below demographic data showing 82 percent of the area's businesses are considered small. Commercial loans by dollar amount reflect a reasonable distribution at 76 percent originated to businesses with revenues less than \$1 million, which is slightly below the demographic.

Borrower Distribution of Loans to Businesses in Potter-Randall Counties AA (2016)				
Business Revenues (Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Businesses	83%	5%	12%	100%
% of Bank Loans in AA by #	76%	24%	0%	100%
% of Bank Loans in AA by \$	76%	24%	0%	100%

Source: 2016 Loan sample; 2016 D&B data

Borrower Distribution of Loans to Businesses in Potter-Randall Counties AA (2017-2018)				
Business Revenues (Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Businesses	82%	5%	13%	100%
% of Bank Loans in AA by #	63%	37%	0%	100%
% of Bank Loans in AA by \$	76%	24%	0%	100%

Source: 2017-2018 Loan sample; 2018 D&B data

The distribution of home mortgage loans is poor among borrowers of different income levels. The borrower distribution of home mortgage loans in 2016 and 2017-2018 for moderate-income borrowers reflects a poor distribution at 6 percent and 3 percent, respectively. This is below the level of moderate-income families at 17 percent. Note that a significant percentage of loans did not have income information available, which may skew the results.

In 2016, FCBT originated 3 percent of home mortgage loans to low-income borrowers, which is significantly lower than 23 percent of low-income families in the AA. In 2017-2018, FCBT originated 1 percent of home mortgages to low-income borrowers, which is significantly lower than 22 of low-income families in the AA, respectively. Approximately 37 percent and 38 percent of low-income families are below the poverty level in 2016 and 2017-2018, respectively. It is challenging for very low-income borrowers to qualify for mortgages.

Borrower Distribution of Residential Real Estate Loans in Potter-Randall Counties AA (2016)								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Home Mortgage	23	3	17	6	20	10	40	36

Source: 2010 U.S. Census; 2016 HMDA Reported Loans, 45% of income information not available.

Borrower Distribution of Residential Real Estate Loans in Potter-Randall Counties AA (2017-2018)								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Home Mortgage	22	1	17	3	20	7	41	31

Source: 2015 ACS Census; 2017-2018 HMDA Reported Loans, 58% of income information not available.

Geographic Distribution of Loans

The geographic dispersion of loans is reasonable, with loans to small businesses reflecting reasonable dispersion for each AA. Home mortgage loans reflects reasonable dispersion in the Midland County and Potter-Randall Counties AAs, and excellent dispersion in the Lubbock County AA

Midland County AA

The geographic distribution of commercial loans reflects reasonable dispersion. In both 2016 and 2017-2018, FCBT's lending in low-income CTs is 0 percent, but reasonable at slightly below the below the demographic data for the AA at 2 percent in both evaluation periods. Lending opportunities are limited for small businesses in low-income CTs in the AA, as there were only two such CTs in 2016 and one CT in 2017-2018.

In 2016, commercial lending in moderate-income CTs is excellent at 45 percent, which significantly exceeds the census demographic of 25 percent. In 2017-2018, lending in moderate-income CTs is also excellent at 29 percent, which exceeds the census demographic of 25 percent.

Geographic Distribution of Loans to Businesses in Midland County AA (2016)								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
Commercial Loans	2	0	25	45	42	18	30	36

Source: 2016 Loan sample; 2016 D&B data. 1% of data not available.

Geographic Distribution of Loans to Businesses in Midland County AA (2017-2018)								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
Commercial Loans	2	0	23	29	37	21	37	50

Source: 2017-2018 Loan sample; 2018 D&B data. 1% of data not available.

The geographic distribution of home mortgage loans is reasonable, given performance context. In 2016, FCBT originated 0 percent home mortgage loans in low-income CTs, which is reasonable at slightly below the demographic data of 5 percent. In 2017-2018, FCBT originated 1 percent of home mortgage loans in low-income CTs, which is reasonable and slightly below the demographic data of 3 percent.

In 2016, FCBT originated 3 percent of home mortgage loans in moderate-income CTs, which reflects poor distribution at significantly below the demographic of 14 percent. In 2017-2018, FCBT originated 8 percent home loans in moderate-income CTs, which reflects reasonable distribution at somewhat below the demographic of 13 percent. There are only five moderate-income CTs in the AA for both evaluation periods, the majority of which are not near FCBT offices.

Geographic Distribution of Residential Real Estate Loans in Midland County AA (2016)								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan type	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans
Home Mortgage	5	0	14	3	50	35	31	62

Source: 2010 U.S. Census; 2016 HMDA reported loans

Geographic Distribution of Residential Real Estate Loans in Midland County AA (2017-2018)								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan type	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans
Home Mortgage	3	1	13	8	42	43	42	48

Source: 2015 ACS Census; 2017-2018 HMDA reported loans

Lubbock County AA

The geographic distribution of commercial loans reflects a reasonable dispersion. In 2016, FCBT’s lending in low-income CTs at 5 percent reflects a reasonable distribution at slightly below the below the demographic data for the AA at 6 percent. In 2017-2018, FCBT’s lending to low-income CTs at 7 percent reflects an excellent distribution and exceeds the demographic data for the AA at 4 percent.

In 2016, lending in moderate-income CTs reflects a poor distribution at 5 percent, which is significantly below the census demographic of 15 percent. In 2017-2018, lending in moderate-income CTs reflects a reasonable distribution at 11 percent, which is somewhat below the census demographic of 17 percent.

Geographic Distribution of Loans to Businesses in Lubbock County AA (2016)								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
Commercial Loans	6	5	15	5	39	55	41	36

Source: 2016 Loan sample; 2016 D&B data.

Geographic Distribution of Loans to Businesses in Lubbock County AA (2017-2018)								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
Commercial Loans	4	7	17	11	36	30	43	52

Source: 2017-2018 Loan sample; 2018 D&B data. 0.1% of businesses are located in N/A CTs

The geographic distribution of home mortgage loans is excellent. In 2016, FCBT originated 5 percent of home mortgage loans in low-income CTs, which reflects an excellent distribution as it exceeds the demographic data of 4 percent. In 2017-2018, FCBT originated 8 percent of home mortgage loans in low-income CTs, which reflects a reasonable distribution slightly below the demographic data of 3 percent.

In 2016, FCBT originated 10 percent of home mortgage loans in moderate-income CTs, which reflects a reasonable distribution somewhat below the demographic of 18 percent. In 2017-2018, FCBT originated 18 percent of home mortgage loans in moderate-income CTs, which reflects an excellent distribution as it exceeds the demographic data of 16 percent.

Geographic Distribution of Residential Real Estate Loans in Lubbock County AA (2016)								
CensusTract Income Level	Low		Moderate		Middle		Upper	
Loan type	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans
Home Mortgage	4	5	18	10	37	40	41	45

Source: 2010 U.S. Census; 2016 HMDA reported loans

Geographic Distribution of Residential Real Estate Loans in Lubbock County AA (2017-2018)								
CensusTract Income Level	Low		Moderate		Middle		Upper	
Loan type	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans
Home Mortgage	3	8	16	18	38	40	43	34

Source: 2015 ACS Census; 2017-2018 HMDA reported loans

Potter-Randall Counties AA

The geographic distribution of commercial loans reflects a reasonable dispersion. In 2016, FCBT's lending in low-income CTs at 11 percent reflects a reasonable distribution somewhat below the demographic data for the AA at 21 percent. In 2017-2018, FCBT's lending to low-income CTs at 4 percent reflects a reasonable distribution slightly below the demographic data for the AA at 6 percent.

In 2016, lending in moderate-income CTs reflects an excellent distribution at 19 percent, which exceeds the census demographic of 11 percent. In 2017-2018, lending in moderate-income CTs reflects a reasonable distribution at 22 percent, which is slightly below the census demographic of 26 percent.

Geographic Distribution of Loans to Businesses in Potter-Randall Counties AA (2016)								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
Commercial Loans	21	11	11	19	35	33	33	37

Source: 2016 Loan sample; 2016 D&B data.

Geographic Distribution of Loans to Businesses in Potter-Randall Counties AA (2017-2018)								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
Commercial Loans	6	4	26	22	31	30	37	44

Source: 2017-2018 Loan sample; 2018 D&B data. 0.3% of businesses are located in N/A CTs

The geographic distribution of home mortgage loans is reasonable. In 2016, FCBT originated 6 percent of home mortgage loans in low-income CTs, which reflects a reasonable distribution at slightly below the demographic data of 8 percent. In 2017-2018, FCBT originated 1 percent of home mortgage loans in low-income CTs, which reflects an excellent distribution as it equals the demographic data of 1 percent.

In 2016, FCBT originated 15 percent home mortgage loans in moderate-income CTs, which reflects a reasonable distribution at slightly below the demographic of 16 percent. In 2017-2018, FCBT originated 30 percent home loans in moderate-income CTs, which reflects an excellent distribution as it exceeds the demographic data of 23 percent.

Geographic Distribution of Residential Real Estate Loans in Potter-Randall Counties AA (2016)								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan type	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans
Home Mortgage	8	6	16	15	39	39	37	40

Source: 2010 U.S. Census; 2016 HMDA reported loans

Geographic Distribution of Residential Real Estate Loans in Potter-Randall Counties AA (2017-2018)								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan type	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans
Home Mortgage	1	1	23	30	35	38	41	31

Source: 2015 ACS Census; 2017-2018 HMDA reported loans

Responses to Complaints

Neither the bank nor the OCC have received any CRA-related complaints during the evaluation period. This has a neutral effect on the bank's CRA performance.

COMMUNITY DEVELOPMENT TEST

FCBT's performance under the Community Development (CD) Test is rated Outstanding. FCBT shows excellent responsiveness to CD needs in its AAs through CD loans, qualified investments, and CD services.

Number and Amount of Community Development Loans

The level of CD lending reflects an excellent responsiveness to CD needs of the AAs. FCBT originated 52 qualifying CD loans during the evaluation period totaling \$81.4 million, which represents 70 percent of Tier 1 capital. Seventy-nine percent of both dollar and number of CD loans benefits the bank's AAs.

The level of CD lending reflects excellent responsiveness in the Midland County AA, FCBT originated 22 loans totaling \$30.9 million during the evaluation period. The majority of these loans were originated to for-profit companies for economic development/job creation and revitalization/stabilization. Five loans to the Midland Community Development Corporation were used to provide affordable housing for low- and moderate-income individuals.

The level of CD lending reflects excellent responsiveness in the Lubbock County AA, FCBT originated four loans totaling \$10.4 million during the evaluation period for economic development/job creation.

The level of CD lending reflects excellent responsiveness in the Potter-Randall Counties AA. FCBT originated 15 loans totaling \$23.2 million during the evaluation period. Six loans were used for revitalization/stabilization, another six for affordable housing, and three loans were used for economic development/job creation.

Number and Amount of Qualified Investments

The level of qualified investments reflects an adequate responsiveness to CD needs in each of the three AAs. FCBT made 167 qualified investments, grants, and donations totaling \$5 million. Within the three AAs FCBT made 149 qualified investments, grants, and donations totaling \$2.8 million. All qualified investments specifically benefited low- or moderate-income individuals or supported organizations whose major purpose is revitalizing areas within the AAs. \$2.2 million of FCBT's total was four investments in qualified small business investment corporations (SBICs). These SBIC investments benefit the three full-scope AAs, and the broader regional area. Remaining qualified investments were donations, primarily in the Midland Potter-Randall Counties AAs.

Extent to Which the Bank Provides Community Development Services

The level of CD services reflects an adequate responsiveness to CD needs in each of the three AAs with respect to the number of contributed hours, the number of employees actively involved, and the number and diversity of the type of non-profit

organizations they serve. The bank met this need primarily by providing financial services through bank employees' financial expertise. CD activities are responsive to the needs of low- and moderate-income individuals. FCBT provided CD services to 48 organizations and FCBT employees provided 2,832 service hours of financial services to agencies and organizations engaged in CD activity. The majority of service hours (1,625 or 57 percent) occurred in the Potter-Randall Counties AA; the remaining hours were split between the Midland and Lubbock AAs.

The following activities were identified that were of high impact and demonstrated strong leadership by the bank in the AAs.

Junior Achievement – Potter-Randall Counties and Midland

FCBT employees volunteered 481 hours (97 percent in Potter-Randall Counties AA) during this rating period, primarily providing financial literacy education to students, but also providing support through their financial experience to the organization. Services are provided to schools where over half the students qualify for free or reduced lunches. In Amarillo, Junior Achievement works with Amarillo ISD to specifically focus on grades 2, 5, and 7, as well as high school economics classes where the program encourages work-readiness, entrepreneurship, and financial literacy skills to inspire the students.

Heal the City – Potter-Randall Counties AA

FCBT employees volunteered 276 hours during this rating period assisting clients with the patient referral process of signing up for government health services and providing office support. Heal the City is a network of local physicians who provide free medical and dental care to low- and moderate-income residents who do not otherwise qualify for public medical assistance.

Retail services are reasonably accessible. FCBT has 11 full-service branches, 1 limited-service branch, 25 bank-owned interactive teller machines/ATMs (TellerConnect Service Centers), and 3 off-site ATMs. Two of the branches are located in moderate-income CTs. TellerConnect Service Centers, which are located at all branches and one stand-alone location in Lubbock, allow access to live tellers from 6:00am to 12:00am seven days a week. Four of the TellerConnect Service Centers and all 3 stand-alone ATMs are located in moderate-income CTs in the Midland AA. Customers may also access their accounts through 24-hour telephone banking or online at www.fcbtexas.com. FCBT's Internet banking program offers electronic check deposit, funds transfer, balance check, bill pay services, online account opening, mobile deposit and text banking.

Responsiveness to Community Development Needs

FCBT demonstrates excellent responsiveness to CD needs in its AAs. The CD loans, investments, and services all reflect responsiveness.

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 metropolitan and nonmetropolitan areas 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	Lending Test (excludes CD loans): 1/1/2016 to 12/31/2018 Investment/Service Tests and CD Loans: 3/17/2015 to 12/31/2018	
Financial Institution	Products Reviewed	
FirstCapital Bank of Texas, NA Midland, Texas	Commercial Loans, Home Mortgages	
Affiliate(s)	Affiliate Relationship	Products Reviewed
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Midland County Lubbock County Potter-Randall Counties	Full-Scope Full Scope Full-Scope	

Appendix B: Community Profiles for Full-Scope Areas

Midland County, Texas AA

Demographic Information for Full-Scope Area: Midland County 2016						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	27	7	18	41	30	4
Population by Geography	136,872	6	16	47	31	0
Owner-Occupied Housing by Geography	34,235	5	14	50	31	0
Businesses by Geography	12,530	2	25	42	30	1
Farms by Geography	321	1	17	45	36	0
Family Distribution by Income Level	35,366	22	16	20	42	0
Distribution of Low- and Moderate-Income Families throughout AA CTs	13,575	10	23	48	19	0
Median Family Income (MFI) HUD Adjusted MFI for 2016 Households Below the Poverty Level	= \$71,186 = \$87,300 = 12.1%	Median Housing Value Unemployment Rate				= \$132,404 = 3.9%

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 2010 U.S. Census.

Demographic Information for Full-Scope Area: Midland County 2017-2018						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	27	4	19	44	29	4
Population by Geography	151,290	3	17	45	35	0
Owner-Occupied Housing by Geography	35,449	3	13	42	42	0
Businesses by Geography	13,430	1	24	37	37	1
Farms by Geography	323	1	16	36	47	0
Family Distribution by Income Level	36,702	22	17	20	41	0
Distribution of Low- and Moderate-Income Families throughout AA CTs	14,396	6	23	45	26	0
Median Family Income (MFI) HUD Adjusted MFI for 2018 Households Below the Poverty Level	= \$88,204 = \$100,700 = 8.73%	Median Housing Value Unemployment Rate				= \$177,848 = 2.1%

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 2015 U.S. Census.

The Midland County AA is the bank's primary AA and part of the Midland, TX MSA, excluding Martin County. The AA meets the legal requirements as it consists of whole geographies and does not arbitrarily exclude any low- or moderate-income census tracts.

Economic conditions are strong, directly influenced by oil and gas exploration and production in the Permian Basin area of West Texas. The Permian Basin is a major oil producer for the United States and the world. Major employers in the AA include regional and national oil and gas production and service companies. Non-energy employers include the Midland Independent School District, Midland Memorial Hospital and Medical Center, and Midland Collage. The strong economic conditions result in a low unemployment rate of 2.1 percent in December 2018. This is well below the state of Texas and the nation at 3.7 percent and 3.9 percent, respectively. These factors contribute to the increases in median family income and housing prices for the AA during the evaluation period.

Competition within the AA is strong. Eighteen financial institutions have 46 offices in the AA. Wells Fargo, NA has the highest deposit market share at 19 percent, followed by Bank of America, NA with 15 percent. Community National Bank has the third largest deposit market share, and largest of the local institutions, at 14 percent. FCBT, with four offices, has the fifth largest deposit market share at 10 percent.

An individual representing an economic development organization in Midland was interviewed for the purpose of determining a community profile, identifying community development opportunities, and understanding participation by local financial institutions. Economic conditions in Midland and surrounding communities are highly dependent upon oil and gas production, and are susceptible to volatility in the energy markets. Community credit needs include attracting diverse businesses and industries to stabilize the economy and adding affordable housing for existing and future employment growth. Local banks and other financial institutions are willing to assist as they are able, particularly with borrowers who struggle during low points in the cycle.

Lubbock County, Texas AA

Demographic Information for Full-Scope Area: Lubbock County 2016						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	68	12	19	37	31	1
Population by Geography	278,831	8	22	36	34	0
Owner-Occupied Housing by Geography	61,000	4	18	37	41	0
Businesses by Geography	20,383	6	15	38	41	0
Farms by Geography	1,037	1	10	39	50	0
Family Distribution by Income Level	64,941	6	21	38	35	0
Distribution of Low- and Moderate-Income Families throughout AA CTs	25,202	11	35	38	16	0
Median Family Income (MFI) HUD Adjusted MFI for 2016 Households Below the Poverty Level	= \$57,685 = \$60,400 = 18.28%	Median Housing Value Unemployment Rate				= \$101,335 = 3.1%

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 2010 U.S. Census.

Demographic Information for Full-Scope Area: Lubbock County 2017-2018						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	68	9	22	35	32	2
Population by Geography	290,782	6	22	40	32	0
Owner-Occupied Housing by Geography	61,164	3	16	38	43	0
Businesses by Geography	22,224	4	16	36	44	0
Farms by Geography	1,092	1	8	35	56	0
Family Distribution by Income Level	66,941	4	21	38	37	0
Distribution of Low- and Moderate-Income Families throughout AA CTs	25,801	8	33	40	19	0
Median Family Income (MFI) HUD Adjusted MFI for 2018 Households Below the Poverty Level	= \$62,524 = \$62,800 = 18.2%	Median Housing Value Unemployment Rate				= \$110,016 = 2.8%

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 2015 U.S. Census.

The Lubbock County AA is located in the South Plains area of West Texas. The AA is part of the Lubbock, TX MSA, excluding Crosby and Lynn Counties. The AA meets legal requirements as it consists of whole geographies and does not arbitrarily exclude any low- or moderate-income census tracts.

Economic conditions in the AA are good. The economy is diverse based on health care, education, agriculture, manufacturing, and retail trade. Major employers include Texas Tech University/Texas Tech Health Sciences Center, Covenant Medical Center, UMC Health Systems, United Supermarkets, Tyco, and Sysco. Cotton is the primary crop produced in the AA, and the South Plains of Texas produces a significant amount of the cotton in the United States. The unemployment rate has been stable, currently 2.8 percent in December 2018. This is below the state of Texas and the nation at 3.7 percent and 3.9 percent, respectively.

Competition within the AA is strong. Twenty-four financial institutions have 106 offices in the AA. Plains Capital Bank has the highest deposit market share at 19 percent followed by City Bank at 17 percent. FCBT has just 2 percent market share, ranking 14th.

An individual representing an economic development organization in Lubbock was interviewed for the purpose of determining a community profile, identifying community development opportunities, and understanding participation by local financial institutions. This individual did not identify any unmet credit needs. The contact indicated that Lubbock banks have a good history of meeting the credit needs of the community, including support for both small and large businesses. The numerous banks in Lubbock actively participate in a wide variety of community activities.

Potter-Randall Counties, Texas AA

Demographic Information for Full-Scope Area: Potter-Randall Counties 2016						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	63	16	17	36	29	2
Population by Geography	241,798	12	19	40	29	0
Owner-Occupied Housing by Geography	56,865	8	16	39	37	0
Businesses by Geography	15,459	21	11	35	33	0
Farms by Geography	723	11	4	36	49	0
Family Distribution by Income Level	58,719	10	18	39	33	0
Distribution of Low- and Moderate-Income Families throughout AA Geographies	23,222	20	28	36	16	0
Median Family Income (MFI) HUD Adjusted MFI for 2016 Households Below the Poverty Level	= \$60,019 = \$63,200 = 14.6%	Median Housing Value Unemployment Rate				= \$109,950 = 3.1%

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 2010 U.S. Census.

Demographic Information for Full-Scope Area: Potter-Randall Counties 2017-2018						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	63	5	30	35	29	1
Population by Geography	249,134	2	29	37	32	0
Owner-Occupied Housing by Geography	58,512	1	23	35	41	0
Businesses by Geography	15,315	6	25	31	38	0
Farms by Geography	698	3	11	31	55	0
Family Distribution by Income Level	61,074	2	27	34	36	0
Distribution of Low- and Moderate-Income Families throughout AA Geographies	23,863	4	45	34	17	0
Median Family Income (MFI) HUD Adjusted MFI for 2018 Households Below the Poverty Level	= \$66,275 = \$66,800 = 15.2%	Median Housing Value Unemployment Rate				= \$121,615 = 2.6%

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 2015 U.S. Census.

The Potter-Randall Counties AA is located in the Texas Panhandle, with Amarillo, Texas as the largest city. The AA is part of the Amarillo, TX MSA, excluding Carson County. The AA meets legal requirements as it consists of whole geographies and does not arbitrarily exclude any low- or moderate-income census tracts.

Economic conditions in the AA are good. The economy is diverse based on agriculture, health care, education, manufacturing, retail trade, and government. Major employers include Amarillo Independent School District, Tyson Foods, Inc., BWTX/Pantex Nuclear Facility, BSA Health System, and Bell Helicopter Textron, Inc. The unemployment rate has been stable, currently 2.6 percent in December 2018. This is below the state of Texas and the nation at 3.7 percent and 3.9 percent, respectively.

Competition within the AA is strong. Sixteen financial institutions have 64 offices in the AA. Amarillo National Bank has the highest deposit market share at 49 percent, followed by Happy State Bank at 18 percent. FCBT has just 1 percent market share, ranking 9th.

Community contacts identified several needs in the community, including affordable housing, lending opportunities for small or startup businesses, and financial literacy training. LMI persons have more difficulty purchasing homes given the elevated housing costs and the added costs of insurance and taxes. In addition, investors making cash purchases provide significant competition for affordable homes.