



**PUBLIC DISCLOSURE**

March 17, 2021

**COMMUNITY REINVESTMENT ACT  
PERFORMANCE EVALUATION**

Citizens National Bank of Texas  
Charter Number: 13516  
200 North Elm Street  
Waxahachie, TX 75165

Office of the Comptroller of the Currency  
Dallas-Fort Worth Field Office  
225 E. John Carpenter Fwy. Suite 900  
Irving, TX 75062

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 community development test is rated: Satisfactory**

The major factors that support this rating include:

- The Lending Test rating is based on an excellent distribution of loans in low- and moderate-income (LMI) geographies, an adequate distribution of lending to individuals of different incomes and businesses of different sizes, a majority of loans originated or purchased in the assessment areas (AA) and a loan-to-deposit ratio that is more than reasonable.
- The Community Development (CD) Test rating is based on adequate responsiveness to community development needs in the AAs through community development lending, qualified investments, and services in the AAs.

### Loan-to-Deposit Ratio

Considering the bank's size, financial condition, and credit needs of the AAs, the bank's loan-to-deposit (LTD) ratio is more than reasonable. During the evaluation period, the bank's quarterly LTD ratio averaged 90.5 percent. We compared the bank's LTD ratio to six similarly situated banks in its market area. The aggregate average LTD ratio for the competing banks was 72.1 percent, with a low average LTD ratio of 41.9 percent and a high average of 105.4 percent. The LTD ratio is calculated on a bank wide basis.

| Loan-to-Deposits Ratios                  |                |                                   |                      |
|--|----------------|-----------------------------------|----------------------|
| Institution                              | Location       | Total Assets as of<br>12/31/2020* | Average LTD<br>Ratio |
| Citizens National Bank of Texas          | Waxahachie, TX | 1,581,504                         | 90.5                 |
| The American National Bank of Texas      | Terrell, TX    | 4,335,077                         | 68.9                 |
| North Dallas Bank & Trust Co.            | Dallas, TX     | 1,477,077                         | 54.4                 |
| Texas Exchange Bank, SSB                 | Crowley, TX    | 2,514,833                         | 41.9                 |
| Vista Bank                               | Dallas, TX     | 1,344,135                         | 87.9                 |
| Community National Bank & Trust of Texas | Corsicana, TX  | 925,317                           | 77.5                 |
| Susser DBA Affiliated Bank               | Bedford, TX    | 1,250,922                         | 105.4                |

\*(000s omitted)

Source is FDIC Call Report data from 3/31/2018 to 12/31/2020.

### Lending in Assessment Area

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

The bank originated and purchased 74.6 percent of its total loans inside the bank's AAs during the evaluation period. This analysis is performed at the bank level, rather than the AA level.

| Lending Inside and Outside of the Assessment Area |                 |      |         |      |            |                                 |      |         |      |                   |
|---|-----------------|------|---------|------|------------|---------------------------------|------|---------|------|-------------------|
| Loan Category                                     | Number of Loans |      |         |      | Total<br># | Dollar Amount of Loans \$(000s) |      |         |      | Total<br>\$(000s) |
|   | Inside          |      | Outside |      |            | Inside                          |      | Outside |      |                   |
|   | #               | %    | #       | %    |            | \$                              | %    | \$      | %    |                   |
| Home Mortgage                                     | 845             | 78.5 | 231     | 21.5 | 1,076      | 216,125                         | 75.5 | 70,108  | 24.5 | 286,233           |
| Small Business                                    | 1,531           | 72.6 | 577     | 27.4 | 2,108      | 183,305                         | 61.0 | 116,972 | 39.0 | 300,277           |
| Total   | 2,376           | 74.6 | 808     | 25.4 | 3,184      | 399,430                         | 68.1 | 187,080 | 31.9 | 586,510           |

## Description of Institution

Citizens National Bank of Texas (CNBT or bank) is an intrastate full-service community bank headquartered in Waxahachie, Texas, located 30 miles south of downtown Dallas. CNBT was established in 1868 and received a national bank charter in 1884. The bank is wholly owned by First Citizens Bancshares, Inc., a single bank holding company, the primary mission of which is the ownership of CNBT.

As of December 31, 2020, the bank had total assets of \$1.6 billion, total deposits of \$1.4 billion, and tier 1 capital of \$137.0 million. Total loans were \$1.1 billion representing 72.1 percent of total assets. The loan portfolio consisted of commercial real estate loans of \$741.6 million or 65.0 percent of total loans, commercial and industrial loans of \$212.7 million or 18.6 percent of total loans, one- to four-family residential loans \$177.8 million or 15.6 percent of total loans, and consumer loans of \$8.5 million or 0.7 percent of total loans.

The bank's business strategy is to focus on originating loans for commercial, industrial, professional, and executive relationships with consumer services being an accommodation to these same customers. With this strategy, the bank has grown from total assets of \$1.1 billion as of December 31, 2018 to \$1.6 billion as of December 31, 2020.

The bank operates ten full-service offices and one limited service office across two AAs in the state of Texas with each office having an onsite automated teller machine (ATM). In addition, the bank has six free standing ATMs with two in Waxahachie, one in Midlothian, one in Italy, one in Stephenville, and one in Cleburne. In the "Description of Institution's Operations in Texas" below is a detailed description of the two AAs. During our evaluation period, the bank opened two full-service offices and closed three offices. On April 2, 2018, the bank opened the Bates Building branch in Waxahachie; and on July 15, 2018, the bank opened the first office in Cleburne, Texas. The bank closed offices in Midlothian, Italy, and Waxahachie.

The main office and the branches either have employees who speak Spanish or can readily access employees at the bank's call center, which is open seven days a week. Telephone banking and ATM services are available in English and Spanish.

The bank offers a standard range of retail deposit services including checking accounts and services, money market and savings accounts, certificate of deposits, and IRA, including an option for free checking as well as deposit accounts that require a minimum monthly maintenance fee. CNBT offers no-cost 24/7 online and mobile banking and free online bill pay. For a nominal monthly fee, CNBT notifies customers via text or email of account activity from the previous business day along with instant purchase alerts. Customers of Nash Forrester Water Supply company can make payments at any CNBT

location. CNBT has partnered with Fraud Prevention Services to provide Fraud Watch. In cases where transactions appear fraudulent or “out of the ordinary”, customers may be contacted by Fraud Watch on behalf of CNBT. The Bank also offers Travel Watch, a service provided by CNBT for all customers of the Bank, notifying a customer of potentially fraudulent activity transacted out of the area.

CNBT offers an array of services to its business customers including checking and savings accounts, remote deposit capture, and an instant alert for checking accounts and debit cards. CNBT also offers wire alerts to business customers and BancCard Services, a merchant card service for large or small businesses.

There were no legal or financial factors impeding the bank’s ability to help meet credit needs in its AAs during the evaluation period. CNBT’s CRA evaluation was rated “Satisfactory” in the last public evaluation dated February 26, 2018.

## **Scope of the Evaluation**

### **Evaluation Period/Products Evaluated**

This performance evaluation assesses the bank’s CRA performance under the intermediate small bank procedures, which includes a lending test and a CD test. The lending test evaluates the bank’s record of meeting the credit of its AAs through its primary lending activities in home mortgage and small loans to businesses. The CD test evaluates the bank’s responsiveness to CD needs in its AAs through CD lending, qualified investments, and services.

The OCC based its conclusions regarding the institution’s lending performance on samples of small business loans and residential mortgage loans subject to filing under the Home Mortgage Disclosure Act during the evaluation period of January 1, 2018 through December 31, 2020. Conclusions regarding the CD test are based on the institution’s CD activities from January 1, 2018 through December 31, 2020.

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

In each state where the bank has an office, one or more of AAs within that state were selected for a full-scope review. For purposes of this evaluation, bank delineated assessment areas located within the same metropolitan statistical area (MSA), multistate metropolitan statistical area (MMSA), or combined statistical area (CSA) are combined and evaluated as a single AA. Similarly, bank delineated non-MSA AAs within the same state are combined and evaluated as a single area. These combined AAs may be evaluated as full- or limited-scope. Refer to the “Scope” section under each State Rating for details regarding how full-scope AAs were selected. Refer to appendix A, Scope of Examination, for a list of full- and limited-scope AAs.

### **Ratings**

CNBT has only one rating area, which is the state of Texas. The institution’s overall rating is based on full-scope reviews of both AAs within the state. The institution’s strategy focuses on commercial lending. Therefore, performance in commercial lending is weighted more heavily in the lending test than performance in home mortgage lending.

The state rating is based on performance in all bank AAs. Refer to the “Scope” section for details regarding how the areas were weighted in arriving at the respective ratings.

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

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

The OCC has not identified that this institution (or any affiliate whose loans have been considered as part of the institution’s lending performance) has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

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

## State Rating

### State of Texas

**CRA rating for the state of Texas<sup>1</sup>:** Satisfactory

**The Lending Test is rated:** Satisfactory

**The Community Development Test is rated:** Satisfactory

The major factors that support this rating include:

- The LTD ratio is more than reasonable.
- The geographic distribution of loans reflects excellent distribution throughout the AA.
- The distribution of loans to individuals of different incomes and businesses of different sizes reflects reasonable distribution.
- CD activities, including lending, investments, and services reflect adequate responsiveness to the needs of the communities within the institution's AAs.

### Description of Institution's Operations in Texas

CNBT has two AAs within the state of Texas. The information provided in the "Description of the Institution" section of this performance evaluation describes the institution's operations in Texas. The DFW AA is comprised of all of Ellis, Parker, and Johnson counties and partial counties of Dallas and Tarrant. The Non-MSA is comprised of Erath county. See appendix B for more information on the AAs.

CNBT has a total of 11 branches all in Texas with ten branches in the DFW AA and one branch in the Non-MSA.

The bank's primary business strategy is to focus on originating business loans, such as commercial and industrial loans and commercial real estate loans. In addition, CNBT has a single-family mortgage loan department that originates one- to four-family residential loans. The bank's competitors include other local community banks, savings and loans associations, and credit unions. Large regional and nationwide banks and nonbank financial institutions (mortgage companies) compete for small business and residential loans in the same markets as the bank.

Based on FDIC Deposit Market Share data as of June 30, 2020, CNBT had a 0.1 percent deposit market share in Texas and ranked 71st out of 498 financial institutions doing business in the state. Nationwide competitors include Charles Schwab Bank, SSB, JPMorgan Chase, Bank of America, National Association, USAA Federal Savings Bank, and Wells Fargo Bank, National Association which have a combined deposit market share of 61.9 percent.

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<sup>1</sup> This rating reflects performance within the state. The statewide evaluations do not reflect performance in the parts of those states contained within the MMSA.

The following tables depict the demographic information for the full-scope AAs in Texas.

## DFW AA

| Table A – Demographic Information of the Assessment Area   |         |               |                              |                  |                 |               |
|--|---------|---------------|------------------------------|------------------|-----------------|---------------|
| Assessment Area: DFW AA  |         |               |                              |                  |                 |               |
| Demographic Characteristics  | #       | Low<br>% of # | Moderate<br>% of #           | Middle<br>% of # | Upper<br>% of # | NA*<br>% of # |
| Geographies (Census Tracts)  | 127     | 5.5           | 18.9                         | 51.2             | 24.4            | 0.0           |
| Population by Geography  | 743,187 | 5.5           | 16.6                         | 51.9             | 26.0            | 0.0           |
| Housing Units by Geography   | 271,755 | 5.2           | 16.5                         | 52.5             | 25.8            | 0.0           |
| Owner-Occupied Units by Geography  | 182,071 | 3.1           | 14.0                         | 51.4             | 31.5            | 0.0           |
| Occupied Rental Units by Geography   | 69,507  | 10.5          | 22.0                         | 55.0             | 12.5            | 0.0           |
| Vacant Units by Geography  | 20,177  | 6.3           | 19.3                         | 53.9             | 20.6            | 0.0           |
| Businesses by Geography  | 60,002  | 5.3           | 12.5                         | 50.2             | 32.0            | 0.0           |
| Farms by Geography   | 1,944   | 2.6           | 10.0                         | 51.6             | 35.8            | 0.0           |
| Family Distribution by Income Level  | 191,429 | 21.6          | 18.0                         | 20.8             | 39.6            | 0.0           |
| Household Distribution by Income Level   | 251,578 | 22.3          | 17.0                         | 18.9             | 41.8            | 0.0           |
| Median Family Income MSA - 19124<br>Dallas-Plano-Irving, TX  |         | \$71,149      | Median Housing Value         |                  |                 | \$134,902     |
| Median Family Income MSA - 23104<br>Fort Worth-Arlington-Grapevine, TX   |         | \$69,339      | Median Gross Rent            |                  |                 | \$980         |
|  |         |               | Families Below Poverty Level |                  |                 | 10.0%         |
| <i>Source: 2015 ACS and 2020 D&amp;B Data</i><br><i>Due to rounding, totals may not equal 100.0%</i><br><i>(*) The NA category consists of geographies that have not been assigned an income classification.</i> |         |               |                              |                  |                 |               |

The bank's DFW AA is comprised of five counties which includes the partial counties of Dallas and Tarrant and the entire counties of Ellis, Johnson, and Parker. The AA meets the requirement of the regulation and does not arbitrarily exclude LMI census tracts (CTs). According to the 2010 U.S. Census data, the AA consists of 127 CTs of which seven are low-income and 24 are moderate-income.

The DFW AA represents 98.2 percent of the bank's total deposits. CNBT's deposits in the DFW AA ranked 23rd out of 144 FDIC insured financial institutions in the DFW AA. The primary competitors include Bank of America, National Association with 96 branches and a market share of 34.9 percent, JPMorgan Chase Bank, National Association with 146 branches and a market share of 21.8 percent, Texas Capital Bank, National Association with six branches and a market share of 7.5 percent, Wells Fargo Bank, National Association with 118 branches and a market share of 5.5 percent, and BBVA USA with 70 branches and a market share of 3.4 percent.

During the evaluation period, the bank made 88.4 percent of its total loans by number of loans in this AA compared to total bank loans. By dollar volume, the bank made 85.0 percent of its loans in this AA.



### ***Employment Factors***

According to the U.S. Bureau of Labor and Statistics, as of December 2020, the unemployment rate in the DFW AA was 6.3 percent, which was up significantly from 3.3 percent in December 2019. According to the U.S. Bureau of Labor and Statistics, as of December 2020, the unemployment rate in the state of Texas was 6.9 percent, which is a significant increase from 3.5 percent in December 2019. The national unemployment as of December 2020 was 6.7 percent and for December 2019 was 3.6 percent. The COVID-19 pandemic has had a significant negative effect on the area's employment due to several restaurants and retail establishments being closed in this time period.

According to Moody's Analytics, the Dallas AA's strengths are a stable demand for professional services because of the many corporate headquarters, well-positioned geographically for distribution centers for Southwest and international trade, and favorable migration trends and age structure. Weaknesses are the exposure to volatile high tech, which is sensitive to the business cycle, and diminished housing affordability as metro area matures. The area's large concentration of company headquarters and regional offices assist in maintaining the areas economy through various business cycles. In October 2019, Charles Schwab announced plans to move to the DFW area from San Francisco and had already moved 2,500 employees to the area. The DFW area prevailed because of its central location, business-friendly environment, well-educated labor force, and lower costs of living and doing business. Home building is very strong in the area, and the Dallas-Fort Worth Airport provides a significant number of flights throughout the U.S.

Top employers in the DFW AA were Walmart Inc. with approximately 34,000 employees, American Airlines with approximately 33,000 employees, Baylor Scott & White Health with approximately 24,088 employees, Lockheed Martin with approximately 20,500 employees, and UT Southwestern Medical Center with approximately 18,666 employees.

### ***Community Contacts***

Community credit needs in the DFW AA were determined by reviewing recent housing and demographic information, CRA PEs from other banks operating in the bank's AA, and discussions with two community contacts that provide services to the DFW AA.

One community contact included a representative from a local government. The representative noted the area's economy is very strong with several companies moving to the area in recent years. No credit needs were identified.

Another community contact included a representative from a local community development company that is part of the county government. The development company promotes housing development within the county and works on issues such as homelessness, infrastructure, and affordable housing. The representative noted many homeowners and renters took advantage of the CARES Act regarding foreclosure forbearance for homeowners and rent forbearance for renters. The contact further noted homeowners and renters did not understand that it was not a waiver of house payments or rent but a postponement. The area has a need for financial education and education on home ownership and home financing programs.

**Non-MSA AA**

| <b>Table A – Demographic Information of the Assessment Area</b>  |          |                       |                              |                          |                         |                       |
|--|----------|-----------------------|------------------------------|--------------------------|-------------------------|-----------------------|
| <b>Assessment Area: Non-MSA 2020</b>   |          |                       |                              |                          |                         |                       |
| <b>Demographic Characteristics</b>   | <b>#</b> | <b>Low<br/>% of #</b> | <b>Moderate<br/>% of #</b>   | <b>Middle<br/>% of #</b> | <b>Upper<br/>% of #</b> | <b>NA*<br/>% of #</b> |
| Geographies (Census Tracts)  | 8        | 0.0                   | 0.0                          | 75.0                     | 25.0                    | 0.0                   |
| Population by Geography  | 40,039   | 0.0                   | 0.0                          | 84.2                     | 15.8                    | 0.0                   |
| Housing Units by Geography   | 17,251   | 0.0                   | 0.0                          | 81.3                     | 18.7                    | 0.0                   |
| Owner-Occupied Units by Geography  | 8,718    | 0.0                   | 0.0                          | 76.2                     | 23.8                    | 0.0                   |
| Occupied Rental Units by Geography   | 5,854    | 0.0                   | 0.0                          | 91.6                     | 8.4                     | 0.0                   |
| Vacant Units by Geography  | 2,679    | 0.0                   | 0.0                          | 75.4                     | 24.6                    | 0.0                   |
| Businesses by Geography  | 3,227    | 0.0                   | 0.0                          | 83.7                     | 16.3                    | 0.0                   |
| Farms by Geography   | 315      | 0.0                   | 0.0                          | 71.7                     | 28.3                    | 0.0                   |
| Family Distribution by Income Level  | 8,886    | 20.8                  | 14.6                         | 21.1                     | 43.5                    | 0.0                   |
| Household Distribution by Income Level   | 14,572   | 27.9                  | 15.2                         | 17.2                     | 39.7                    | 0.0                   |
| Median Family Income Non-MSAs - TX   |          | \$52,198              | Median Housing Value         |                          |                         | \$132,191             |
|  |          |                       | Median Gross Rent            |                          |                         | \$675                 |
|  |          |                       | Families Below Poverty Level |                          |                         | 13.9%                 |
| <i>Source: 2015 ACS and 2020 D&amp;B Data</i>  |          |                       |                              |                          |                         |                       |
| <i>Due to rounding, totals may not equal 100.0%</i>  |          |                       |                              |                          |                         |                       |
| <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i> |          |                       |                              |                          |                         |                       |

The bank's Non-MSA is comprised of a single county, Erath County, Texas. The AA meets the requirement of the regulation and does not arbitrarily exclude LMI CTs. According to the 2010 U.S. Census data, the AA consists of eight CTs of which there are no LMI CTs.

The Non-MSA accounts for 1.8 percent of the bank's total deposits. CNBT's deposits in the Non-MSA ranked 7<sup>th</sup> out of nine FDIC insured financial institutions in the Non-MSA. The primary competitors include First Financial Bank, National Association with two branches and a market share of 40.3 percent, Interbank with three branches and a market share of 21.7 percent, Texas Bank with three branches and a market share of 20.5 percent, First National Bank of Dublin with one branch and market share of 6.2 percent, and Bank of Houston, National Association with one branch and a market share of 3.4 percent.

During the evaluation period, the bank made 11.6 percent of its total loans by number of loans in this AA compared to total bank loans. By dollar volume, the bank made 15.0 percent of its loans in this AA.

***Employment Factors***

According to the U.S. Bureau of Labor and Statistics, as of December 2020, the unemployment rate in the state of Texas and for the Non-MSA was 7.2 percent, which is a significant increase from 3.5 percent in December 2019. The national unemployment as of December 2020 was 6.7 percent and for

December 2019 was 3.6 percent. The COVID-19 Pandemic has had a significant negative effect on the area's employment due to several restaurants and retail establishments being closed in this time period.

According to Moody's Analytics, the state of Texas and the Non-MSA strengths are the above average population growth that supports consumer-driven industries and the state's central location within the US that has a well-developed infrastructure that fosters trade. Weaknesses are the state's proximity to Mexico, which exposes Texas to that country's economic problems and volatile energy industry.

### ***Community Contacts***

Community credit needs in the Non-MSA were determined by reviewing recent housing and demographic information, CRA PEs from other banks operating in the bank's AA, and a recent discussion with community contact that provides services to the Non-MSA.

The contact characterized the local economic conditions as growing until the recent pandemic. The contact thought that financial institutions have been responsive to the credit and community development needs of the area. The contact indicated the local institutions continue to be very responsive to the community throughout the pandemic by expanding their lending programs and meeting credit needs. The primary CD needs of the area include activities that encourage revitalization and stabilization and economic development. Also, given the history of distressed census tracts due to poverty in the AA, activities that benefit CD services represent a continued need.

### **Scope of Evaluation in Texas**

The evaluation period for the Lending Test and CD activity is January 1, 2018 through December 31, 2020. Additionally, when evaluating the bank's performance under the Lending Test, we placed greater weight on the bank's distribution of small business loans than the distribution of home mortgage loans. For most rating areas, small business loans represent the bank's primary loan product and business focus. Generally, equal emphasis is given to the geographic distribution of loans and lending by borrower income level. The DFW AA represented 88.4 percent by number of loans and 85.0 percent by dollar amount of the bank's lending over the evaluation period. Therefore, we placed greater weight on the bank's performance in the DFW AA in our review of lending and CD performance.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN TEXAS**

### **LENDING TEST**

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

### **Conclusions for Areas Receiving Full-Scope Reviews**

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

### **Distribution of Loans by Income Level of the Geography**

The bank exhibits an excellent geographic distribution of loans in the state.

### ***Home Mortgage Loans***

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

#### *DFW AA*

The geographic distribution of home mortgage loans in the AA was excellent. The bank's proportion of loans in low-income CTs exceeds the percentage of owner-occupied housing units in low-income CTs. The bank's proportion of loans in moderate-income CTs is near to the percentage of owner-occupied housing units in moderate-income CTs. The bank's proportion of loans exceeds the aggregate distribution in LMI CTs.

#### *Non-MSA AA*

The Non-MSA has no LMI CTs; therefore, this area was not rated.

### ***Small Loans to Businesses***

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

#### *DFW AA*

During the 2018 to 2020 evaluation period, the distribution of small loans to businesses in LMI CTs was excellent. The proportion of the bank's loans in low-income CTs exceeds the percentage of businesses in low-income CTs. The proportion of the bank's loans in moderate-income CTs is near to the percentage of businesses in moderate-income CTs. The proportion of the bank's loans to businesses in LMI CTs exceeded the aggregate distribution of loans in LMI CTs.

#### *Non-MSA AA*

The non-MSA has no LMI CTs; therefore, this area was not rated.

### ***Lending Gap Analysis***

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

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

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

***Home Mortgage Loans***

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

*DFW AA*

The distribution of the bank’s home mortgage lending in 2018 to 2020 was adequate. The proportion of the bank’s loans was well below the percentage of LMI families. The proportion of loans was below the aggregate distribution of loans to low-income families and well below the aggregate distribution to moderate-income families.

*Non-MSA AA*

The distribution of the bank’s home mortgage lending in 2018 to 2020 was poor. The proportion of the bank’s loans was well below the percentage of LMI families. The proportion of loans was below the aggregate distribution of loans to LMI families.

***Small Loans to Businesses***

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

*DFW AA*

During the 2018 to 2020 evaluation period, the distribution of the bank’s small loans to businesses by revenue was adequate. The bank’s loans to businesses with revenues less than or equal to \$1.0 million is well below the percentage of businesses identified as having revenues less than or equal to \$1.0 million in the AA, and is below the aggregate lending for these businesses. CNBT has a significant amount of competition in this market area with many of these banks being large banks and regional banks.

*Non-MSA AA*

During the 2018 to 2020 evaluation period, the distribution of the bank’s small loans to businesses by revenue was adequate. With nine financial institutions being based in the AA, CNBT faces a significant amount of competition. The bank’s loans to businesses with revenues less than or equal to \$1.0 million is well below the percentage of businesses identified as having revenues less than or equal to \$1.0 million in the AA and is near to the aggregate lending for these businesses.

**Responses to Complaints**

The bank did not receive any CRA-related complaints during the performance evaluation period.

**COMMUNITY DEVELOPMENT TEST**

The bank’s performance under the CD Test in the state of Texas is rated Satisfactory.

## Conclusions for Areas Receiving a Full-Scope Reviews

Based on full-scope reviews, the bank exhibits an adequate responsiveness to CD needs in the state through CD loans, qualified investments, and CD services, as appropriate, considering the bank's capacity and the need and availability of such opportunities for CD in the bank's AAs.

### Number and Amount of Community Development Loans

The CD Loans Table, shown below, sets forth the information and data used to evaluate the bank's level of CD lending. The table includes all CD loans, including multifamily loans that also qualify as CD loans.

| Community Development Loans |       |              |           |               |
|-----------------------------|-------|--------------|-----------|---------------|
| Assessment Area             | Total |              |           |               |
|                             | #     | % of Total # | \$(000's) | % of Total \$ |
| DFW AA                      | 42    | 93.3%        | 12,136    | 92.2%         |
| Broader-Statewide           | 3     | 6.7%         | 1,032     | 7.8%          |

The level of qualified CD loans indicates adequate responsiveness to the needs of the community. The bank originated 45 loans totaling \$13.2 million, or 9.6 percent of tier 1 capital, as of December 31, 2020.

#### DFW AA

The bank's CD lending in the DFW AA demonstrates adequate responsiveness to the needs of the community. During the evaluation period, the bank originated 42 CD loans totaling \$12.2 million, representing 8.9 percent of tier 1 capital. The loans helped with rehabilitation of housing, creation of affordable housing, economic development, job creation, and community services for LMI individuals.

#### Non-MSA AA

The bank did not originate any CD loans in the non-MSA.

#### Broader Statewide Area

The bank's CD lending in the broader statewide area demonstrates an adequate responsiveness to the needs of the community. During the evaluation period, the bank originated three CD loans totaling \$1 million, representing 0.7 percent of tier 1 capital. The loans helped with job creation and retention for LMI individuals as well as community services. One loan in particular created transitional housing for individuals as they transition from incarceration and back into society.

## Number and Amount of Qualified Investments

| Qualified Investments            |               |           |                |           |       |              |           |               |                        |           |
|----------------------------------|---------------|-----------|----------------|-----------|-------|--------------|-----------|---------------|------------------------|-----------|
| Assessment Area                  | Prior Period* |           | Current Period |           | Total |              |           |               | Unfunded Commitments** |           |
|                                  | #             | \$(000's) | #              | \$(000's) | #     | % of Total # | \$(000's) | % of Total \$ | #                      | \$(000's) |
| DFW AA                           | 0             | 0         | 171            | 187       | 171   | 81.8         | 187       | 3.3           | 0                      | 0         |
| Non-MSA AA                       | 0             | 0         | 33             | 36        | 33    | 15.8         | 36        | 0.6           | 0                      | 0         |
| Statewide with P/M/F to serve AA | 5             | 5,516     | 0              | 0         | 5     | 2.4          | 5,516     | 96.1          | 0                      | 0         |

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

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

The Qualified Investment Table, shown above, set forth the information and data used to evaluate the bank's level of qualified CD investments. These tables include all CD investment, including prior period investments that remain outstanding as of the examination date.

The level of qualified investments and donations in the AA demonstrates adequate responsiveness to the needs of the community. CD investments totaled \$5.7 million and include 204 donations totaling \$222,770. The CD investments represented 4.4 percent of Tier 1 capital as of December 31, 2020.

### DFW AA

CNBT's performance in the DFW AA is adequate. During the performance evaluation period, qualified investments totaled \$186,290. CNBT made 161 donations to local organizations providing services to LMI individuals. Donations were used to assist with medical needs, fund literacy initiatives, and provide meal assistance to LMI individuals and economically disadvantaged youth/students.

### Non-MSA AA

CNBT's performance in the non-MSA is adequate. The bank made 33 donations to local organizations providing services to LMI individuals totaling \$35,850. Donations were used to assist with medical needs, fund literacy initiatives, and provide meal assistance to LMI individuals and economically disadvantaged students.

### Broader Statewide Area

In addition to the qualified donations that benefit the bank's AAs, CNBT made investment in five qualified investments in Small Business Investment Company (SBIC) funds for \$5.5 million which benefitted the AAs and the broader statewide area. Three of the SBIC investments for \$3.9 million had investments in the bank's DFW AA while the other two investments were on a broader statewide basis for \$1.6 million. Investments in SBIC funds that are licensed by the SBA. These investments are intended to create or retain permanent jobs for lower wage workers and economic development in the community. We gave positive consideration to these qualified investments as the bank met the ISB CD needs in its defined AAs.

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

## **Extent to Which the Bank Provides Community Development Services**

The bank provides an adequate level of CD services.

### DFW AA

CNBT provides an adequate level of CD services in the DFW AA. CD services were effective and responsive in helping the bank address community needs. The bank conducted or supported an adequate level of CD services, consistent with its capacity and expertise to conduct specific services.

CNBT employees from various lines of business provided technical assistance to 27 different CD organizations totaling 2,261.5 hours during the evaluation period. Bank employees served on boards and committees for organizations that promote affordable housing, community services targeted to LMI individuals and families, and economic development.

Examples of these services:

- An employee served as the chairperson of the Midlothian Economic Development Board of Directors and the Investment Committee.
- An employee served as treasurer for the United Way of West Ellis County in 2019 and 2020.
- One employee of the bank serves on the Board of Directors and is President of the CASA of Ellis County, Inc., and another employee uses her financial expertise to raise funds and assist the organization.

### Non-MSA AA

The bank's CD services performance in the non-MSA is very poor. During the evaluation period, no CD service hours were reported.



## Appendix A: Scope of Examination

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

|   |  |   |
|---|--|---|
| <b>Time Period Reviewed:</b>                            | 01/01/2018 to 12/31/2020   |   |
| <b>Bank Products Reviewed:</b>                          | Home mortgage and small business<br>Community development loans, qualified investments, community development services |   |
| <b>Affiliate(s)</b>                                     | <b>Affiliate Relationship</b>  | <b>Products Reviewed</b>                                  |
| None  |  |   |
| <b>List of Assessment Areas and Type of Examination</b> |  |   |
| <b>Rating and Assessment Areas</b>                      | <b>Type of Exam</b>  | <b>Other Information</b>                                  |
| <b>State of Texas</b>                                   |  |   |
| DFW AA  | Full Scope   | Counties of Dallas*, Ellis, Johnson, Parker, and Tarrant* |
| Non-MSA AA  | Full Scope   | Erath County  |
|   |  |   |

\*- Partial Counties

## Appendix B: Summary of MMSA and State Ratings

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| RATINGS      Citizens National Bank of Texas |                      |                |                                      |
|--|----------------------|----------------|--------------------------------------|
| Overall Bank:                                | Lending Test Rating* | CD Test Rating | Overall Bank/State/Multistate Rating |
| Citizens National Bank of Texas              | Satisfactory         | Satisfactory   | Satisfactory                         |
| State:                                       |                      |                |                                      |
| State of Texas                               | Satisfactory         | Satisfactory   | Satisfactory                         |

(\*) The Lending Test and Community Development Test carry equal weight in the overall rating.

## Appendix C: Definitions and Common Abbreviations

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## Appendix D: Tables of Performance Data

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### Content of Standardized Tables

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

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

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

- Table S. Assessment Area Distribution of Loans to Farms by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents aggregate peer data for the years the data is available. Because aggregate small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table T. Assessment Area Distribution of Loans to Farms by Gross Annual Revenues** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$500 thousand) originated and purchased by the bank to farms with revenues of \$1 million or less to: 1) the percentage distribution of farms with revenues of greater than \$1 million; and, 2) the percentage distribution of farms for which revenues are not available. The table also presents aggregate peer small farm data for the years the data is available.
- Table U. Assessment Area Distribution of Consumer Loans by Income Category of the Geography** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households in those geographies.
- Table V. Assessment Area Distribution of Consumer Loans by Income Category of the Borrower** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of households by income level in each MMSA/assessment area.



| <b>Table O : Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography</b> |                           |                |              |                |                                   |              |            |                                   |              |             |                                   |              |             |                                   |              |             |                                   |              |            | <b>2018-20</b> |  |
|--|---------------------------|----------------|--------------|----------------|-----------------------------------|--------------|------------|-----------------------------------|--------------|-------------|-----------------------------------|--------------|-------------|-----------------------------------|--------------|-------------|-----------------------------------|--------------|------------|----------------|--|
| Assessment Area:   | Total Home Mortgage Loans |                |              |                | Low-Income Tracts                 |              |            | Moderate-Income Tracts            |              |             | Middle-Income Tracts              |              |             | Upper-Income Tracts               |              |             | Not Available-Income Tracts       |              |            |                |  |
|  | #                         | \$             | % of Total   | Overall Market | % of Owner-Occupied Housing Units | % Bank Loans | Aggregate  | % of Owner-Occupied Housing Units | % Bank Loans | Aggregate   | % of Owner-Occupied Housing Units | % Bank Loans | Aggregate   | % of Owner-Occupied Housing Units | % Bank Loans | Aggregate   | % of Owner-Occupied Housing Units | % Bank Loans | Aggregate  |                |  |
| DFW AA   | 704                       | 170,880        | 83.3         | 35,935         | 3.1                               | 4.0          | 2.6        | 14.0                              | 12.8         | 10.4        | 51.4                              | 51.3         | 51.2        | 31.5                              | 32.0         | 35.8        | 0.0                               | 0.0          | 0.0        |                |  |
| Non-MSA AA   | 141                       | 45,245         | 16.7         | 929            | 0.0                               | 0.0          | 0.0        | 0.0                               | 0.0          | 0.0         | 76.2                              | 75.9         | 73.2        | 23.8                              | 24.1         | 26.8        | 0.0                               | 0.0          | 0.0        |                |  |
| <b>Total</b>   | <b>845</b>                | <b>216,125</b> | <b>100.0</b> | <b>36,864</b>  | <b>3.0</b>                        | <b>3.3</b>   | <b>2.5</b> | <b>13.4</b>                       | <b>10.7</b>  | <b>10.1</b> | <b>52.5</b>                       | <b>55.4</b>  | <b>51.8</b> | <b>31.1</b>                       | <b>30.7</b>  | <b>35.6</b> | <b>0.0</b>                        | <b>0.0</b>   | <b>0.0</b> |                |  |

Source: 2015 ACS Census; 10/01/2018 - 12/31/2020 Bank Data, 2019 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%

| <b>Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower</b> |                           |                |              |                |                      |              |            |                           |              |             |                         |              |             |                        |              |             |                                |              |             | <b>2018-20</b> |  |
|--|---------------------------|----------------|--------------|----------------|----------------------|--------------|------------|---------------------------|--------------|-------------|-------------------------|--------------|-------------|------------------------|--------------|-------------|--------------------------------|--------------|-------------|----------------|--|
| Assessment Area:   | Total Home Mortgage Loans |                |              |                | Low-Income Borrowers |              |            | Moderate-Income Borrowers |              |             | Middle-Income Borrowers |              |             | Upper-Income Borrowers |              |             | Not Available-Income Borrowers |              |             |                |  |
|  | #                         | \$             | % of Total   | Overall Market | % Families           | % Bank Loans | Aggregate  | % Families                | % Bank Loans | Aggregate   | % Families              | % Bank Loans | Aggregate   | % Families             | % Bank Loans | Aggregate   | % Families                     | % Bank Loans | Aggregate   |                |  |
| DFW AA   | 704                       | 170,880        | 83.3         | 35,935         | 21.6                 | 2.7          | 4.0        | 18.0                      | 8.0          | 17.2        | 20.8                    | 12.6         | 23.3        | 39.6                   | 41.1         | 34.8        | 0.0                            | 35.7         | 20.7        |                |  |
| Non-MSA AA   | 141                       | 45,245         | 42.3         | 929            | 20.8                 | 0.7          | 2.4        | 14.6                      | 4.3          | 11.1        | 21.1                    | 14.9         | 15.9        | 43.5                   | 60.3         | 53.0        | 0.0                            | 19.9         | 17.7        |                |  |
| <b>Total</b>   | <b>845</b>                | <b>216,125</b> | <b>100.0</b> | <b>36,864</b>  | <b>21.6</b>          | <b>2.4</b>   | <b>3.9</b> | <b>17.8</b>               | <b>7.3</b>   | <b>17.0</b> | <b>20.8</b>             | <b>13.0</b>  | <b>23.1</b> | <b>39.8</b>            | <b>44.3</b>  | <b>35.3</b> | <b>0.0</b>                     | <b>33.0</b>  | <b>20.6</b> |                |  |

Source: 2015 ACS Census; 10/01/2018 - 12/31/2020 Bank Data, 2019 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%

| <b>Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography</b> |                                 |                |              |                |                   |              |            |                        |              |             |                      |              |             |                     |              |             |                             |              | <b>2018-20</b> |  |
|---|---------------------------------|----------------|--------------|----------------|-------------------|--------------|------------|------------------------|--------------|-------------|----------------------|--------------|-------------|---------------------|--------------|-------------|-----------------------------|--------------|----------------|--|
| 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      |  |
| DFW AA  | 1,396                           | 168,464        | 91.2         | 16,486         | 5.3               | 11.4         | 5.2        | 12.5                   | 12.0         | 11.0        | 50.2                 | 52.1         | 49.7        | 32.0                | 24.4         | 34.2        | 0.0                         | 0.0          | 0.0            |  |
| Non-MSA AA  | 135                             | 14,841         | 8.8          | 893            | 0.0               | 0.0          | 0.0        | 0.0                    | 0.0          | 0.0         | 83.7                 | 83.7         | 79.4        | 16.3                | 16.3         | 20.6        | 0.0                         | 0.0          | 0.0            |  |
| <b>Total</b>  | <b>1,531</b>                    | <b>183,305</b> | <b>100.0</b> | <b>17,379</b>  | <b>5.0</b>        | <b>10.4</b>  | <b>4.9</b> | <b>11.9</b>            | <b>11.0</b>  | <b>10.4</b> | <b>51.9</b>          | <b>54.9</b>  | <b>51.2</b> | <b>31.2</b>         | <b>23.7</b>  | <b>33.5</b> | <b>0.0</b>                  | <b>0.0</b>   | <b>0.0</b>     |  |

Source: 2020 D&B Data; 10/01/2018 - 12/31/2020 Bank Data; 2019 CRA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%

| <b>Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues</b> |                                 |                |              |                |                                 |              |             |                                |              |  |              | <b>2018-20</b> |  |
|--|---------------------------------|----------------|--------------|----------------|---------------------------------|--------------|-------------|--------------------------------|--------------|--|--------------|----------------|--|
| 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 |                |  |
| DFW AA   | 1,396                           | 168,464        | 91.2         | 16,486         | 89.7                            | 18.2         | 45.5        | 2.8                            | 13.5         | 7.6                                    | 68.3         |                |  |
| Non-MSA AA   | 135                             | 14,841         | 8.8          | 893            | 86.8                            | 32.6         | 39.1        | 4.1                            | 15.6         | 9.1                                    | 51.9         |                |  |
| <b>Total</b>   | <b>1,531</b>                    | <b>183,305</b> | <b>100.0</b> | <b>17,379</b>  | <b>89.5</b>                     | <b>19.5</b>  | <b>45.2</b> | <b>2.8</b>                     | <b>13.7</b>  | <b>7.6</b>                             | <b>66.8</b>  |                |  |

Source: 2020 D&B Data; 10/01/2018 - 12/31/2020 Bank Data; 2019 CRA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%