



Office of the
Comptroller of the Currency
Washington, DC 20219

INTERMEDIATE SMALL BANK

PUBLIC DISCLOSURE

January 8, 2018

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Texas Citizens Bank, National Association
Charter Number 24640

4949 Fairmont Parkway, Pasadena, TX 77505

Office of the Comptroller of the Currency

1301 McKinney Street, Suite 1410, Houston, TX 77010-3031

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

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Overall CRA Rating: Satisfactory

The Lending Test is rated: Satisfactory.

The Community Development Test is rated: Satisfactory.

Texas Citizens Bank, National Association (TCB or bank) has a satisfactory record of meeting community credit needs based on the following:

- TCB has maintained a quarterly loan-to-deposit ratio that is more than reasonable compared to similarly sized peer banks.
- A majority of the bank's lending is inside its assessment area (AA) by number and dollar volume of loans originated or refinanced.
- Lending to businesses of different sizes reflects reasonable penetration of small businesses with gross annual revenues of \$1 million or less, compared to the AAs census characteristics.
- Geographic distribution of loans reflects excellent dispersion among different income levels and businesses of different sizes.
- The level of community development (CD) activities is satisfactory in relation to the bank's performance context, and reflects adequate responsiveness to AA needs.

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/AA.

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 AA(s) or outside the AA(s) provided the bank has adequately addressed the CD needs of its AA(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/AA.

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

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

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

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

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 MA. 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 MA, the institution will receive a rating for the multi-state MA.

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 noncumulative 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

Texas Citizens Bank is a single-state community bank with its main office located at 4949 Fairmont Parkway in Pasadena, TX. The bank is wholly owned by Texas Citizens Bancorp, a one-bank holding company, also located in Pasadena, Texas. The bank has one AA with six branch locations; five branches, including the main office, are located in Harris County and one branch is located in Fort Bend County. The last CRA evaluation was on May 5, 2014 and resulted in an overall satisfactory rating.

The bank is a full service institution and offers a variety of deposit products to business and personal customers. Deposit products include checking, savings, and money market products. The bank offers various business loans including, term loans, lines of credit, construction, equipment, real estate, and Small Business Administration loans. Personal loan products include residential mortgage, lines of credit, and automobile.

Banking hours and services are reasonable. Lobby hours are 9:00 a.m. to 4:00 p.m. Monday through Thursday and 9:00 a.m. until 6:00 p.m. on Friday. Motor bank hours are 7:30 a.m. to 6:00 p.m. One branch does not have a motor bank. Three of the branches have Saturday hours. The bank offers online banking, bill pay, and mobile banking to its personal customers and remote deposit to its business customers. There were no branch openings or closings during the evaluation period.

As of December 31, 2016, TCB reported total assets of \$396 million, net loans and leases of \$332 million and tier 1 capital of \$37 million. As of the same time period, by dollar volume, business loans represented 71.24 percent of gross loans and residential real estate loans represented 9.46 percent. By number, business loans represented 56.12 percent and residential real estate represented 10.71 percent of gross loans. Therefore, for this evaluation, we concluded business loans were the primary loan product.

Scope of the Evaluation

Evaluation Period/Products Evaluated

We completed a review of TCB's CRA performance under the Intermediate Small Bank (ISB) CRA procedures, which includes a lending test and CD test. The lending test evaluates the bank's record of meeting credit needs of its AA through lending activities. The CD test evaluates the bank's responsiveness to CD needs in its AA through qualified lending, investments and donations, and services.

The evaluation period for the lending test is January 1, 2015 through December 31, 2016 and the evaluation period for the CD test is May 6, 2014 through December 31, 2016. Conclusions regarding the bank's lending performance are based on business loans originated or refinanced during the evaluation period. As an ISB, the bank is not required to collect or report loan data for business loans and management has elected not to collect this information. Therefore, we based our analysis of business loans on a valid sample of 131 business loans totaling \$71 million. Since business loans represent 71.24 percent of gross loans by dollar volume as of December 31, 2016 and 56.12 percent by number, business loans will be the primary loan product used in the lending analysis.

Data Integrity

As an ISB the bank is not required to collect or report loan data for business loans. TCB has elected not to collect data. A data integrity review was performed in November 2016. We obtained a sample of 131 business loans which originated or renewed from January 1, 2015 to December 31, 2016 to collect loan amounts, CT data and business revenue information, to analyze the bank's lending in its AA. No affiliates exist other than the holding company; therefore, affiliated activities were not considered in this evaluation.

Selection of Areas for Full-Scope Review

TCB designated the Houston MSA as its AA and we performed a full-scope review of this MSA. Please refer to the table in appendix A for more information.

Ratings

The bank's overall rating is based primarily on performance and context information from the Houston MSA AA.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 C.F.R. §25.28(c) or §195.28(c), respectively, in determining a national bank's or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any 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 Consumer Financial Protection Bureau, 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.

Conclusions with Respect to Performance Tests

Lending test components indicate that TCB meets the standards for satisfactory performance. There were no discriminatory practices identified during the evaluation period.

LENDING TEST

Overall, performance under the lending test is satisfactory, given the bank's performance context. As previously mentioned, as of December 31 2016, business loans comprise 71.24 percent by dollar volume and 56.12 percent by number and will be the only loan product used in the lending analysis.

Loan-to-Deposit Ratio

TCB's loan-to-deposit (LTD) ratio is more than reasonable and exceeds the average for similarly sized and situated institutions (peer group). The bank's quarterly LTD ratio since the previous CRA evaluation averaged 94.74 percent, which exceeds the ratios of five similarly sized and situated banks located in Harris and Galveston Counties, ranging in total asset sizes of \$239 million to \$572 million. The peer group average LTD ratio was 71.48 percent, with a high average of 92.88 percent and a low average of 47.82 percent.

Lending in Assessment Area

A majority of TCB's lending activity occurred inside the AA by number and dollar volume of loans originated and refinanced. During the evaluation period, 65.65 percent by number and 52.95 percent by dollar volume of loans were originated or refinanced within the bank's AA. The following table details the bank's lending activities inside and outside the AA by number and by dollar volume:

Loan Type	Number of Loans					Dollars of Loans				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Business	86	65.65	45	34.35	131	37,553	52.95	33,373	47.05	70,926

Source: Data reported under loan sample

Lending to Businesses of Different Sizes

Overall, the level of lending to businesses of different sizes reflects reasonable penetration, given the performance context.

Table 2A - Borrower Distribution of Loans to Businesses in Texan Citizens AA				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Businesses	85.33	5.80	8.87	100%
% of Bank Loans in AA by #	48.84	45.35	5.81	100%
% of Bank Loans in AA by \$	34.78	64.17	1.06	100%

Source: Loan sample; Dunn and Bradstreet data.

Geographic Distribution of Loans

The geographic distribution of business loans reflects excellent dispersion of loans to borrowers of different income levels within the CTs in TCB's AA. Dispersion of loans in low- and moderate-income (LMI) CTs is excellent. The following table details the bank's performance as compared to the percentage of businesses in each CT income level.

Table 3A - Geographic Distribution of Loans to Businesses in Texas Citizens AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses	% of Number of Loans						
Business	7.92	9.30	19.22	27.91	18.30	15.12	54.47	47.67

Source: Loan sample; Dunn and Bradstreet data.

Responses to Complaints

During the evaluation period, the bank did not receive any complaints or public comments regarding CRA performance.

COMMUNITY DEVELOPMENT TEST

TCB demonstrated satisfactory performance under the CD test. The bank provided 13 qualified CD loans totaling \$22 million and 39 investments and donations totaling \$821,000. TCB officers and employees also provided 24 qualifying financial services to four organizations. CD activities are described below.

Number and Amount of Community Development Loans

TCB demonstrated excellent responsiveness to CD needs through lending activities within the AA. During the review period, TCB originated or renewed 12 qualified CD loans totaling \$22 million. Of the total qualified loans, two loans totaling \$6 million promoted affordable housing for LMI individuals, eight loans totaling \$11 million supported economic development through job creation and job retention, and three loans totaling \$5 million promoted community services.

Number and Amount of Qualified Investments

During the evaluation period, TCB demonstrated adequate responsiveness to CD needs through 39 qualified investment and donation activities within the AA. Investments and donations totaled \$821,000 which included two renewals of one prior period certificate of deposit totaling \$452,000, a \$1 million commitment to a Small Business Investment Corporation (SBIC) in which \$275,000 was funded during the review period, and 36 donations totaling \$94,000 to 11 organizations.

TCB made donations to organizations that provide community services to LMI individuals. Highlights of the donations to community service organizations include: organizations that have incentive programs to school districts where over 50 percent of the students are economically disadvantaged, an organization that provides financial services to LMI individuals for rental assistance, utility bills, and clothing, and an organization that provides a food pantry, emergency response and financial assistance to senior citizen services.

Extent to Which the Bank Provides Community Development Services

TCB demonstrated adequate responsiveness to CD needs through qualified service activities within its AA. During the evaluation period, 10 bank employees provided 24 services to four organizations within the AA. Services include two bank employees serving as a board or committee member to four community service organizations where the bank employee provided banking and business expertise. Other bank employees assisted with accounting during a fundraiser for an organization that provides breast cancer screenings to LMI individuals.

Responsiveness to Community Development Needs

During the evaluation period, the District Community Affairs Officer for the OCC made contact with local community organizations in the Houston-Woodlands-Sugar Land, TX MSA. The representatives of the organizations identified key community needs that banks in the AA could support. The needs include access to affordable housing for LMI individuals, mortgage financing programs, financial literacy education, and small business support with technical and funding assistance. During the review period, management made affordable housing loans that benefit LMI individuals and participated on a committee of an economic partnership that benefits small businesses.

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): (01/01/15 to 12/31/16)	
	Investment and Service Tests and CD Loans: (05/06/14 to 12/31/16)	
Financial Institution	Products Reviewed	
Texas Citizens Bank, NA Pasadena, TX	Business Loans	
Affiliate(s)	Affiliate Relationship	Products Reviewed
None		
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Houston-Woodlands-Sugar Land MSA	Full-Scope	

Appendix B: Community Profiles for Full-Scope Areas

Houston-Woodlands-Sugar Land MSA

Demographic Information for Full-Scope Area: (Name of Multistate Metropolitan Area)						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	525	15.62	29.14	19.62	34.29	1.33
Population by Geography	2,797,572	10.34	28.38	21.53	39.14	.60
Owner-Occupied Housing by Geography	558,934	3.58	23.09	22.64	50.69	0.00
Businesses by Geography	233,118	7.92	19.22	18.30	54.47	0.09
Farms by Geography	3,169	4.23	16.76	23.45	55.54	0.03
Family Distribution by Income Level	650,594	9.36	27.60	21.54	41.50	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	954,164	24.54	16.32	16.26	42.88	0.00
2016 FFIEC Median Family Income	= \$68,000	Median Housing Value		= \$176,432		
HUD Adjusted Median Family Income for 2016	= \$69,200	Unemployment Rate		= 4.61%		
Households Below the Poverty Level	= 13.37%					

(*) The NA category consists of geographies that have not been assigned an income classification.
 Source: 2016 U.S. Census, 2016 FFIEC Est. MSA MFI and 2016 HUD updated MFI.

TCB has one AA that includes CTs in four contiguous counties in the Houston-Woodlands-Sugar Land MSA. The AA is comprised of 525 CTs in the four counties. It includes 14 of 50 CTs in Brazoria County, all 76 CTs in Fort Bend County, 20 of 66 CTs in Galveston County and 415 of 786 CTs in Harris County. In the AA, 82 CTs (15.62 percent) are designated as low-income, 153 moderate-income CTs (29.14 percent), 103 middle-income CTs (19.62 percent), 180 upper-income CTs (34.29 percent), and four CTs (1.33 percent) have no income designation.

Brazoria County

Brazoria County is located in the Houston metropolitan area. According to the 2016 U.S. Census, the population of the county is 354,000, a growth of 13 percent since 2010. The county seat is Angleton and the largest city in the county is Pearland with a population of 114,000. Other cities in the county include Alvin, Lake Jackson, Clute, and Freeport. The bank designated 14 of 50 CTs as part of the AA. Of these CTs, four are middle-income (28.57 percent) and 10 are upper-income (71.43 percent). There are no LMI CTs designated in the AA.

Major employers in Brazoria County include The Dow Chemical Company, Alvin Independent School District (ISD), Pearland ISD, and the Texas Department of Criminal Justice, according to the Economic Development Alliance for Brazoria County. As of November 2017, the Bureau of Labor Statistics reported a 4.6 percent unemployment rate for the county. The 2016 U.S. Census reports the median household income as \$72,000 and the median value of housing units was \$157,000 with a 71 percent owner-occupied housing rate. It is also reported that 10 percent of people in the county live in poverty.

There is strong banking competition in Brazoria County. As of June 30, 2017, the Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report listed 26 financial institutions operating 77 branches in the Brazoria County market. TCB has no branch locations in Brazoria County. The largest competitors in the county include Wells Fargo Bank, N.A., JP Morgan Chase Bank, N.A., Bank of America, N.A., Compass Bank, Pearland State Bank, and First National Bank of Alvin.

Fort Bend County

Fort Bend County is located in the Houston metropolitan area and the tenth most populous county in Texas. The population of the county is 741,000, according to the 2016 U.S. Census, a growth of 27 percent since 2010. The city of Richmond is the county seat and the largest city in the county is Sugarland with a population of 88,000. Other surrounding cities are Fulshear, Missouri City, Katy and Stafford. The bank designated all 76 CTs as part of the AA. Of these CTs, two are low-income (2.63 percent), nine are moderate-income (11.84 percent), 26 are middle-income (34.21 percent), 38 are upper-income (50 percent), and one (1.32 percent) has no income designation.

The economic climate in Fort Bend County is good. As of November 2017, the Bureau of Labor Statistics reported a 4.0 percent unemployment rate for the county. Engineering, healthcare, manufacturing, and energy technology companies are major sources of employment within the county. Major employers include the Fort Bend ISD, Lamar Consolidated ISD, Fort Bend County, Fluor Corporation, Schlumberger Technology and Houston Methodist Sugar Land Hospital. The 2016 U.S. Census reports the median household income as \$91,000 in Fort Bend County, and the median value of housing units was \$218,000 with a 78 percent owner-occupied housing rate. It is also reported that 8 percent of people in the county live in poverty.

There is strong banking competition in Fort Bend County. As of June 30, 2017, the FDIC Deposit Market Report reflects 40 financial institutions operating 140 branches in the Fort Bend County market. TCB operates one branch in the county for a deposit market share of 0.27 percent. The five largest competitors in the county include Wells Fargo Bank, N.A., JP Morgan Chase Bank, N.A., Bank of America, N.A., Prosperity Bank, and Compass Bank.

Galveston County

The County of Galveston is located along the Gulf Coast of Texas. The population of the county is 329,000, according to the 2016 U.S. Census, a growth of 13 percent since 2010. The city of Galveston is the county seat and the largest city in the county is League City with a population of 102,000. Other cities in the county include Dickinson, Friendswood, Texas City and La Marque. The bank designated 20 of 66 CTs as part of the AA. Of these CTs, two are moderate-income (10 percent), four are middle-income (20 percent), and 14 are upper-income (70 percent).

The city of Galveston is a major tourist destination for the Texas gulf coast and is a port of entry for cruise and cargo ships. Other industries include health care, marine-related fields, higher education, and technology research. Major employers in Galveston County include University of Texas Medical Branch, Landry's Inc., the County of Galveston, Galveston ISD, and Moody Gardens. As of November 2017, the Bureau of Labor Statistics reported a 4.6 percent unemployment rate for the county.

The 2016 U.S. Census reports the median household income as \$63,000 in Galveston County, and the median value of housing units was \$161,000 with a 66 percent owner-occupied housing rate. It is also reported that 13 percent of people in the county live in poverty.

There is strong banking competition in Galveston County. As of June 30, 2017, the FDIC Deposit Market Share Report listed 19 financial institutions operating 74 branches in the Galveston County market. TCB has no branch locations in Galveston County. The largest competitors in the county include Moody National Bank, Texas First Bank, JP Morgan Chase Bank, N.A., Hometown Bank, N.A. and Bank of America, N.A.

Harris County

Harris County is the largest county located in the Houston-Woodlands-Sugar Land MSA and Texas. The city of Houston is the county seat and the fourth largest city in the U.S. with a population of 2.3 million. Other cities in the county include Kingwood, Spring, Pearland, Cypress, and Deer Park. According to 2016 U.S. Census, the county has a population of 4.6 million with a growth rate of 12 percent since the year 2010. TCB has five branch locations in Harris County. The bank designated 415 of 786 CTs as part of the AA. Of these CTs, 80 are low-income (19.28 percent), 142 are moderate-income (34.22 percent), 69 are middle-income (16.63 percent), 118 are upper-income (28.43 percent), and six CTs have no income designation (1.45 percent).

The economy in Harris County is stable and broad-based in energy, manufacturing, aeronautics, healthcare and transportation industries. As of November 2017, the Bureau of Labor Statistics reported a 4.3 percent unemployment rate for the county. The business climate is favorable with many Fortune 500 companies headquartered in Harris County. Major employers include Memorial Hermann Health System, MD Anderson Cancer Center, ExxonMobil, and United Airlines, along with local ISDs, universities, and public entities.

The 2016 U.S. Census reports the median household income as \$55,000 in Harris County, and the median value of housing units was \$145,000 with a 55 percent owner-occupied housing rate. It is also reported that 17 percent of people in the county live in poverty.

There is intense competition in the county. As of June 30, 2017, the FDIC Deposit Market Report reflects 74 financial institutions operating 967 branches in the Harris County market. TCB operates five branches in the county for a deposit market share of 0.16 percent. The largest competitors in the county include JP Morgan Chase Bank, N.A., Wells Fargo Bank, N.A., Bank of America, N.A., Compass Bank, and Zions Bank, N.A.