



Office of the
Comptroller of the Currency
Washington, DC 20219

INTERMEDIATE SMALL BANK

PUBLIC DISCLOSURE

June 24, 2019

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Commercial Bank of Texas, National Association
Charter Number 14371

215 East Main Street
Nacogdoches, TX 75963

Office of the Comptroller of the Currency

1800 NW Loop 281, Suite 306
Longview, TX 75604

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 Community Reinvestment Act (CRA) Rating

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

The lending test is rated: Satisfactory.

The community development test is rated: Outstanding.

The major factors that support this rating include:

- The Lending Test rating is based on the full-scope assessment area (AA) in the State of Texas.
- The loan-to-deposit (LTD) ratio is reasonable.
- A majority of loans were originated inside the bank's AA.
- The geographic distribution of loans reflects reasonable dispersion throughout the AA.
- The distribution of loans to individuals of different incomes and businesses of different sizes reflects reasonable distribution.
- The Community Development (CD) Test rating is based on the full-scope AA in the State of Texas.
- CD activities reflect excellent responsiveness to the needs of the communities within the bank's AA.

Loan-to-Deposit Ratio

Considering the bank's size, financial condition, and credit needs of the AA(s), the bank's LTD ratio is reasonable.

Commercial Bank of Texas, National Association's (Commercial Bank or bank) quarterly LTD ratio since the previous CRA performance evaluation averaged 67.1 percent. We compared the bank's LTD ratio to 12 similarly situated institutions in its market area. The aggregate average LTD ratio for the competing banks was 79.9 percent, with a low and high average of 41.5 percent and 123.4 percent, respectively.

Lending in Assessment Area

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

The bank originated and purchased 77.5 percent of its total loans inside the bank's AAs during the evaluation period. This percentage does not include extensions of credit by affiliates that may be considered under other performance criteria.

Table D - Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage	816	77.4	238	22.6	1,054	126,615	73.4	45,964	26.6	172,579
Commercial	15	75.0	5	25.0	20	4,484	72.7	1,681	27.3	6,165
Consumer	17	85.0	3	15.0	20	514	90.6	53	9.4	567
Subtotal	848	77.5	246	22.5	1,094	131,613	73.4	47,698	26.6	179,311
Source: Evaluation Period: 1/1/2016 - 12/31/2018 Bank Data Due to rounding, totals may not equal 100.0										

The bank's primary products based on loan originations and purchases are home mortgage, commercial, and consumer loans in the nonmetropolitan statistical area (non-MSA) AA and home mortgage and commercial loans in the Dallas metropolitan statistical area (MSA) AA.

Description of Institution

Commercial Bank is a single-state institution headquartered in Nacogdoches, Texas with total assets of \$728 million as of December 31, 2019. The bank is wholly owned by Nacogdoches Commercial Bancshares, Incorporated, a one-bank holding company located at the main bank address. Commercial Bank is a full service community bank providing financial products and services to consumers and businesses with the main office located at 215 East Main Street, Nacogdoches, Texas. In addition to the main office, the bank has 18 locations in 13 cities throughout East and North Texas and the Dallas MSA. The bank also has 62 automatic teller machines (ATM), of which 43 are stand alone.

The bank offers a wide array of loan and deposit products to its customers, and offers the same loan and deposit products at each location. Products and services offered include business checking, personal checking, money markets, individual retirement, health savings, and time accounts. Additional services include safe deposit boxes, wire transfers, trust services, cashiers' checks, insurance products, night depository, debit cards, mobile banking, remote deposit capture, and internet banking.

The bank's market consists of a large portion of East Texas and three counties located in the Dallas MSA. Markets served include eight counties in East Texas, two counties in North Texas, portions of two counties (Collin/Denton) in the Dallas Metropolitan District (MD), and portions of one county (Tarrant) located in the Fort Worth MD.

Commercial Bank's primary focus is commercial real estate lending, although a variety of loan products are offered to meet the needs of the community. As of December 31, 2018, Commercial Bank's loan portfolio totaled \$451 million, or 61.93 percent of total assets. The loan portfolio consists of approximately \$190 million in commercial real estate loans, \$125 million in residential real estate loans, \$81 million in commercial loans, \$33 million in consumer loans, \$19 million in agricultural loans, and \$2 million in other types of loans.

There are no legal, financial, or other factors impeding the bank's ability to help meet the credit needs in its AA. A CRA performance evaluation was last prepared as of May 9, 2016, and the bank received an overall rating of "Satisfactory."

Scope of the Evaluation

Evaluation Period/Products Evaluated

We completed a full-scope review of Commercial Bank's CRA activities in its AAs under the Intermediate Small Bank (ISB) CRA procedures, which includes the Lending Test and the CD Test. The Lending Test evaluates the bank's record of meeting the credit needs of the bank's AAs through its lending activities. The CD Test evaluates the bank's responsiveness to CD needs in its AAs through qualified CD lending, investments and donations, and services.

We based our conclusions regarding the bank's lending performance on samples of commercial and consumer loans from January 1, 2016, through December 31, 2018, and Home Mortgage Disclosure Act (HMDA) data from January 1, 2016, through December 31, 2018. Conclusions regarding the CD Test are based on the bank's CD activities during the same time period.

Selection of Areas for Full-Scope Review

In each state where the bank has an office, one or more of AAs within that state was selected for a full-scope review. For purposes of this evaluation, bank delineated AAs located within the same 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

The bank's overall rating is a blend of the state ratings, and where applicable, multistate ratings.

Commercial Bank has only one rating area, which is the State of Texas. The bank's overall rating is based solely on the full-scope review of the non-MSA AA within the state. The bank's strategy focuses on commercial lending. Therefore, performance in this area is weighted more heavily in the Lending Test than performance in home mortgage and consumer loans.

The state rating is based on performance in all bank AAs. Refer to the "Scope" section under each state and MMSA Rating section for details regarding how the areas were weighted in arriving at the respective ratings.

Discriminatory or Other Illegal Credit Practices Review

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

The OCC has not identified that this institution 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 Texas¹: Satisfactory

The Lending Test is rated: Satisfactory

The CD Test is rated: Outstanding

The major factors that support this rating include:

- The geographic distribution of loans reflects reasonable 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, investment, services, and donations, reflect excellent responsiveness to the needs of the communities within the bank's AA.

Description of Institution's Operations in Texas

The bank operates only in the State of Texas. The information provided in the Description of the Institution section of this performance evaluation describes the bank's operations in Texas. While the bank's primary focus overall is commercial lending, the bank offers a variety of loan and deposit products to meet the needs of the community. As a result, primary products for analysis vary in each AA. In the non-MSA AA, we reviewed home mortgage, commercial, and consumer loans, and in the Collin/Denton/Tarrant MSA AA, we reviewed home mortgage and commercial loans.

Of the bank's two AAs, the non-MSA AA has 91.1 percent of the bank's deposits and the Collin/Denton/Tarrant MSA AA has 8.9 percent of the bank's deposits, compared to total bank deposits of \$598 million as of June 30, 2018. In the non-MSA AA, the bank accounts for 8.7 percent of the included counties' deposit market share, which is the third highest percentage of deposits out of 36 total financial institutions. Meanwhile, in the Collin/Denton/Tarrant MSA AA, Commercial Bank has only 0.1 percent of the included counties' deposit market share, ranking 72nd out of 100 total financial institutions. Major competitors in the MSA AA are larger nationwide and regional institutions.

We conducted a community contact in conjunction with this performance evaluation to gain an understanding of the general community needs. The contact is a real estate developer in the non-MSA AA. The contact indicated the need for housing and funding for commercial real estate and working capital for small businesses.

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

Non-MSA AA

Table A – Demographic Information of the Assessment Area						
Assessment Area: Non-MSA AA 2010 U.S. Census						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	75	4.0	17.3	58.7	20.0	0.0
Population by Geography	342,688	3.0	16.2	58.3	22.5	0.0
Housing Units by Geography	145,776	3.3	15.5	62.3	19.0	0.0
Owner-Occupied Units by Geography	84,773	1.9	11.8	64.2	22.1	0.0
Occupied Rental Units by Geography	35,441	6.8	25.5	50.3	17.4	0.0
Vacant Units by Geography	25,562	2.8	13.8	72.4	11.0	0.0
Businesses by Geography	18,879	3.7	19.5	57.8	18.9	0.0
Farms by Geography	988	1.9	7.6	69.4	21.1	0.0
Family Distribution by Income Level	84,137	21.2	18.3	19.3	41.2	0.0
Household Distribution by Income Level	120,214	24.7	16.7	17.4	41.2	0.0
Median Family Income Non-MSAs - TX		\$47,817	Median Housing Value			\$83,109
			Median Gross Rent			\$643
			Families Below Poverty Level			13.4%
Source: 2010 U.S. Census and 2016 D&B Data Due to rounding, totals may not equal 100.0 (*) The NA category consists of geographies that have not been assigned an income classification.						

Table A – Demographic Information of the Assessment Area						
Assessment Area: Non-MSA AA 2015 ACS Census						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	75	4.0	21.3	61.3	12.0	1.3
Population by Geography	344,739	2.7	18.8	63.8	12.7	2.0
Housing Units by Geography	148,419	3.0	17.7	67.2	12.0	0.1
Owner-Occupied Units by Geography	82,220	1.8	12.4	72.4	13.3	0.0
Occupied Rental Units by Geography	39,954	5.7	29.5	53.3	11.4	0.1
Vacant Units by Geography	26,245	2.6	16.5	72.1	8.8	0.1
Businesses by Geography	18,685	3.6	23.2	60.4	12.8	0.0
Farms by Geography	920	1.3	8.5	72.6	17.6	0.0
Family Distribution by Income Level	85,170	22.2	18.0	20.1	39.7	0.0
Household Distribution by Income Level	122,174	25.3	16.0	17.3	41.4	0.0
Median Family Income Non-MSAs - TX		\$52,076	Median Housing Value			\$92,536
			Median Gross Rent			\$720
			Families Below Poverty Level			14.8%
Source: 2015 ACS Census and 2018 D&B Data Due to rounding, totals may not equal 100.0 (*) The NA category consists of geographies that have not been assigned an income classification.						

Scope of Evaluation in Texas

The non-MSA AA will receive a full-scope review. The remaining AA, Collen/Denton/Tarrant MSA AA, will receive a limited-scope review. Bank delineated non-MSA AAs within the same state are combined, analyzed, and presented as one AA for purposes of this performance evaluation. As such, AAs located in the same MSA are also combined, analyzed, and presented as one AA for purposes of this performance evaluation.

The non-MSA AA was selected for full-scope review based on Commercial Bank's locations, deposit market share, and lending activity in the AA. This AA also consists of 16 of the bank's 19 locations, including the main office location. Refer to Appendix A for a list of all AAs under review.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN TEXAS

LENDING TEST

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

Based on full- and limited-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 reasonable geographic distribution of loans in the state.

Home Mortgage Loans

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

The geographic distribution of home mortgage loans in the non-MSA AA reflects reasonable distribution.

In 2016, the percentage of bank home mortgage loans in low- and moderate-income geographies exceeded both the percentage of owner-occupied housing units and the aggregate distribution of loans in the AA.

In 2017-2018, the percentage of bank home mortgage loans in low-income geographies is significantly lower than both the percentage of owner-occupied housing units and the aggregate distribution of loans in the AA. However, the percentage of bank loans in moderate-income geographies is near the percentage of owner-occupied housing units and the aggregate lending in the AA.

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.

The geographic distribution of small loans to businesses reflects excellent distribution.

In 2016, the percentage of small loans to businesses in low- and moderate-income geographies exceeds both the percentage of businesses in those geographies and the aggregate lending level in those geographies in the AA.

In 2017-2018, the percentage of small loans to businesses in low-income geographies is significantly lower than the percentage of businesses in low-income geographies and the aggregate lending in the AA. However, the percentage of small loans to businesses in moderate-income geographies exceeds the percentage of businesses in moderate-income geographies and the aggregate lending in those geographies in the AA.

Consumer Loans

Refer to Table U in the State of Texas section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's consumer loan originations and purchases.

The geographic distribution of consumer loans in the AA reflects reasonable distribution.

In 2016, the percentage of loans to consumers in low-income geographies is lower than the percentage of households located in low-income geographies. The percentage of loans to consumers in moderate-income geographies is near the percentage of households in moderate-income geographies.

In 2017-2018, the percentage of loans to consumers in low-income geographies is lower than the percentage of households located in low-income geographies. The percentage of loans to consumers in moderate-income geographies is near the percentage of households in moderate-income geographies.

While Commercial Bank's performance is lower than or near the comparator in 2016 and 2017-2018, loans to consumers in low- and moderate-income geographies is considered reasonable. For 2016, 42.6 percent of households located in low-income census tracts and 25.9 percent of households located in moderate-income census tracts are below the poverty level. For 2017-2018, 43.7 percent of the households located in low-income census tracts and 29.8 percent of the households located in moderate-income census tracts are below the poverty level. It is more difficult for households with incomes below the poverty level to qualify for credit.

Distribution of Loans by Income Level of the Borrower

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

Home Mortgage Loans

Refer to Table P 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.

The borrower distribution of home mortgage loans in the non-MSA AA reflects reasonable distribution.

In 2016, the percentage of bank loans to low-income borrowers is significantly lower than the percentage of low-income families; however, the percentage of bank loans exceeds the aggregate percentage of lending. The percentage of bank loans to moderate-income borrowers is near the percentage of moderate-income families and exceeds the aggregate lending in the AA.

In 2017-2018, the percentage of bank loans to low-income borrowers is significantly lower than the percentage of low-income families and near the aggregate percentage of loans. The percentage of bank loans to moderate-income borrowers is lower than the percentage of moderate-income families and near the aggregate lending in the AA.

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.

The borrower distribution of business loans reflects excellent distribution.

In 2016, the bank's loans to businesses with revenues less than or equal to \$1 million meets the percentage of businesses identified as having revenues less than or equal to \$1 million and exceeds the aggregate lending for these businesses.

In 2017-2018, the bank's loans to businesses with revenues less than or equal to \$1 million exceeds the percentage of businesses identified as having revenues less than or equal to \$1 million and exceeds the aggregate lending for these businesses.

Consumer Loans

Refer to Table V in the State of Texas section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's consumer loan originations and purchases.

The borrower distribution of consumer loans reflects reasonable distribution.

In 2016, the bank's percentage of consumer loans to low-income borrowers meets than the percentage of low-income households in the AA. The bank's percentage of consumer loans to moderate-income borrowers meets the percentage of low-income households in the AA.

In 2017-2018, the bank's percentage of consumer loans to low-income borrowers is lower than the percentage of low-income households in the AA. However, the bank's percentage of consumer loans to moderate-income borrowers exceeds the percentage of low-income households in the AA.

Responses to Complaints

In December 2018, the bank received a request from a third party to schedule a meeting in order to discuss the bank's past CRA performance and potential low-to-moderate income individual opportunities. In response to the request, a meeting took place on March 13, 2019. The meeting was attended by six representatives from the Nacogdoches community, the complainant, and three representatives from Commercial Bank. The meeting provided valuable community contacts and was productive in uncovering opportunities for a partnership to better the Nacogdoches community.

Topics discussed during the meeting included capital, credit, and banking needs of low- to moderate-income households in Nacogdoches along with minority business owners. No other public comments have been received.

Conclusions for Collen/Denton/Tarrant MSA AA Receiving a Limited-Scope Review

Based on a limited-scope review, the bank's performance under the Lending Test in the Collen/Denton/Tarrant MSA AA is consistent with the bank's overall performance under the Lending Test in the full-scope area.

COMMUNITY DEVELOPMENT TEST

The bank's performance under the CD Test in the state of Texas is rated Outstanding.

Based on a full-scope review, the bank exhibits excellent responsiveness to CD needs 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 AA.

Number and Amount of Community Development Loans

Refer to the Lending Activity tables below for the facts and data used to evaluate the bank's level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans.

Commercial Bank's level of CD lending demonstrates excellent responsiveness to the needs of the community. During the evaluation period, the bank originated 22 CD loans totaling \$11.8 million within its AAs. Key lending included loans to promote economic development, community service operations, and revitalization and stabilization projects.

Significant loans include a \$2 million loan to fund a medical facility in a designated underserved and distressed income area which created approximately five new jobs. Commercial Bank also originated a \$1.5 million loan to build a restaurant in a low- to moderate-income geography, creating approximately 50 new jobs.

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)
Non-MSA AA	1	663	45	51	46	97.9	714	99.6	0	0
Collin/Denton/ Tarrant MSA AA	0	0	1	3	1	2.1	3	0.4	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.

Due to rounding, totals may not equal 100.0

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

The level of qualified investments and donations demonstrates adequate responsiveness to the needs of the community. During the evaluation period, Commercial Bank maintained one CD investment totaling \$663,000 to a community capital fund for affordable housing. The bank also made 47 donations totaling \$53,000 to qualified organizations within the AAs. A significant donation included a \$25,000 donation to Nacogdoches Area United Way to provide services specifically targeted to low- to moderate-income individuals.

Extent to Which the Bank Provides Community Development Services

The level of qualified CD services in the AA indicates excellent responsiveness to the needs of the community. Eleven bank officers and employees serve in leadership positions in local qualifying organizations which provide community services to low- and moderate-income families and individuals within the AA. In these positions, they provide technical and financial expertise to these organizations. Six other bank officers and employees hosted financial literacy programs in local schools covering topics such as savings accounts, budgeting, and finance. Employees also assisted with fundraising for local qualifying organizations. Approximately 1,039 service hours were provided within the AA during the evaluation period.

Conclusions for Area Receiving a Limited-Scope Review

Based on a limited-scope review, the bank's performance under the CD Test in the Collin/Denton/Tarrant MSA AA is consistent with the bank's overall performance under the CD Test in the full-scope area(s).

This conclusion is based on the bank's opportunities within the AA with respect to the number of branches, competition, and deposit market share of the AA.

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 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.”

Time Period Reviewed:	01/01/16 to 12/31/18	
Bank Products Reviewed:	Home mortgage, small business, and consumer loans Community development loans, qualified investments, and community development services	
Affiliate(s)	Affiliate Relationship	Products Reviewed
N/A		
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
Texas		
Non-MSA AA	Full-scope	Counties of Anderson, Angelina, Nacogdoches, Delta, Lamar, Rains, and Wood; Partial counties of Cherokee, Houston, and Trinity
Collin/Denton/Tarrant MSA AA	Limited-scope	Partial counties of Collin, Denton, and Tarrant

Appendix B: Summary of MMSA and State Ratings

RATINGS - Commercial Bank of Texas, N.A.			
Overall Bank:	Lending Test Rating*	CD Test Rating	Overall Bank/State/Multistate Rating
Commercial Bank of Texas, N.A.	Satisfactory	Outstanding	Satisfactory
MMSA or State:			
State of Texas	Satisfactory	Outstanding	Satisfactory

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

Appendix C: Definitions and Common Abbreviations

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

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

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

Census Tract: 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 low- to moderate-income 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: A loan 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/AA.

Median Family Income: 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 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 (MD): 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. An MD consists of one or more main/secondary counties that represent an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

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

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

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

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

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

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

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

Small Loans to Businesses: A loan included in 'loans to small businesses' is 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 secured by either nonfarm or nonresidential real estate or are classified as commercial and industrial loans.

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

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

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

Appendix D: Tables of Performance Data

Content of Standardized Tables

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

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

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

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

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

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

Table 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 AA.

- 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 \$500,000) 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/AA.

Table O : Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography 2016

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
Collin Denton Tarrant MSA	32	8,221	8.3	63,742	0.0	0.0	0.0	5.5	12.5	3.8	22.3	34.4	18.8	72.1	53.1	77.4	0.0	0.0	0.0
Non-MSA	355	52,229	91.7	5,071	1.9	2.8	1.6	11.8	12.1	6.9	64.2	53.0	63.6	22.1	32.1	27.9	0.0	0.0	0.0
Total	387	60,450	100.0	68,813	0.5	2.6	0.1	6.9	12.1	4.0	31.7	51.4	22.1	61.0	33.9	73.8	0.0	0.0	0.0

Source: 2010 U.S Census; 01/01/2016 - 12/31/2016 Bank Data, 2016 HMDA Aggregate Data, "--" data not available.

Due to rounding, totals may not equal 100.0

Table O : Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography 2017-18

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
Collin Denton Tarrant MSA	72	21,407	8.6	54,815	0.4	0.0	0.3	7.7	15.3	6.1	20.7	22.2	18.8	71.2	62.5	74.7	0.1	0.0	0.0
Non-MSA	762	113,368	91.4	5,061	1.8	0.4	1.0	12.4	9.1	10.3	72.4	69.3	73.3	13.3	21.3	15.3	0.0	0.0	0.1
Total	834	134,775	100.0	59,876	0.7	0.4	0.4	8.7	9.6	6.5	31.4	65.2	23.5	59.1	24.8	69.6	0.1	0.0	0.0

Source: 2015 ACS Census; 01/01/2017 - 12/31/2018 Bank Data, 2017 HMDA Aggregate Data, "--" data not available.

Due to rounding, totals may not equal 100.0

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2016
	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
Assessment Area:	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Collin Denton Tarrant MSA	32	8,221	8.3	63,742	12.1	3.1	1.5	12.6	9.4	7.2	17.3	21.9	15.3	57.9	62.5	61.9	0.0	3.1	14.1
Non-MSA	355	52,229	91.7	5,071	21.2	3.9	3.7	18.3	11.0	10.0	19.3	20.0	19.2	41.2	64.2	50.4	0.0	0.8	16.8
Total	387	60,450	100.0	68,813	14.0	3.9	1.7	13.8	10.9	7.4	17.8	20.2	15.6	54.4	64.1	61.0	0.0	1.0	14.3
Source: 2010 U.S. Census ; 01/01/2016 - 12/31/2016 Bank Data, 2016 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0																			

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2017-18
	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
Assessment Area:	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Collin Denton Tarrant MSA	72	21,407	17.8	54,815	13.5	0.0	1.7	12.9	8.3	8.3	16.7	16.7	16.6	56.9	70.8	61.2	0.0	4.2	12.3
Non-MSA	762	113,368	91.4	5,061	22.2	2.6	3.7	18.0	10.4	11.7	20.1	21.8	20.2	39.7	58.1	47.0	0.0	7.1	17.4
Total	834	134,775	100.0	59,876	15.2	2.4	1.9	13.9	10.2	8.6	17.4	21.3	16.9	53.5	59.2	60.0	0.0	6.8	12.7
Source: 2015 ACS Census ; 01/01/2017 - 12/31/2018 Bank Data, 2017 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0																			

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography 2016

Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
Collin Denton Tarrant MSA	11	2,030	63.6	42,641	0.1	10.0	0.1	8.6	20.0	9.0	22.1	20.0	19.0	69.0	50.0	71.9	0.2	0.0	0.1
Non-MSA 2016	16	1,164	36.4	4,988	3.7	5.0	2.9	19.5	35.0	16.8	57.8	40.0	57.7	18.9	20.0	22.5	0.0	0.0	0.0
Total	27	3,194	100.0	47,629	0.6	7.5	0.4	10.1	27.5	9.8	26.9	30.0	23.0	62.3	35.0	66.7	0.2	0.0	0.1

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

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography 2017-18

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
Collin Denton Tarrant MSA	13	7,368	83.9	38,551	2.5	0.0	3.3	10.6	20.0	11.8	18.8	15.0	17.1	67.8	65.0	67.5	0.4	0.0	0.3
Non-MSA	18	1,415	16.1	4,999	3.6	0.0	3.3	23.2	30.0	20.9	60.4	50.0	61.7	12.8	20.0	14.2	0.0	0.0	0.0
Total	31	8,783	100.0	43,550	2.6	0.0	3.3	12.1	25.0	12.9	23.7	32.5	22.2	61.2	42.5	61.4	0.3	0.0	0.3

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

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues **2016**

Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Collin Denton Tarrant MSA	11	2,030	63.6	42,641	87.0	55.0	44.5	4.1	30.0	8.9	15.0
Non-MSA	16	1,164	36.4	4,988	82.8	80.0	49.3	4.6	20.0	12.6	0.0
Total	27	3,194	100.0	47,629	86.5	67.5	45.0	4.2	25.0	9.4	7.5
<i>Source: 2016 D&B Data; 01/01/2016 - 12/31/2016 Bank Data; 2016 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0</i>											

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues **2017-18**

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
Collin Denton Tarrant MSA	13	7,368	83.9	38,551	87.5	65.0	51.4	3.9	35.0	8.5	0.0
Non-MSA	18	1,415	16.1	4,999	81.7	90.0	47.0	5.0	10.0	13.3	0.0
Total	31	8,783	100.0	43,550	86.8	77.5	50.9	4.0	22.5	9.1	0.0
<i>Source: 2018 D&B Data; 01/01/2017 - 12/31/2018 Bank Data; 2017 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0</i>											

Table U: Assessment Area Distribution of Consumer Loans by Income Category of the Geography													2016
Assessment Area:	Total Consumer Loans			Low-Income Tracts		Moderate-Income Tracts		Middle-Income Tracts		Upper-Income Tracts		Not Available-Income Tracts	
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans
Non-MSA	60	993	100.0	3.4	0.0	15.8	13.3	60.1	73.3	20.7	13.3	0.0	0.0
Total	60	993	100.0	3.4	0.0	15.8	13.3	60.1	73.3	20.7	13.3	0.0	0.0
Source: 2010 U.S. Census; 01/01/2016 - 12/31/2016 Bank Data. Due to rounding, totals may not equal 100.0													

Table U: Assessment Area Distribution of Consumer Loans by Income Category of the Geography													2017-18
Assessment Area:	Total Consumer Loans			Low-Income Tracts		Moderate-Income Tracts		Middle-Income Tracts		Upper-Income Tracts		Not Available-Income Tracts	
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans
Non-MSA	60	853	100	3.1	0.0	18.0	13.3	66.2	66.7	12.7	20.0	0.0	0.0
Total	60	853	100	3.1	0.0	18.0	13.3	66.2	66.7	12.7	20.0	0.0	0.0
Source: 2015 ACS Census; 01/01/2017 - 12/31/2018 Bank Data. Due to rounding, totals may not equal 100.0													

Table V - Assessment Area Distribution of Consumer Loans by Income Category of the Borrower													2016
Assessment Area:	Total Consumer Loans			Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Not Available-Income Borrowers	
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans
Non-MSA 2016	60	993	100.0	24.7	20.0	16.7	10.0	17.4	18.3	41.2	51.67	0.0	0.0
Total	60	993	100.0	24.7	20.0	16.7	10.0	17.4	18.3	41.2	51.67	0.0	0.0
Source: 2010 U.S. Census; 01/01/2016 - 12/31/2016 Bank Data. Due to rounding, totals may not equal 100.0													

Table V - Assessment Area Distribution of Consumer Loans by Income Category of the Borrower													2017-18
Assessment Area:	Total Consumer Loans			Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Not Available-Income Borrowers	
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans
Non-MSA	60	853	100.0	25.3	10.0	16.0	16.7	17.3	20.0	41.4	53.3	0.0	0.0
Total	60	853	100.0	25.3	10.0	16.0	16.7	17.3	20.0	41.4	53.3	0.0	0.0
Source: 2015 ACS Census; 01/01/2017 - 12/31/2018 Bank Data. Due to rounding, totals may not equal 100.0													