



PUBLIC DISCLOSURE

May 13, 2019

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Texas Republic Bank, National Association
Charter Number 12308

2595 Preston Road, Suite 100
Frisco, TX 75034

Office of the Comptroller of the Currency
Dallas Field Office
225 E. John Carpenter Freeway, 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 major factors that support this rating include:

- The Lending Test rating is based on the geographic and borrower distribution in the bank's two full-scope assessment areas (AAs) based on the bank's primary products. The rating also takes into account the loan-to-deposit ratio, lending inside the assessment areas, and any noted discriminatory conduct or consumer complaints.
- Considering the bank's size, financial condition, and credit needs of the AAs, the bank's loan-to-deposit ratio is more than reasonable at 98.2 percent.
- A substantial majority of the bank's loans are inside its AAs representing 84.7 percent.
- Lending activity that reflects reasonable responsiveness to the credit needs of the bank's AAs, given performance context.
- The bank exhibits excellent geographic distribution of loans in the state of Texas.
- The bank exhibits reasonable distribution of loans among borrowers of different income levels and businesses of different sizes.

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. The bank's average LTD ratio is 98.2 percent compared to the 77.7 percent average for local competitors and the national peer group. During the evaluation period, Texas Republic Bank, NA (TRB) LTD ratio ranged from a low of 81.9 percent to a high of 113.5 percent.

TRB LTD ratio meets the standard for outstanding performance. The institution's size and average LTD ratios are detailed in the following table:

Financial Institution	Total Assets As of 12/31/2018 \$(000)	Average LTD Ratio
T Bank, National Association	305,849	100.70%
Texas Republic Bank, NA	256,468	98.20%
Benchmark Bank	582,756	90.00%
Texas Brand Bank	203,554	89.10%
Liberty Capital Bank	281,281	79.10%
Pavillion Bank	76,582	73.00%
Pegasus Bank	639,146	62.60%
Texas Bank	497,308	49.80%
Average LTV Ratio (All Peers):	-	77.70%

Source: The Federal Financial Institutions Examination Council (FFIEC) Consolidated Reports of Condition and Income (Call Report) data gathered from March 31, 2013 to December 31, 2018.

Lending in Assessment Area

A substantial majority of the bank's loans are inside its assessment areas (AAs).

The bank originated and purchased 84.7 percent of its total loans inside the bank's AAs during the evaluation period. This analysis is performed at the bank, rather than the AA, level.

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	554	83.8	107	16.2	661	116,259	87.0	17,402	13.0	133,661
Commercial	50	92.6	4	7.4	54	14,026	82.4	3,000	17.6	17,026
Consumer	50	87.7	7	12.3	57	359	88.2	48	11.8	407
Total (All Loans)	654	84.7	118	15.3	772	130,644	86.5	20,450	13.5	151,094

Source: Evaluation Period: 1/1/2016 - 12/31/2018 Bank Data
Due to rounding, totals may not equal 100.0

As noted in the Scope of Examination section, we used the entire population of HMDA loans originated during the evaluation period to complete Table D above. We also relied on the results of our sampling of business and consumer loans. As reflected in the table, TRB originated a majority of its primary loan products within the AA. Our sample revealed 84.7 percent of the total number of loans were originated or purchased inside the AA.

Description of Institution

TRB is a community bank headquartered in Frisco, which is located in Collin County, Texas. TRB is a full service community bank offering traditional loan and deposit products and services to individuals and businesses. TRB was chartered in 1891 and has approximately \$277 million in total assets as of March 31, 2019. The main office is located at 2595 Preston Road in Frisco, Texas. In addition to its main office, TRB operates one branch in Richardson, Texas and one in Quanah, Texas. The branch in Quanah operates under the name “Security Bank”. TRB is a single-state bank with operations in the state of Texas.

The bank operates out of two defined assessment areas (AAs). The main office in Frisco is located in a middle-income census tract. The Richardson branch, which was opened in May 2014, is located in an upper-income census tract. Both branches are located in the Collin-Denton-Dallas Counties AA, which are included in the Dallas-Plano-Irving, Texas Metropolitan Division (MD). The Quanah branch location is in a middle-income census tract located in the Hardeman County AA (Non-MSA), but is considered to be underserved or distressed. TRB opened the Richardson branch, during this evaluation period, in May 2014. The Frisco branch operates out of a leased facility in a strip center adjacent to the Stonebriar Centre, which includes an attached motor bank. The bank does not offer ATMs at either branch or in the local area. TRB opened a loan production office (LPO) in Fort Worth, but it was closed after several months in 2018.

In April 2011, TRB was acquired and is 100 percent owned by TXRB Holdings, Inc. There are no affiliate relationships. There are no legal, financial or other factors impeding the bank’s ability to help meet the credit and community development needs in its AAs. The last CRA evaluation was completed on August 6, 2013 and resulted in a “Satisfactory” rating. There were not any legal, financial or other factors impeding the bank’s ability to help meet the credit needs in its AAs during the evaluation period.

TRB offers a variety of credit products including commercial, commercial real estate, consumer, residential, and agricultural loans. The bank’s lending focus differs between Frisco/Richardson and Quanah. Loans originated in Frisco are primarily residential and commercial. The focus in Quanah is primarily consumer and some agricultural lending. The bank offers deposit products such as checking, savings, money market, and time deposit accounts. TRB started offering IRA lending in 2017. Additional information about the bank is available on its website at www.texaspublicbank.com.

As of December 31, 2018, TRB reported total assets of \$256 million, liabilities of \$226 million, and total equity of \$30 million. The tier 1 leverage ratio is 11.3 percent. Total loans of \$234 million represent 91 percent of total assets. A summary of the loan portfolio is reflected in the table below:

Loan Portfolio Composition	\$(000)	%
Residential Real Estate	\$107,254	45.4%
Commercial and Commercial Real Estate	\$85,090	36.0%
Construction	\$30,301	12.8%
Farm	\$11,935	5.1%
Consumer Loans	\$1,322	0.6%
Other Loans	\$186	0.1%
Total	\$236,088	100.00%

Source: December 31, 2018 Report of Condition.

Scope of the Evaluation

Evaluation Period/Products Evaluated

TRB is subject to the Interagency Small Bank CRA evaluation procedures. As such, this Performance Evaluation (PE) assesses the bank's performance under only the Lending Test. The current evaluation focuses on the bank's two primary loan products for the Collin-Denton-Dallas Counties AA: residential real estate loans as reported for the Home Mortgage Disclosure Act (HMDA), and a 50 loan sample of commercial-related loans (hereinafter referred to as business loans). We also sampled 50 consumer loans for the Hardeman County AA as we determined this was the only primary product for this AA. We assessed the aforementioned loans originated inside the AA for the period beginning January 1, 2016 and ending December 31, 2018.

Lending activity beginning January 1, 2017 is evaluated using the 2015 U.S. Census American Community Survey (ACS) data. Therefore, in our evaluation of the distribution of loans for 2016, we utilized the demographics and geographies related to the 2010 U.S. Census and for 2017 and 2018, we utilized the 2015 U.S. Census ACS demographics and geographies.

Selection of Areas for Full-Scope Review

The bank has delineated Collin-Denton-Dallas Counties AA and Hardeman County AA as their two full-scope assessment areas. Refer to the "Scope" section under the State Rating section for details regarding how full-scope AAs were selected. Refer to Appendix A: Scope of Examination, for a list of full-scope AAs.

Ratings

The bank's overall rating is based primarily on those areas that received full-scope reviews, thus ratings for this CRA evaluation are based primarily on the results of the two full-scope areas, Collin-Denton-Dallas Counties AA and Hardeman County AA.

The state rating is based on performance in all bank AAs. Refer to the "Scope" section under the State 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 major factors that support this rating include:

- The bank exhibits excellent geographic distribution of loans in the state of Texas.
- The bank exhibits reasonable distribution of loans to individuals of different income levels and businesses of different sizes, given the product lines offered by the bank.
- TRB has not received any complaints regarding its CRA performance during the evaluation period.

Description of Institution's Operations in Texas

Collin-Denton-Dallas Counties AA

Table A – Demographic Information of the Assessment Area						
Assessment Area: Collin-Denton-Dallas Counties AA 2016						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	818	13.3	25.1	24.7	36.6	0.4
Population by Geography	3,813,094	11.8	25.2	26.2	36.7	0.0
Housing Units by Geography	1,461,976	12.7	24.1	27.2	36.0	0.0
Owner-Occupied Units by Geography	793,448	5.4	19.4	27.6	47.6	0.0
Occupied Rental Units by Geography	531,794	21.2	29.8	27.2	21.8	0.0
Vacant Units by Geography	136,734	21.5	29.4	25.0	24.1	0.0
Businesses by Geography	331,716	8.2	17.6	24.4	49.6	0.2
Farms by Geography	5,815	6.0	16.7	29.8	47.5	0.1
Family Distribution by Income Level	898,731	23.3	16.5	17.9	42.3	0.0
Household Distribution by Income Level	1,325,242	23.5	16.9	17.5	42.0	0.0
Median Family Income MSA - 19124 Dallas-Plano-Irving, TX MD		\$67,175	Median Housing Value			\$177,540
			Median Gross Rent			\$885
			Families Below Poverty Level			10.6%
<p>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.</p>						

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

Table A – Demographic Information of the Assessment Area						
Assessment Area: Collin-Denton-Dallas Counties AA 2017-18						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	818	14.1	26.7	23.1	35.5	0.7
Population by Geography	4,079,069	12.5	26.8	24.8	35.7	0.2
Housing Units by Geography	1,558,907	13.2	24.9	25.5	36.2	0.3
Owner-Occupied Units by Geography	820,462	5.7	20.9	25.9	47.5	0.2
Occupied Rental Units by Geography	623,919	21.2	29.7	25.5	23.1	0.5
Vacant Units by Geography	114,526	23.2	27.3	22.9	26.2	0.5
Businesses by Geography	366,897	7.5	18.9	24.4	48.3	0.9
Farms by Geography	6,299	5.9	17.6	28.2	47.6	0.7
Family Distribution by Income Level	985,933	24.0	16.4	17.3	42.3	0.0
Household Distribution by Income Level	1,444,381	24.0	16.6	17.4	41.9	0.0
Median Family Income MSA - 19124 Dallas-Plano-Irving, TX MD		\$71,149	Median Housing Value			\$191,530
			Median Gross Rent			\$998
			Families Below Poverty Level			11.7%
<i>Source: 2015 ACS Census and 2018 D&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>						

TRB designated the Collin-Denton-Dallas Counties AA as one their two AAs and includes 818 contiguous census tracts in Dallas, Collin, and Denton Counties. The Collin-Denton-Dallas Counties AA is located within the Dallas-Plano-Irving, Texas MSA/MD and is comprised primarily of middle and upper census tracts (only 5.7 percent of low-income families own a home). As of December 31, 2018, the median family income is \$71,149. This area has 11.7 percent of families below the poverty level, and low-income families make less than \$35,575 per year. Moderate-income families make no more than \$56,919 per year. With the median housing value being \$191,530, it is difficult for low- and moderate income borrowers to obtain affordable housing. While median gross rent is elevated at \$998 per month, rental properties offer low- and moderate-income families a more affordable option for housing. During this evaluation period, approximately 70 percent of mortgage loans made by TRB were for non-owner occupied rental properties.

Dallas, Collin, and Denton Counties are adjacent urban counties located in the north central part of Texas. Based on the table above, the AA has a population of 4,079,069. There are 1,558,907 housing units in the AA with 52.6 percent owner-occupied, 40.0 percent renter-occupied and 7.3 percent vacant. Approximately 24 percent of the households in the AA are low-income and 16.6 percent are moderate-income. Middle-income and upper-income families represent 17.4 and 41.9 percent of the population, respectively. There are 366,897 businesses in the AA. Of these businesses, 86 percent reported gross annual revenue of less than or equal to \$1 million and 5.5 percent reported gross annual revenue greater than \$1 million. Because reporting is voluntary, 8.6 percent of the businesses did not report revenues.

Community contacts conducted in connection with the CRA examinations of other banks disclosed that the housing market has benefited as home prices continue to climb. However, the rise in home prices has affected families looking for affordable housing. Rental single family home supply is limited given the influx in population and new families relocating to the Dallas area. The contact stated that plenty of opportunity exists throughout Dallas for financial institutions to be involved with providing affordable housing. Another contact stated that general banking and credit needs are predominately small business development followed by residential housing.

Hardeman County AA

Table A – Demographic Information of the Assessment Area						
Assessment Area: Hardeman County AA 2016						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	1	0.0	100.0	0.0	0.0	0.0
Population by Geography	4,139	0.0	100.0	0.0	0.0	0.0
Housing Units by Geography	2,310	0.0	100.0	0.0	0.0	0.0
Owner-Occupied Units by Geography	1,318	0.0	100.0	0.0	0.0	0.0
Occupied Rental Units by Geography	354	0.0	100.0	0.0	0.0	0.0
Vacant Units by Geography	638	0.0	100.0	0.0	0.0	0.0
Businesses by Geography	257	0.0	100.0	0.0	0.0	0.0
Farms by Geography	53	0.0	100.0	0.0	0.0	0.0
Family Distribution by Income Level	1,220	28.0	20.7	17.1	34.3	0.0
Household Distribution by Income Level	1,672	24.4	18.2	19.0	38.4	0.0
Median Family Income Non-MSAs - TX		\$47,817	Median Housing Value			\$46,900
			Median Gross Rent			\$634
			Families Below Poverty Level			17.1%
<i>Source: 2010 U.S. Census and 2016 D&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>						

Table A – Demographic Information of the Assessment Area						
Assessment Area: Hardeman County AA 2017-18						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	1	0.0	0.0	100.0	0.0	0.0
Population by Geography	3,992	0.0	0.0	100.0	0.0	0.0
Housing Units by Geography	2,395	0.0	0.0	100.0	0.0	0.0
Owner-Occupied Units by Geography	1,189	0.0	0.0	100.0	0.0	0.0
Occupied Rental Units by Geography	445	0.0	0.0	100.0	0.0	0.0
Vacant Units by Geography	761	0.0	0.0	100.0	0.0	0.0
Businesses by Geography	243	0.0	0.0	100.0	0.0	0.0
Farms by Geography	43	0.0	0.0	100.0	0.0	0.0
Family Distribution by Income Level	990	24.0	17.1	15.6	43.3	0.0
Household Distribution by Income Level	1,634	34.8	11.6	15.5	38.1	0.0
Median Family Income Non-MSAs - TX		\$52,076	Median Housing Value			\$45,600
			Median Gross Rent			\$516
			Families Below Poverty Level			11.0%
<i>Source: 2015 ACS Census and 2018 D&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>						

TRB has designated Hardeman County as one of their two AAs and has not made any changes to this AA since the previous evaluation. This assessment area is composed of one middle income level census tract that includes the only branch of the bank in Quanah, Texas. Quanah is located approximately 80 miles northwest of Wichita Falls, Texas, and is the county seat. Based on the 2015 ACS Census, the census tract changed from moderate to middle income in 2017; however, this area is considered distressed. The median family income is \$52,076. This area has 11.0 percent of families below the poverty level, and low-income families make less than \$26,038 per year. Moderate-income families make no more than \$41,661 per year. The amount of deposits in 2018 was \$13.7 million for 25 percent market share.

Based on the table above, the AA has a population of 3,992. The AA has 2,395 housing units, 49.6 percent owner-occupied, 18.6 percent renter-occupied and 761 vacant units. Family distribution by income is 24 percent in low, 17 percent in moderate, 16 percent in middle and 43 percent in upper income. There are 243 businesses in the AA. Of these businesses, 75.7 percent have revenues of less than \$1 million. Because reporting is voluntary, 20 percent of the businesses did not report revenues.

Community contacts conducted in connection with the CRA examination of another bank in this AA disclosed that there are no significant gaps in local financial institutions meeting the credit needs of the AA. The contact indicated that all of the banks are community minded and show a willingness to lend.

Scope of Evaluation in Texas

The bank has two full-scope AAs. They are defined as the Collin-Denton-Dallas Counties AA and the Hardeman County AA. The full-scope areas were chosen based on the bank's branch locations and the overall lending in the surrounding counties. The bank has chosen to take full counties as a part of their AAs. All branches and AAs are located in the state of Texas. Refer to Appendix A for a list of all AAs under review.

The primary loan products in the Collin-Denton-Dallas Counties AA are mortgage loans and business loans, whereas the primary product in Hardeman County AA is consumer loans. There were not any other products that would have provided for meaningful analysis. As such, more weight has been placed on the Collin-Denton-Dallas Counties AA.

LENDING TEST

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

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 excellent geographic distribution of loans in the state of Texas.

Collin-Denton-Dallas Counties AA

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.

Overall, the geographic distribution of home mortgage loans is excellent. For 2016, TRB's mortgage lending in low-income geographies exceeds the owner-occupied housing units and also exceeds the aggregate lending in low-income geographies. For moderate-income geographies, the lending exceeded the owner-occupied housing units, and also exceeded the aggregate lending.

In 2017-18, the bank's mortgage lending in low-income geographies approximates the owner-occupied housing units and exceeds the aggregate lending. For moderate-income geographies, the lending exceeded the owner-occupied housing units, and also exceeded the aggregate lending.

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.

Overall, the borrower distribution of small loans to businesses is reasonable in the Collin-Denton-Dallas Counties AA. For 2016, the percentage of small loans to businesses in low-income geographies exceeds both the businesses located in low-income geographies and the aggregate lending. The percentage of small loans to businesses in moderate-income geographies is somewhat lower than the businesses located in moderate-income geographies and aggregate lending.

In 2017-18, the percentage of small loans to businesses in low-income geographies exceeds the businesses located in low-income geographies and the aggregate lending. The percentage of small loans to businesses in moderate-income geographies was lower than the businesses located in moderate-income geographies and the aggregate lending.

Hardeman County 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.

There is only one census tract in the Hardeman County AA. In 2016, this CT was moderate-income, and in 2017-18 this CT was middle-income, but considered distressed. As such, geographic distribution of consumer loans was not performed because the analysis would not be meaningful.

Distribution of Loans by Income Level of the Borrower

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

Collin-Denton-Dallas Counties AA

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 distribution of home mortgage loans by income level of the borrower is reasonable given performance context in the Collin-Denton-Dallas Counties AA. For 2016, home mortgage loans to low-income borrowers is significantly below low-income families and is below the aggregate lending. Home mortgage loans to moderate-income borrowers is significantly below moderate-income families and aggregate lending.

For 2017-18, home mortgage loans to low-income borrowers is significantly below low-income families and is below the aggregate lending. Home mortgage loans to moderate-income borrowers is significantly below moderate-income families and aggregate lending.

TRB is actively involved in non-owner occupied lending (rental properties), in which information about income is not required to be collected. As such, approximately 70 percent of the income information during the evaluation period was not available. However, this type of lending could provide affordable rental income and is a known need for the AA per our community contact.

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.

Overall, the borrower distribution of small loans to businesses is excellent in the Collin-Denton-Dallas Counties AA. For 2016, TRB's loans to businesses with revenues less than or equal to \$1 million is lower than both the businesses reporting these revenues but exceeds the aggregate lending.

For 2017-18, the bank's loans to businesses with revenues less than or equal to \$1 million exceeds the businesses with these revenues and the aggregate lending.

Hardeman County AA

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 distribution of consumer loans by income level of the borrower is reasonable in the Hardeman County AA. For 2016, consumer loans to low-income borrowers is significantly lower than low-income households. However, consumer loans to moderate-income borrowers exceeds moderate-income households.

For 2017-18, consumer loans to low-income borrowers exceeds low-income households. This represents a sizable increase from the 2016 data. Consumer loans to moderate-income borrowers exceeds moderate-income households. While the Hardeman County AA only has one primary product, the bank is able to serve their low- and moderate-income borrowers within this AA.

Responses to Complaints

TRB has not received any complaints regarding its CRA performance during the evaluation period.

Appendix A: Scope of Examination

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

Time Period Reviewed:	01/01/2016 – 12/31/2018	
Bank Products Reviewed:	Home Mortgage and Small Business for Collin-Denton-Dallas Counties AA, and Consumer Loans for Hardeman County AA.	
Affiliate(s)	Affiliate Relationship	Products Reviewed
None		
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
Texas		
Collin, Denton, Dallas	Full-scope	Counties of Collin, Denton, and Dallas
Hardeman	Full-scope	Hardeman County

Appendix B: Summary of State Ratings

RATINGS		Texas Republic Bank, National Association	
Overall Bank:		Lending Test Rating	
Texas Republic Bank, National Association		Satisfactory	
State:			
Texas		Satisfactory	

Appendix C: Definitions and Common Abbreviations

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

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

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

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 Examination). For purposes of reviewing the Lending Test tables, the following are applicable: (1) purchased are treated as originations; and (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all HMDA or CRA-reporting lenders in the MMSA/AA. Deposit data are compiled by the FDIC and are available as of June 30th of each year. Tables without data are not included in this PE.

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

- Table O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents aggregate peer data for the years the data is available.
- Table P. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MMSA/AA. The table also presents aggregate peer data for the years the data is available.
- Table Q. Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses that were originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) in those geographies. Because aggregate small business data are not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank’s 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 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 Dallas Counties AA 2016	255	47,467	100.0	155,758	5.4	5.5	2.5	19.4	38.8	10.0	27.6	29.4	27.4	47.6	26.3	60.2	0.0	0.0	0.0		
Total	255	47,467	100.0	155,790	5.4	5.5	2.5	19.5	38.8	10.0	27.5	29.4	27.4	47.5	26.3	60.2	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 Dallas Counties AA 2018	298	68,731	99.7	141,213	5.7	5.7	3.5	20.9	27.5	13.2	25.9	21.8	28.1	47.5	45.0	55.1	0.2	0.0	0.1		
Total	299	68,792	100.0	141,238	5.6	5.7	3.5	20.8	27.4	13.2	26.0	22.1	28.1	47.4	44.8	55.1	0.2	0.0	0.1		

*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		
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			
Collin Denton Dallas Counties AA 2016	255	47,467	100.0	155,758	23.3	0.0	3.0	16.5	1.6	10.3	17.9	3.1	16.5	42.3	26.7	53.2	0.0	68.6	17.0			
Total	255	47,467	100.0	155,790	23.3	0.0	3.0	16.5	1.6	10.3	17.9	3.1	16.5	42.3	26.7	53.2	0.0	68.6	17.0			

*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 P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																				2017-18		
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			
Collin Denton Dallas Counties AA 2018	298	68,731	169.3	141,213	24.0	0.3	3.2	16.4	1.7	11.1	17.3	3.7	18.1	42.3	24.8	52.5	0.0	69.5	15.0			
Total	298	68,731	169.3	141,213	24.0	0.3	3.2	16.4	1.7	11.1	17.3	3.7	18.1	42.3	24.8	52.5	0.0	69.2	15.0			

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

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																				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 Dallas Counties AA 2016	25	5,994	100.0	108,622	8.2	12.0	8.1	17.6	16.0	17.0	24.4	40.0	22.2	49.6	32.0	52.6	0.2	--	0.2			
Total	25	5,994	100.0	108,662	8.2	12.0	8.1	17.6	16.0	17.0	24.4	40.0	22.2	49.6	32.0	52.6	0.2	--	0.2			

*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 Dallas Counties AA 2018	25	8,032	100.0	101,908	7.6	12.0	7.9	19.1	16.0	19.5	24.4	28.0	23.2	48.0	44.0	48.4	0.9	--	1.0			
Total	25	8,032	100.0	101,945	7.6	12.0	7.9	19.1	16.0	19.5	24.5	28.0	23.2	48.0	44.0	48.4	0.9	--	1.0			

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

Table 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-Dallas Counties AA 2016	25	5,994	100.0	108,622	85.3	80.0	42.6	5.6	20.0	9.1	--	
Total	25	5,994	100.0	108,662	85.3	80.0	42.6	5.6	20.0	9.1	--	
<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-Dallas Counties AA 2018	25	8,032	100.0	101,908	85.8	88.0	47.2	5.3	12.0	8.9	--	
Total	25	8,032	100.0	101,945	85.8	88.0	47.2	5.3	12.0	8.9	--	
<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	
Hardeman County AA 2016	25	246	100.0	0.0	0.0	100.0	100.0	0.0	0.0	0.0	0.0	0.0	--	
Total	25	246	100.0	0.0	0.0	100.0	100.0	0.0	0.0	0.0	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	
Hardeman County AA 2018	25	113	100.0	0.0	0.0	0.0	0.0	100.0	100.0	0.0	0.0	0.0	--	
Total	25	113	100.0	0.0	0.0	0.0	0.0	100.0	100.0	0.0	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	
Hardeman County AA 2016	25	246	100.0	24.4	8.0	18.2	36.0	19.0	32.0	38.4	24.0	0.0	--	
Total	25	246	100.0	24.4	8.0	18.2	36.0	19.0	32.0	38.4	24.0	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	
Hardeman County AA 2018	25	113	100.0	34.8	36.0	11.6	28.0	15.5	16.0	38.1	20.0	0.0	--	
Total	25	113	100.0	34.8	36.0	11.6	28.0	17.4	16.0	41.9	20.0	0.0	--	

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