



PUBLIC DISCLOSURE

April 8, 2019

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

CommunityBank of Texas, National Association
Charter Number 12898

5999 Delaware Street
Beaumont, TX 77706

Office of the Comptroller of the Currency

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Suite 1410
Houston, TX 77010-3031

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

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Overall CRA Rating

Institution’s CRA Rating: This institution is rated **Outstanding**.

The following table indicates the performance level of **CommunityBank of Texas, N.A.** with respect to the Lending, Investment, and Service Tests:

Performance Levels	CommunityBank of Texas Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding	X		X
High Satisfactory		X	
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			

*The lending test is weighted more heavily than the investment and service tests when arriving at an overall rating.

The major factors that support this rating include:

- Overall, the geographic distribution of small loans to businesses in the Houston and Beaumont assessment areas (AA) is good given the performance context, with excellent performance in the Houston AA’s moderate-income census tracts (CT).
- The distribution of small loans to businesses with annual revenues of \$1 million or less is good.
- CBOT’s distribution of loans inside/outside of its AAs is outstanding. A substantial majority of the loans made during the evaluation period originated inside the bank’s AAs.
- Community Development (CD) lending had a significant positive impact on the overall lending test for both full scope areas (Houston and Beaumont AAs). During the evaluation period, CBOT originated \$58 million in Low Income Housing Tax Credit (LIHTC) tax-exempt loans.
- Service delivery systems are readily accessible to all portions of the AAs, commensurate with the size and scope of operations of the bank.
- CBOT provides a relatively high level of CD services that are responsive to a variety of CD needs.
- The bank’s investment performance is good in the Houston Metropolitan Statistical Area (MSA) AA and in the Beaumont MSA AA.

Definitions and Common Abbreviations

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

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

Aggregate Lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the Metropolitan Area (MA)/AA.

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

Community Development: Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas; or loans, investments, and services that support, enable or facilitate projects or activities under HUD Neighborhood Stabilization Program criteria that benefit low-, moderate-, and middle-income individuals and geographies in the bank's AA(s) or outside the AA(s) provided the bank has adequately addressed the CD needs of its AA(s).

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

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

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-

couple family or other family, which is further classified into 'male householder' (a family with a male householder and no wife present) or 'female householder' (a family with a female householder and no husband present).

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

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

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

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

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

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

Low-Income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

Market Share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/AA.

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

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

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

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

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

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

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

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

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

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

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

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

Small Loan(s) to Farm(s): A loan included in 'loans to small farms' as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report).

These loans have original amounts of \$500,000 or less and are secured by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

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

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

Description of Institution

CBOT is a full-service community bank headquartered in Beaumont, Texas. CBOT is wholly owned by CBTX, Inc., a publicly traded, one-bank holding company also headquartered in Beaumont, Texas. As of December 31, 2018, CBOT's total assets amounted to \$3.3 billion. The total loan portfolio (net of the allowance for loan and lease losses) of \$2.4 billion represents 75 percent of total assets. Deposits totaling \$2.8 billion resulted in a loan to deposit ratio of 87 percent. Tier 1 capital totaled \$363 million.

While the bank has a history of mergers and acquisitions since its founding in 2007, CBOT did not merge with or acquire a bank during the evaluation period. The bank is committed to organic growth of loans and deposits by strengthening its customer relationships and referral business. CBOT's primary focus is to originate loans for small and medium sized businesses. Commercial real estate (nonfarm and nonresidential) loans comprised 32 percent of the loan portfolio, while commercial and industrial loans comprised 21 percent. Loans to one-to-four family residential real estate represents approximately 12 percent of all lending. Consumer lending is marginal, comprising of less than 2 percent of all loans.

CBOT offers a full range of products and services through its 33 full-service branches located in the Houston MSA (16), in the Beaumont MSA (11), and in surrounding Non-MSA areas (6). The bank has 12 of its branches in upper-income CTs, 12 branches in middle-income CTs, six branches in moderate-income CTs, and three branches in low-income CTs. As of December 31, 2018, the Houston MSA AA was comprised of Harris, Fort Bend, and Montgomery counties; the Beaumont MSA AA was comprised of Jefferson, Hardin, Orange and Newton counties; and the Non MSA AA was comprised of Wharton, Jasper and Tyler counties. The bank opened one branch since the last CRA evaluation located in an upper-income CT within the Houston MSA AA.

Competition faced by the bank is strong in both the Houston and Beaumont MSA AAs. Based on Federal Deposit Insurance Corporation (FDIC) Deposit Market Share data as of June 30, 2018, CBOT ranks 1st, 19th, and 5th among depository institutions in its Beaumont MSA, Houston MSA, and Non MSA AAs, respectively. BBVA Compass, Wells Fargo, N.A., and Capital One Bank, N.A. are CBOT's main competitors in the Beaumont area while Wells Fargo Bank, N.A., Bank of America, N.A., and JPMorgan Chase Bank, N.A. are the main competitors in the Houston area.

Products and services offered include checking and savings accounts, safe deposit boxes, night depositories, debit cards, online banking, bill pay, certificates of deposits, and individual retirement accounts. The bank also has 29 drive-up branches and operates 31 onsite automated tellers machines (ATMs). The majority of CBOT's 33 branches have lobby hours from 9:00 A.M. to 4:00 P.M. Monday through Thursday, with extended hours until 5:00 P.M. on Friday. Drive-through hours are generally 7:30 A.M. to 6:00 P.M. Monday through Friday, and 9:00 A.M. to 12:00 P.M. on Saturdays for select branches. CBOT's website provides lobby and drive-through hours at specific locations, along with availability of ATMs.

There are no legal or financial factors impeding CBOT's ability to help meet the credit needs of its AAs. During the evaluation period, the bank faced various competitive and economic challenges as discussed throughout the Performance Evaluation, which are considered when determining CRA performance. CBOT received a Satisfactory rating at the last CRA examination dated March 28, 2016.

Scope of the Evaluation

Evaluation Period/Products Evaluated

This Performance Evaluation assesses CBOT's performance under the Lending, Investment, and Service Tests. In evaluating the bank's lending performance, we reviewed small loans to businesses subject to reporting under the CRA, residential mortgage loans subject to filing under HMDA (home purchase, home improvement, and home refinance loans), and CD loans. We also evaluated CD investments and CD services. Small loans to farms are not a primary lending product of the bank and analysis of this product would not have been meaningful. Based on number of loans, CBOT only had 6 percent of the reportable loans that were small loans to farms.

The evaluation period for the Lending Test for small loans to businesses and home mortgage loans was January 1, 2016 through December 31, 2018. For the Lending Test, we analyzed 2016 data separately from the combined years of 2017 and 2018 due to the 2015 American Community Survey (ACS) U.S. Census that applies to the data beginning in 2017. The 2010 US Census applies to 2016. Comparative data was different for each year due to the census change and the change of the income level of some CTs, also referred to as geographies. The small loans to businesses tables in Appendix C used demographic comparators from 2016 and 2018 Dun & Bradstreet data.

The evaluation period for CD Loans, Investments, and Services Tests was March 29, 2016 through December 31, 2018. The Investment Test included a review of investments, donations, and grants that met the definition of CD investments. The Service Test included a review of retail and CD services provided in the AAs.

Data Integrity

This evaluation is based on accurate data that was provided by the bank. In January 2019, a data integrity examination was completed by reviewing a statistical sample of residential home mortgage loan records from the bank's HMDA Loan Application Register (LAR) and a statistical sample of small business loan records from the CRA LAR for 2016, 2017, and through the third quarter of 2018. This was to verify the accuracy of data available to the public in accordance with HMDA and CRA regulations. The data sampled from the HMDA and CRA LARs were compared directly to the data maintained in the loan files. The majority of the CD loans and all of the CD investments, donations, and services submitted by the bank were also reviewed. The HMDA and CRA LARs were determined to be reliable, and the majority of the CD activities qualified based on CRA CD requirements.

Selection of Areas for Full-Scope Review

As of June 30, 2018, the Houston MSA AA and Beaumont MSA AA represented 57.3 percent and 37.2 percent of the bank's total deposits, respectively. In addition, the Houston MSA AA and Beaumont MSA AA had approximately 51.0 percent and 40.1 percent of the bank's total number of loans, respectively. The remaining Non MSA AA represented only 5.5 percent of total deposits and 8.9 percent of total loans. The Houston MSA AA also holds the majority share of the bank's branch network at 49 percent; the Beaumont MSA AA has 33 percent of the branches, and the Non MSA AA has 18 percent. Based on this, the Houston MSA and Beaumont MSA AAs received full-scope reviews and the Non-MSA received a limited scope review.

Ratings

The bank's overall rating is based primarily on the AAs that received a full-scope review. Although both the Houston and Beaumont MSA AAs received a full-scope review, the bank's overall rating was heavily weighted on the performance in the Houston MSA AA, with some weight given to the Beaumont MSA AA. Another factor that influenced the rating was the bank's overall lending strategy. CBOT is considered a commercial bank within its community. In regards to the Lending Test, small loans to businesses are assigned the greatest weight since it is a primary loan product for the bank. During the evaluation period, small loans to businesses represented approximately 80 percent of the total reportable loans by number. HMDA loans represented 13 percent of the total reportable loans. The Lending Test rating received the most weight among all of the tests performed in our review and was supported by the level and responsiveness of the bank's CD lending to its community's credit needs.

For the Investment Test, the level of current period investments was more heavily weighted as well as the responsiveness to the community needs. In the Service Test, the Retail Banking Services is more heavily weighted than CD Services.

Discriminatory or Other Illegal Credit Practices Review

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

The OCC has not identified that this institution has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

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

Conclusions with Respect to Performance Tests

LENDING TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Lending Test is rated Outstanding, when considering the bank's excellent level of CD lending that had a significantly positive impact on the good level of lending in the full-scope AAs. More weight was given to the small business loan performance and the bank's lending in the Houston MSA AA as it has the majority of the bank's lending activity when compared to lending in the Beaumont MSA AA. Additionally, more weight was given to lending in the moderate-income CTs given that there are more moderate-income CTs than low-income CTs in both of the full-scope AAs. For residential mortgage lending, the performance comparison to the aggregate data was also given more weight due to the performance context.

Lending Activity

Refer to Table 1 Lending Volume in Appendix C for the facts and data used to evaluate the bank's overall lending activity.

Although the bank's overall lending activity reflects a good responsiveness to AA credit needs for home mortgages and small business loans, there are multiple performance context factors that had an impact on CBOT's lending activity. The bank has established itself as a commercial bank within its community that is relationship-driven. CBOT benefits from organic growth through referral business from existing customers and professionals within its markets. This reputation has coincided with the bank's lending strategy to focus on commercial lending, evidenced by the substantial majority of originated and purchased loans during the examination period that were small business loans. As a result, the bank's customers and the local community do not see the bank as a mortgage lender. CBOT has attempted to finance mortgage loans by purchasing them from larger institutions, but has encountered limited opportunities, especially in the Beaumont MSA AA. In addition to this, although CBOT makes mortgage loan products available, they are offered as an ancillary product and generally are originated for immediate sale into the secondary market. These loans are not included in the bank's portfolio and are not reflected in their performance numbers.

The bank's performance was also affected by the aftermath of Hurricane Harvey in August 2017. Families, including low- and moderate-income (LMI) individuals who were living in homes prior to the hurricane were displaced due to severe flooding. After investors rebuilt and rehabilitated the damaged homes, most of them were put back on the market at a much higher price than at the value they had before the hurricane. This made it very difficult for the majority of families, especially low-income families, to afford the purchase of a home. This effect was noticed mostly in the Beaumont MSA AA, which has a population with 17 percent below the poverty level. The Houston MSA AA also has a high portion of its population below the poverty level at 14 percent. This makes it difficult for LMI families to purchase a home in these areas.

CBOT has also made efforts to increase its lending to small businesses and to businesses located in LMI geographies, especially in the Beaumont MSA AA. Some of the efforts they have made include a Digital Outreach Campaign that began in 2018, in which small businesses are contacted in order to identify those that need small business loans to help support their operations. The bank has also engaged its Small Business Administration (SBA) Department in various outreach efforts throughout the Beaumont MSA AA. CBOT's branch managers have also been instructed to identify existing depository small business customers who may have a need for a small business loan.

CBOT faces intense competition within its AAs. The bank contends for market share with larger commercial banks that are primarily headquartered outside of Texas, as well with other providers of financial services, such as savings and loan associations, credit unions, consumer finance companies, commercial finance and leasing companies, and various mortgage lenders. Many of these competitors have greater access to resources, have higher lending limits, and are able to offer additional services that are not provided by the bank. CBOT's strategy is to focus on the customers that are interested in banking with a company that is based in Texas that provides a more relationship centered approach to meeting customer financial needs.

Distribution of Loans by Income Level of the Geography

Home Mortgage Loans

Based on the data in Tables O in Appendix C, the overall geographic distribution of the bank's home mortgage loan originations and purchases reflects good dispersion, given the performance context.

Houston MSA AA

In the Houston MSA AA for the year 2016, the bank's mortgage lending in low-income tracts was somewhat lower than the area demographics but exceeded the aggregate data from other HMDA reporting financial institutions in the area. The distribution of loans in the moderate-income tracts during this year were also somewhat lower than the area demographics but exceeded the aggregate data from other HMDA reporting financial institutions in the area.

For the years 2017-2018, the bank's mortgage lending in low-income tracts was near to the area demographics but exceeded the aggregate data from other HMDA reporting financial institutions in the area. The distribution of loans in the moderate-income tracts during these years was also near to the area demographics but exceeded the aggregate data from other HMDA reporting financial institutions in the area.

Beaumont MSA AA

In the Beaumont MSA AA for the year 2016, the bank's mortgage lending in low-income tracts was significantly lower than both the area demographics and the aggregate data from other HMDA reporting financial institutions in the area. The distribution of loans in the moderate-income tracts during this year was somewhat lower than the area demographics but exceeded the aggregate data from other HMDA reporting financial institutions in the area.

For the years 2017-2018, the bank's mortgage lending in low-income tracts was somewhat lower than the area demographics but exceeded the aggregate data from other HMDA reporting financial institutions in the area. The distribution of loans in the moderate-income tracts during these years was lower than the area demographics but was only somewhat lower than the aggregate data from other HMDA reporting financial institutions in the area.

Small Loans to Businesses

Based on the data in Tables Q in Appendix C, the overall geographic distribution of the bank's small business loan originations and purchases reflects good dispersion, given the performance context.

Houston MSA AA

In the Houston MSA AA for the year 2016, the bank's lending of small loans to businesses located in low-income tracts was significantly lower than the area demographics and was somewhat lower than the aggregate data from other small business lenders in the area. The distribution of loans in the moderate-income tracts during this year exceeded both the area demographics and the aggregate data from other small business lenders in the area.

For the years 2017-2018, the bank's lending of small loans to businesses located in low-income tracts was near to both the area demographics and the aggregate data from other small business lenders in the area. The distribution of loans in the moderate-income tracts during these years exceeded both the area demographics and the aggregate data from other small business lenders in the area.

Beaumont MSA AA

In the Beaumont MSA AA for the year 2016, the bank's lending of small loans to businesses located in low-income tracts was significantly lower than the area demographics and lower than the aggregate data from other small business lenders in the area. The distribution of loans in the moderate-income tracts during this year exceeded both the area demographics and the aggregate data from other HMDA reporting financial institutions in the area.

For the years 2017-2018, the bank's lending of small loans to businesses located in low-income tracts was somewhat lower than both the area demographics and the aggregate data from other small business lenders in the area. The distribution of loans in the moderate-income tracts during these years was somewhat lower than the area demographics but was near to the aggregate data from other small business lenders in the area.

Lending Gap Analysis

We reviewed reports and maps detailing home mortgage loans and small loans to businesses originated or purchased during the evaluation period. No conspicuous gaps in the geographic distribution of loans were identified.

Inside/Outside Ratio

CBOT's distribution of loans inside and outside of its AAs is outstanding. A substantial majority of the loans originated or purchased during the evaluation period were made inside the bank's AAs. Overall, 92 percent of the number and 84 percent of the dollar volume originated within the AAs. This analysis is performed at the bank level as a whole rather than at the individual AA levels. By loan product and number of loans, 94 percent of small loans to businesses and 85 percent of home mortgage loans originated within the AAs. This level of performance was positively factored into the overall analysis of the distribution of lending by income level of geography.

Distribution of Loans by Income Level of the Borrower***Home Mortgage Loans***

Based on the data in Tables P in Appendix C, the overall borrower distribution of the bank's home mortgage loan originations and purchases reflects good penetration, given the performance context.

Houston MSA AA

In the Houston MSA AA for the year 2016, the bank's mortgage lending to low-income borrowers was lower than the area demographics but exceeded the aggregate data when compared to other HMDA reporting financial institutions in the area. The distribution of loans to moderate-income borrowers during this year exceeded both the area demographics and the aggregate data from other HMDA reporting financial institutions in the area.

For the years 2017-2018, the bank's mortgage lending to low-income borrowers was lower than the area demographics but exceeded the aggregate data from other HMDA reporting financial institutions in the area. The distribution of loans to moderate-income borrowers during these years exceeded both the area demographics and the aggregate data from other HMDA reporting financial institutions in the area.

Beaumont MSA AA

In the Beaumont MSA AA for the year 2016, the bank's mortgage lending to low-income borrowers was significantly lower than the area demographics but exceeded the aggregate data when compared to other HMDA reporting financial institutions in the area. The distribution of loans to moderate-income borrowers during this year exceeded both the area demographics and the aggregate data from other HMDA reporting financial institutions in the area.

For the years 2017-2018, the bank's mortgage lending to low-income borrowers was significantly lower than the area demographics but was near to the aggregate data from other HMDA reporting financial institutions in the area. The distribution of loans to moderate-income borrowers during these years was lower than the area demographics but was near to the aggregate data from other HMDA reporting financial institutions in the area.

Small Loans to Businesses

Based on the data in Tables R in Appendix C, the distribution of small loans to businesses by revenue reflects good penetration, given the performance context.

Houston MSA AA

In the Houston MSA AA for the year 2016, the distribution of small loans to businesses with annual revenues of \$1 million or less was somewhat lower than the area demographics but exceeded the aggregate business lending in the area.

For the years 2017-2018, the distribution of small loans to businesses with annual revenues of \$1 million or less was also somewhat lower than the area demographics but exceeded the aggregate business lending in the area.

Beaumont MSA AA

In the Beaumont MSA AA for the year 2016, the distribution of small loans to businesses with annual revenues of \$1 million or less was somewhat lower than the area demographics but exceeded the aggregate business lending in the area.

For the years 2017-2018, the distribution of small loans to businesses with annual revenues of \$1 million or less was also somewhat lower than the area demographics but exceeded the aggregate business lending in the area.

Community Development Lending

Refer to Table 1 Lending Volume in appendix C for the facts and data used to evaluate the bank's level of CD lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans.

CBOT has provided an excellent level of CD loans in its two full-scope AAs. The amount of CD loans in the Houston and Beaumont MSA AAs had a significant positive effect on the overall lending test rating.

Houston MSA AA

During the evaluation period, we qualified nineteen originated or renewed loans totaling \$69 million in the Houston MSA AA that will receive CD credit. There were eight loans for affordable housing totaling \$58 million, six loans for community services targeted to LMI individuals totaling \$1.4 million, and five loans for economic development totaling \$9.7 million. The affordable housing loans were comprised of loans in the LIHTC program.

Beaumont MSA AA

During the evaluation period, we qualified thirteen originated or renewed loans totaling \$21.2 million in the Beaumont MSA AA that will receive CD credit. There were five loans for affordable housing totaling \$13.7 million, five loans for community services targeted to LMI individuals totaling \$1.3 million, one loan for economic development totaling \$555,000 and two loans for activities that revitalize and stabilize designated disaster areas totaling \$5.8 million. Two of the loans receiving revitalize and stabilize credit were in response to Hurricane Harvey disaster recovery efforts. Over a thousand homes were assisted by the bank's CD lending activities.

Limited Scope MSA AA

The Non-MSA AA received a limited scope review. The performance in this AA is not inconsistent to the performance in the Houston and Beaumont MSA AAs. The bank made four loans for community services that targeted LMI individuals totaling \$3.3 million. Refer to tables in appendix C for the facts and data that support these conclusions.

Broader Statewide

In addition to the above CD loans, the bank made 44 LIHTC loans outside of its AAs totaling \$252 million.

INVESTMENT TEST

CBOT's performance under the Investment Test is rated High Satisfactory. Based on full-scope reviews, the bank's performance in the Houston MSA AA and Beaumont MSA AA is good. Broader statewide or regional investments and donations had a positive impact on the overall rating.

Refer to Table 14 in appendix C for the facts and data used to evaluate the bank's level of qualified investments.

CBOT had a significant level of qualified investments and donations with good responsiveness to the needs of its AAs. Primarily investments and donations address the needs for affordable housing to LMI individuals. Prior period investments for affordable housing continue to positively impact the AAs. In addition, investments supported CD services targeted to LMI individuals and small businesses. Investments were not considered innovative or complex but demonstrated good responsiveness to the credit and CD needs of the AA.

Aggregate qualified CD investments in the Houston MSA AA represented 6.6 percent of allocated Tier 1 capital. In the Beaumont MSA AA, aggregate qualified investments represented 2.5 percent of allocated Tier 1 capital.

Conclusions for Areas Receiving Full-Scope Reviews

Houston MSA AA

Performance in the Houston MSA AA is good when considering the impact of current and prior period investments in the AA. Qualified investments made during the current assessment period totaled \$2.6 million and consisted of debt investments, donations, and grants. In addition, there are \$21 million in prior period affordable housing investments still outstanding at the end of the current evaluation period. Investments made in the prior period continue to have a positive impact on the Houston MSA AA. In aggregate, qualified investments and outstanding prior period investments total \$24 million in the Houston MSA AA.

Current period investments in the Houston MSA AA consisted of nine investments totaling \$2.2 million. Three municipal bond investments provided community services to LMI individuals. Other investments included six certificates of deposits in three minority-owned financial institutions, totaling \$1.2 million. These deposits helped the investments and were responsive, meeting the institution's credit needs in the local community.

During the evaluation period, CBOT made 107 qualified donations and grants totaling \$434,000 in the Houston MSA AA. Qualified donations and grants were made to organizations that provide affordable housing and community services targeting LMI individuals. Of the qualified donations, \$65,000 were to non-profit organizations that provide permanent affordable housing and financial management services to LMI individuals.

Two prior period investments with a book balance of \$21.3 million included a LIHTC bond and a pool of mortgage-backed securities. Both prior period investments continue to provide affordable housing to LMI borrowers in the Houston MSA AA.

Beaumont MSA AA

Performance in the Beaumont MSA AA is also good. Qualified investments made during the assessment period totaled \$204,000 and consisted of grants and donations. In addition, there are \$8.8 million in prior period long-term debt investments still outstanding at the end of the current evaluation period. In aggregate, qualified investments and outstanding prior period investments total \$9 million.

CBOT did not make any qualifying investments in the Beaumont MSA AA during the evaluation period; however, it made 68 qualified donations and grants totaling \$204,000. Donations were made to organizations that provide community services targeted to LMI families. Of the qualified donations and grants, \$50,000 were to organizations that provide credit and home buying counseling as well as affordable housing services to LMI individuals.

Investments made in the prior period continue to have a positive impact on the Beaumont MSA AA. In the prior evaluation period, CBOT purchased five investments with a book value of \$8.8 million that provided affordable housing. Prior period investments consisted of four LIHTC bonds and one CRA Qualified Investment through Community Capital Management.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Investment Test in CBOT's Non MSA AA is inconsistent with the bank's overall High Satisfactory performance. In CBOT's Non MSA AA, the bank's performance is weaker than the overall performance.

Refer to Table 14 in appendix C for the facts and data that support these conclusions.

There are limited opportunities for CD investments as a result of CBOT's limited presence in the Non MSA AA. During the evaluation period, CBOT made one investment in a municipal bond totaling \$260,000 that provided community services to LMI individuals. CBOT made seven donations totaling \$25,000 to organizations that provide community services and affordable housing to LMI individuals. In addition, there are two prior period municipal investment bonds with a book value of \$614,000 at the end of the current evaluation period. In aggregate, qualified investments and outstanding prior period investments total \$899,000 in the Non MSA AA.

Broader Statewide or Regional Areas

CBOT made a \$2.5 million investment in a Small Business Investment Company (SBIC), Valesco Fund II, LP (Valesco Fund), for the purpose of economic development. As an SBIC, the Valesco Fund invests in debt and/or equity securities of companies in order to facilitate business growth. In addition, the fund seeks to increase job opportunities and job retention. The investment serves the lending needs of small businesses throughout the state and regional area. CBOT's investment portion of the fund serves small businesses in both the Houston and Beaumont MSA AAs. In addition to this, there were seven donations made that benefited multiple Bank AAs in the amount of \$77,000.

Other prior period investments

Other prior period investments included two investments in SBICs for the purpose of economic development. CBOT maintained a prior period investment in Valesco Commerce Street Capital, an SBIC entity that serves the lending needs of small businesses in the counties of Wharton, Fort Bend, and Harris. The current book value is \$554,000. CBOT also made a prior period investment in Pharos Capital Group, also an SBIC entity. The fund focuses on serving undercapitalized businesses in underserved areas. The current book value is \$820,000.

In addition, CBOT maintained seven prior period investments located in a broader statewide area. The current combined book value is \$42 million. A majority of the prior period investments provided affordable housing developments outside of the bank's AAs.

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

CBOT's performance under the Service Test is rated Outstanding. Based on a full-scope review, CBOT's performance in the Houston and Beaumont MSA AAs is excellent. The rating is based on the geographic distribution of full-service banking offices and ATMs, and CBOT's strong commitment to CD services.

Retail Banking Services

Please refer to Table 15 in appendix C for the data used to evaluate the distribution of the bank's delivery system and branch openings and closings.

CBOT's delivery systems provide good access to geographies and individuals of different income levels in the AAs. As of the evaluation date, CBOT had 33 full service branch locations: 16 branches are located in the Houston MSA AA, 11 branches are located in the Beaumont MSA AA, and six branches are located in the limited-scope AA. Overall, branch distribution includes three branches that are located in low-income geographies, six in moderate-income geographies, 12 in middle-income geographies, and 12 in upper-income geographies.

Branch distribution by income level of the geography in the Houston MSA AA is 49 percent. The percentage of the bank's branch offices in the Houston MSA AA located in low-income geographies of 19 percent exceeds the percent of population within the low-income geography of 12.87 percent. Branches that are located in moderate-income geographies at 6 percent is lower than the income population of 27.07 percent in this geography. However, eight branches or 50 percent of total branches in the Houston MSA AA are located directly in a low- to moderate-income geography or within a half mile of a low- to moderate-income geography.

Branch distribution by income level of the geography in the Beaumont MSA AA is 33 percent. The bank does not have any branches located in a low-income geography in the Beaumont MSA AA. However, three branches are located in a moderate-income geography. The percentage of the bank's branch offices located in a moderate-income geography of 27 percent exceeds the moderate-income population of 23.05 percent. In addition, four branches or 36 percent of branches in the Beaumont MSA AA are located either directly in a low- to moderate-income geography or within a half mile of a low- to moderate-income geography.

During the evaluation period, the closing and opening of branches was reasonable and did not adversely affect the accessibility of its delivery systems. CBOT closed six branches and opened one new branch since the prior CRA examination. Four branches in the Houston MSA AA were closed: two branches located in middle-income geographies and two branches located in upper-income geographies. Two branches in the Beaumont MSA AA were closed: one branch located in a moderate-income geography and one branch located in a middle-income geography. In addition, CBOT opened one branch in the Houston MSA AA located in an upper-income geography.

CBOT's business hours are tailored to the convenience and needs of their respective areas, regardless of the income level of the geography. Branch hours are consistent with other financial institutions within the individual communities. CBOT offers a variety of retail financial services designed to meet the credit and non-credit needs of its communities. In addition to traditional brick and mortar branches, CBOT offers a range of alternative retail delivery channels including online and mobile banking, telephone banking services, and access to ATMs. CBOT offers 31 ATM facilities located at branch locations. There is limited data on the effectiveness of these alternative delivery retail systems; therefore, no significant weight was given to these systems.

Community Development Services

The bank is a leader in providing CD services throughout both the Houston and Beaumont MSA AA's. Considering the significant level of employee participation and hours contributed to a number of organizations and individuals, the level of CD services is excellent.

During the evaluation period, management and employees performed approximately 7,235 CD service hours to at least 60 different qualifying organizations. A majority of the services performed directly benefited both the Houston and Beaumont MSA AAs. CBOT employees served as board members and provided financial expertise by serving on various committees that support affordable housing, small businesses, and social services to LMI individuals. In addition, CBOT employees provided financial education and literacy through credit and home buyer counseling, as well as student work-readiness programs to LMI individuals throughout all AAs.

CBOT employees provided 6,332 hours of CD services in the full scope AAs. In the Houston MSA AA, employees provided 4,189 service hours and in the Beaumont MSA AA employees provided 2,143 service hours as follows:

- CD services were provided to a non-profit organization that provides economic and workforce-based programs to students from kindergarten through 12th grade. Community services included providing financial literacy classes and seminars at schools identified as having 50 to 90 percent or more of students that are economically disadvantaged. In addition, one CBOT director and one officer provide additional financial expertise by serving on the board for the organization.
- CD services to an organization that provides financial education, homebuyer counseling, and foreclosure intervention to LMI individuals. The organization also provides consumer classes pertaining to banking, credit scores, and the credit process. In addition, two CBOT executive officers serve on the board of the organization.

Houston MSA AA

CD services in the Houston MSA AA reflect excellent responsiveness in meeting identified community needs. During the evaluation period, CBOT employees provided 4,189 hours of qualified CD services. Bank management focused their efforts on activities and organizations that supported community services to LMI individuals and families.

In addition, other activities included providing financial expertise by serving as board or committee members to organizations that support affordable housing and the revitalization of LMI geographies. Some examples of CBOT's involvement in the Houston MSA AA during the evaluation period include the following:

- A CBOT officer serves as a board member for an organization that provides educational, economic, and affordable housing programs to LMI individuals in the community. The organization identified that 97 percent of individuals served are LMI individuals.
- An executive officer provided financial expertise by serving on the board of an organization that provides affordable housing, homebuilding revitalization, and homeownership support services in communities throughout the AA. The organization serves 100 percent of LMI individuals.

Beaumont MSA AA

CD services in the Beaumont MSA AA reflect excellent responsiveness in meeting identified community needs. During the evaluation period, CBOT employees provided 2,143 hours of qualified CD services. Bank management focused their efforts on activities and organizations that supported affordable housing, economic development, and community services to LMI individuals. CBOT employees served as board members and provided financial expertise to organizations supporting financial literacy for LMI individuals. Some examples of CBOT's involvement in the Beaumont MSA AA during the evaluation period include the following:

- A CBOT executive officer serves on the board of an organization that provides social services to LMI families in the community. Services include providing financial assistance and temporary housing. Approximately 95 percent of individuals the organization serves are LMI.
- Three CBOT executive officers serve on the board and loan committee of a non-profit organization that assists small businesses with obtaining long-term financing. The non-profit provides resources to small businesses and acts as a servicing agent for the SBA 504 program.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, CBOT's performance under the Service Test in the limited-scope AA is weaker than with the bank's overall outstanding performance in both the Houston and Beaumont MSA AAs. During the evaluation period, CBOT employees provided 563 service hours to organizations in the Non MSA AA. Weaker performance in the limited-scope AA is a result of CBOT's limited presence due to branch distribution. Performance in the limited-scope AA did not adversely impact the overall rating.

Appendix A: Scope of Examination

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

Time Period Reviewed	Lending Test (excludes CD Loans): 01/01/16 to 12/31/18 Investment and Service Tests: 03/29/16 to 12/31/18 CD Loans: 03/29/16 to 12/31/18	
Financial Institution	Products Reviewed	
CommunityBank of Texas, N.A. 5999 Delaware Street Beaumont, Texas	Home mortgage loans (home purchase, home improvement, and refinance), small loans to businesses, CD loans, investments, and services	
Affiliate(s)	Affiliate Relationship	Products Reviewed
None		
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
MSA 26420 (Houston-The Woodlands-Sugar Land, TX MSA)	Full-Scope	Harris, Fort Bend, Montgomery Counties (Chambers Co. was included until 2018)
MSA 13140 (Beaumont-Port Arthur, TX MSA)	Full-Scope	Jefferson, Hardin, Orange, Newton Counties
Non MSA 99999	Limited-Scope	Wharton, Jasper, Tyler Counties

Appendix B: Community Profiles for Full-Scope Areas

The bank’s three AAs consist of two MSAs and one Non-MSA. We conducted a full-scope review based on the Houston-The Woodlands-Sugar Land MSA and the Beaumont-Port Arthur MSA. The AAs meet the requirement of the CRA regulation and do not arbitrarily exclude LMI geographies.

The June 30, 2018 FDIC Deposit Market Share data ranks CBOT 19th in the Houston MSA AA in total deposits, representing a market share of 0.61 percent. For the same reporting period, the Beaumont MSA AA was ranked first in total deposits, which represents a market share of 18.33 percent.

Houston-The Woodlands-Sugar Land MSA

Demographic Information for Full-Scope Area: Houston MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	921	16.40	29.53	23.02	30.29	0.76
Population by Geography	5,517,279	12.87	27.07	25.95	33.76	0.34
Owner-Occupied Housing by Geography	1,110,317	5.77	22.06	27.45	44.65	0.07
Businesses by Geography	428,232	10.63	19.30	22.27	47.60	0.20
Farms by Geography	6,471	6.32	17.25	26.50	49.82	0.11
Family Distribution by Income Level	1,323,623	25.06	16.16	16.90	41.88	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	545,604	22.44	36.95	24.31	16.02	0.29
Median Family Income	69,373					
FFIEC Adjusted Median Family Income for 2017	72,500					
Households Below the Poverty Level	14%					
			Median Housing Value	177,463		
			Unemployment Rate	3.64%		
			(2015 ACS US Census)			

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 2015 ACS US Census and 2017 FFIEC updated MFI

The Houston-The Woodlands-Sugar Land MSA, commonly referred to as “Greater Houston”, consists of a nine counties along the Gulf Coast of southeast Texas. The MSA is the fifth-largest metropolitan area in the U.S. totaling 10,062 square miles. The MSA is centered in Harris County, the third largest county in the nation based on population. The county seat, Houston, is the largest city in Texas and the fourth largest in the nation. With a population of 5.5 million people, Greater Houston is the second most populous MSA.

Beginning in 2018 the bank removed Chambers County from their Houston MSA AA. The AA is now made up of three of the nine counties in the MSA, including Harris, Fort Bend, and Montgomery Counties.

There are 921 CTs included in the AA that are distributed as follows: 151 low-income CTs (16.40 percent), 272 moderate-income CTs (29.53 percent), 212 middle-income CTs (23.02 percent), 279 upper-income CTs (30.29 percent), and seven CTs with no income designations (0.76 percent).

Economic activity is centered in Houston, which is second to New York City in containing the most Fortune 500 company headquarters. Greater Houston is home to three major seaports: Port of Houston, Port of Texas City, and Port of Galveston. Also located in the area is the Houston Ship Channel, which is a man-made ship channel that is one of the busiest ports in the U.S. Leading industries in the city consist of petroleum processing, petrochemical manufacturing, and oilfield equipment. Houston is also home to the Texas Medical Center, the largest medical center in the world. According to the 2017 updated U.S. Census data, the median household income was \$69,373; however, 14 percent of the population lived below the poverty level. Per 2017 Bureau of Labor Statistics, unemployment is low at 3.64 percent. Community contacts indicate that affordable housing is a critical need in the AA as well as the need for financial literacy. CBOT has been responsive to the community needs and has offered a significant amount of funding and CD services to address the needs of the AA. Banking competition is intense. The five largest competitors are JPMorgan Chase Bank, N.A., Wells Fargo Bank, N.A., Bank of America, N.A., Compass Bank, and Zions Bank, N.A.

Sugar Land, home to the headquarters of Imperial Sugar, is the second largest in economic activities and the fifth largest city in the metropolitan area. The city also holds the headquarters to several Fortune 500 companies: CVR Energy, Inc., Nalco Champion's (energy services division), and Western Airways. The top five largest employers include Fort Bend Independent School District (ISD), Lamar Consolidated ISD, Fort Bend County, Houston Methodist Sugar Land Hospital, and Fluor Corp.

The Woodlands, which is located primarily in Montgomery County, houses several corporate campuses such as Chevron Phillips Chemical, Anadarko Petroleum, Huntsman Corporation, and Woodforest National Bank.

Beaumont-Port Arthur MSA

Demographic Information for Full-Scope Area: Beaumont MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	109	6.42	26.61	39.45	23.85	3.67
Population by Geography	405,695	4.68	23.05	41.86	27.69	2.72
Owner-Occupied Housing by Geography	103,694	3.36	19.93	43.40	33.30	0.00
Businesses by Geography	23,576	4.47	19.58	47.71	28.13	0.10
Farms by Geography	643	3.42	12.91	42.15	41.52	0.00
Family Distribution by Income Level	99,977	22.38	17.25	19.13	41.25	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	39,616	8.34	31.28	40.53	19.85	0.00
Median Family Income	56,953					
FFIEC Adjusted Median Family Income for 2017	55,200					
Households Below the Poverty Level	17%					
			Median Housing Value	102,704		
			Unemployment Rate	3.77%		
			(2015 ACS US Census)			

(*) The NA category consists of geographies that have not been assigned an income classification.
 Source: 2015 ACS US Census and 2017 FFIEC updated MFI

The Beaumont-Port Arthur MSA shares borders with the Lake Charles, LA MSA and the Houston-The Woodlands-Sugar Land, TX MSA. It totals 2,388 square miles with a total population of 405,695. Jefferson County has the highest population of the MSA’s four counties, with the city of Beaumont holding the county seat. The county houses the third largest port in the U.S. by tonnage, the Sabine Neches Waterway.

The bank’s Beaumont MSA AA includes four counties: Jefferson, Hardin, Orange, and Newton. The AA consists of 109 CTs distributed as follows: seven low-income CTs (6.42 percent), 29 moderate-income CTs (26.61 percent), 43 middle-income CTs (39.45 percent), 26 upper-income CTs (23.85 percent), and four CTs with no income designations (3.67 percent).

Economic activity is centered in Beaumont, which is part of the “Golden Triangle” petrochemical and industrial complex. A significant element of the economy is the Port of Beaumont, the nation’s fourth largest seaport by tonnage. Beaumont is home to Jason’s Deli headquarters and houses Lamar University, a national Carnegie Doctoral Research university. Top employers include Conn’s Appliances Inc., Beaumont ISD, ExxonMobil Corporation, and ENGlobal Corporation. According to the updated 2017 U.S. Census data, the median household income was \$56,953 and the poverty level is high at 17 percent. However, per 2017 Bureau of Labor Statistics, unemployment is low at 3.77 percent. Community contacts indicate the need for affordable housing, capital for small businesses, and financial literacy.

CBOT has been responsive to the community needs and has offered customized lending programs and CD services to address the needs of the AA. CBOT leads the MSA in banking competition ahead of Compass Bank, N.A., Wells Fargo Bank, N.A., Capital One Bank, N.A. and JPMorgan Chase Bank, N.A.

Port Arthur is home to a large portion of the U.S. refining capacity. The city is host to the largest oil refinery in the U.S., Saudi Aramco-Motiva Enterprises.

Appendix C: Tables of Performance Data

Content of Standardized Tables

A separate set of tables is provided for each state. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: (1) purchased loans are treated as originations/purchases; (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MSA/AA. Deposit data are compiled by the FDIC and are available as of June 30 of each year. Tables without data are not included in this PE. Tables are identified by both letters and numbers, which results from how they are generated in supervisory analytical systems.

The following is a listing and brief description of the tables:

- Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MA/AA. CD loans to statewide or regional entities or made outside the bank’s AA may receive positive CRA consideration. See Interagency Q&As __.12 (i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans. Refer to the CRA section of the Compliance Policy intranet page for guidance on table placement.
- Table 1. Other Products** - Presents the number and dollar amount of any unreported category of loans originated and purchased by the bank over the evaluation period by MA/AA. Examples include consumer loans or other data that a bank may provide, at its option, concerning its lending performance. This is a two-page table that lists specific categories.
- 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 MA/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 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) throughout those geographies. Because 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 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 (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. The table also presents aggregate peer 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. Because 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 (less than or equal to \$500,000) originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm. The table also presents aggregate peer 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 throughout those geographies.

Table V. 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 to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of households by income level in each MA/AA.

Table 14. Qualified Investments - Presents the number and dollar amount of qualified investments made by the bank in each MA/AA. The table separately presents investments made during prior evaluation periods that are still outstanding and investments made during the current evaluation period. Prior-period investments are reflected at their book value as of the end of the evaluation period. Current period investments are reflected at their original investment amount even if that amount is greater than the current book value of the investment. The table also presents the number and dollar amount of unfunded qualified investment commitments. In order to be included, an unfunded commitment must be legally binding, tracked, and recorded by the bank’s financial reporting system.

A bank may receive positive consideration for qualified investments in statewide/regional entities or made outside of the bank’s AA. See Interagency Q&As __.12 (i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such investments. Refer to the CRA section of the Compliance Policy intranet page for guidance on table placement.

Table 15. Distribution of Branch Delivery System and Branch Openings/Closings - Compares the percentage distribution of the number of the bank’s branches in low-, moderate-, middle-, and upper-income geographies to the percentage of the population within each geography in each MA/AA. The table also presents data on branch openings and closings in each MA/AA.

Table 1. Lending Volume

LENDING VOLUME												
Geography: Texas			Evaluation Period: JANUARY 1, 2016 TO DECEMBER 31, 2018									
Assessment Area:	% of Rated Area Loans (#) in AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
Full Review:												
Beaumont MSA AA	40.1	170	43,864	2,120	362,419	87	9,640	13	21,274	2,390	437,197	37.2
Houston MSA AA	51.0	540	266,062	2,422	517,898	57	4,501	19	68,871	3,038	857,332	57.3
Limited Review:												
Non MSA AA	8.9	18	2,201	313	18,207	193	12,264	4	3,300	528	35,972	5.5
Broader Statewide Area	N/A	N/A	N/A	N/A	N/A	N/A	N/A	44	252,000	N/A	N/A	N/A

* Loan Data from 01/01/2016 through 12/31/2018. Rated area refers to either the state or multi-state MA rating area.

** The evaluation period for Community Development Loans is 03/29/2016 to 12/31/2018.

*** Deposit Data as of 06/30/2018. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

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
Beaumont MSA AA	55	10,670	27.2	7,553	2.3	0.0	0.7	20.5	14.5	7.5	44.1	36.4	45.4	33.1	49.1	45.9	0.0	0.0	0.4
Houston MSA AA	139	57,789	68.8	162,959	4.4	2.2	1.7	21.6	15.1	10.8	29.0	36.7	29.3	45.0	46.0	58.2	0.0	0.0	0.0
Non MSA	8	1,267	4.0	1,313	0.0	0.0	0.0	5.4	0.0	3.8	81.2	100.0	75.8	13.4	0.0	20.4	0.0	0.0	0.0
Total	202	69,726	100.0	171,825	4.1	1.5	1.7	21.1	14.4	10.6	31.6	39.1	30.3	43.2	45.1	57.4	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*

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
Beaumont MSA AA	115	33,194	21.9	7,609	3.4	1.7	1.3	19.9	6.1	7.9	43.4	35.7	45.5	33.3	56.5	45.4	0.0	0.0	0.0
Houston MSA AA	401	208,273	76.2	146,486	5.7	4.7	2.7	22.1	18.7	13.9	27.3	24.4	27.7	44.9	52.1	55.7	0.1	0.0	0.1
Non MSA	10	934	1.9	1,385	0.0	0.0	0.0	10.9	30.0	9.8	66.1	60.0	61.1	22.9	10.0	29.1	0.0	0.0	0.0
Total	526	242,400	100.0	155,480	5.4	4.0	2.6	21.7	16.2	13.5	29.4	27.6	28.8	43.4	52.3	55.0	0.1	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*

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
Beaumont MSA AA	55	10,670	27.2	7,553	23.8	3.6	2.3	16.1	18.2	10.5	18.3	12.7	18.8	41.8	38.2	50.1	0.0	27.3	18.4
Houston MSA AA	139	57,789	68.8	162,959	24.3	7.2	2.5	16.6	26.6	10.9	17.4	3.6	17.4	41.7	41.0	50.6	0.0	21.6	18.7
Non MSA	8	1,267	4.0	1,313	21.8	0.0	1.6	19.3	25.0	9.2	18.7	12.5	16.6	40.2	50.0	56.2	0.0	12.5	16.4
Total	202	69,726	100.0	171,825	24.2	5.9	2.5	16.6	24.3	10.9	17.5	6.4	17.4	41.7	40.6	50.6	0.0	22.8	18.6

*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*

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
Beaumont MSA AA	115	33,194	21.9	7,609	22.4	1.7	1.9	17.2	7.8	8.9	19.1	3.5	18.4	41.2	45.2	50.5	0.0	41.7	20.3
Houston MSA AA	401	208,273	76.2	146,486	25.0	7.2	3.6	16.1	20.0	12.5	16.9	5.7	19.0	41.9	53.4	46.4	0.0	13.7	18.5
Non MSA	10	934	4.1	1,385	21.3	0.0	3.2	17.0	10.0	10.4	18.7	10.0	16.9	43.1	70.0	51.8	0.0	10.0	17.7
Total	526	242,400	100.0	155,480	24.8	5.9	3.5	16.2	17.1	12.3	17.1	5.3	18.9	41.9	51.9	46.6	0.0	19.8	18.6

*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	% Business	% Bank Loans	Aggregate	% Business	% Bank Loans	Aggregate	% Business	% Bank Loans	Aggregate	% Business	% Bank Loans	Aggregate	% Business	% Bank Loans	Aggregate
Beaumont MSA AA	741	118,777	42.4	6,075	2.2	0.5	1.7	25.2	25.8	23.6	37.4	32.9	36.5	34.8	40.4	37.9	0.3	0.4	0.2
Houston MSA AA	888	178,132	50.8	141,164	8.5	4.2	7.9	19.4	20.2	18.3	24.5	31.2	24.5	47.6	44.4	49.2	0.1	0.1	0.0
Non MSA	118	5,855	6.8	1,237	0.0	0.0	0.0	14.6	1.7	8.2	70.0	84.7	69.4	15.4	13.6	22.4	0.0	0.0	0.0
Total	1,747	302,764	100.0	148,476	8.0	2.3	7.6	19.6	21.3	18.4	25.7	35.5	25.4	46.6	40.6	48.5	0.1	0.2	0.0

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	% Business	% Bank Loans	Aggregate	% Business	% Bank Loans	Aggregate	% Business	% Bank Loans	Aggregate	% Business	% Bank Loans	Aggregate	% Business	% Bank Loans	Aggregate
Beaumont MSA AA	1,379	243,642	44.4	5,900	4.5	3.3	4.5	19.6	13.7	16.7	47.7	49.4	47.9	28.1	33.6	30.9	0.1	0.0	0.0
Houston MSA AA	1,534	339,766	49.4	135,110	10.6	9.1	10.7	19.3	24.2	19.2	22.2	24.4	22.7	47.7	42.2	47.2	0.2	0.1	0.2
Non MSA	195	12,352	6.3	1,225	0.0	0.0	0.0	21.5	10.8	17.6	54.8	80.0	53.8	23.7	9.2	28.7	0.0	0.0	0.0
Total	3,108	595,760	100.0	142,235	10.2	5.9	10.3	19.3	18.7	19.1	23.9	39.0	24.0	46.4	36.4	46.4	0.2	0.0	0.2

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
Beaumont MSA AA	741	118,777	42.4	6,075	81.3	51.3	40.8	5.1	43.2	13.6	5.5
Houston MSA AA	888	178,132	50.8	141,164	85.2	47.7	40.6	6.0	44.6	8.8	7.7
Non MSA	118	5,855	6.8	1,237	81.3	72.9	41.6	4.8	16.1	14.0	11.0
Total	1,747	302,764	100.0	148,476	85.0	50.9	40.6	5.9	42.1	9.1	7.0

*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 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
Beaumont MSA AA	1,379	243,642	44.4	5,900	80.8	54.0	41.3	5.4	41.8	13.8	4.3
Houston MSA AA	1,534	339,766	49.4	135,110	85.4	51.7	45.6	5.9	41.4	8.7	6.9
Non MSA	195	12,352	6.3	1,225	79.8	75.9	41.1	5.2	19.0	15.0	5.1
Total	3,108	595,760	100.0	142,235	85.1	54.2	45.4	5.9	40.2	9.0	5.6

*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 14. Qualified Investments

QUALIFIED INVESTMENTS									
Geography: Texas Evaluation Period: MARCH 29, 2016 TO DECEMBER 31, 2018									
Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
Beaumont MSA AA	5	8,842	68	204	73	9,046	24	0	0
Houston MSA AA	2	21,376	116	2,664	118	24,040	63	0	0
Limited Review:									
Non MSA	2	614	8	285	10	899	2	0	0
Multiple AAs	2	1,374	10	2,577	12	3,951	11	0	0
Broader Statewide Area	7	41,602	0	0	7	41,602	N/A	0	0

* 'Prior Period Investments' means investments made in a previous 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.

Table 15. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS																		Geography: Texas		Evaluation Period: MARCH 29, 2016 TO DECEMBER 31, 2018			
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population									
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography									
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp						
Full Review:																							
Beaumont MSA AA	37.00	11	33.00	0	27.00	46.00	27.00	0	2	0	-1	-1	0	4.68	23.05	41.86	27.69						
Houston MSA AA	57.00	16	49.00	19.00	6.00	19.00	56.00	1	4	0	0	-2	-1	12.87	27.07	25.95	33.76						
Limited Review:																							
Non MSA	6.00	6	18.00	0	33.00	67.00	0	0	0	0	0	0	0	0.00	17.01	62.77	20.22						

**CBOT closed two branches located in upper-income CTs in the Houston AA and opened one branch in an upper-income CT during evaluation period, net effect (-1).