



## **PUBLIC DISCLOSURE**

June 3, 2019

### **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Bank of DeSoto, NA  
Charter Number 20415

2011 N Hampton Rd  
DeSoto, TX 75115

Office of the Comptroller of the Currency  
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 following:
  - A reasonable loan-to-deposit ratio.
  - Excellent penetration in consumer loans to low- and moderate-income geographies, as well as low- and moderate-income individuals.
  - Reasonable penetration in low- and moderate-income geographies for residential real estate loans.
  - Reasonable penetration for residential real estate loans to low- and moderate-income individuals.
  - Excellent penetration in small business loans to low- and moderate-income geographies.

The overall CRA rating and lending test rating is the same as the state rating below. Bank of DeSoto, National Association (Bank of DeSoto or bank) operates in a single location and in a single state. The bank is not in a multi-state metropolitan statistical area. The loan-to-deposit ratio is reasonable and averaged 63.34 percent over the evaluation period. While the percentage of loans originated inside the assessment area did not meet satisfactory standards, the satisfactory lending test rating is supported by the excellent penetration in low- and moderate-income geographies, and to low- and moderate-income borrowers within the assessment area in both consumer loans and business loans.

### Loan-to-Deposit Ratio

Considering the bank's size, financial condition, and credit needs of the assessment area (AA), the bank's loan-to-deposit ratio is reasonable. The average loan-to-deposit ratio from April 1, 2015 through December 31, 2018 was 63.34 percent, and it ranged from a low of 57.32 percent to a high of 77.11 percent. The following institutions are comparable in asset size and are similarly situated institutions. The table below shows the name of the financial institution, total asset size as of December 31, 2018, and the average loan-to-deposit ratio during this same evaluation period. The average loan-to-deposit ratio of other institutions combined during this evaluation period was 78.98 percent. The low average for all other institutions was 50.21 percent, and the high average during this period was 91.92 percent.

Loan-to-Deposit Ratios		
Financial Institutions	Total Assets \$(000's) as of 12/31/2018	Average Loan- to-Deposit Ratio
Bank of Desoto, NA	\$ 172,864	63.34%
Ennis State Bank	\$ 231,356	91.22%
Homebank Texas	\$ 189,096	84.39%
Oakwood Bank	\$ 264,622	55.08%
Texas Brand Bank	\$ 203,554	91.54%

## Lending in Assessment Area

A majority of the bank's loans are outside its AAs. While this level of lending inside the assessment area does not meet the standards for satisfactory performance under this criterion, this does not have a negative impact on the overall CRA rating due to the bank's business strategy, customer base, and distribution of loans to low- and moderate-income individuals and geographies.

The bank originated 31.1 percent of the number of total loans inside the bank's AAs during the evaluation period. This analysis is performed at the bank, rather than the AA, level. This percentage does not include extensions of credit by affiliates that may be considered under the other performance criteria. The numbers depicted in the table below are based on our random samples of small business and consumer loans, as well as the data contained on the Home Mortgage Disclosure Act (HMDA) register.

At the previous CRA examination, the bank had originated a majority of loans inside the AA. This shift to a majority outside the AA is a reflection of the extensive referral network of the bank's customer base. Many of the bank's new borrowers over the evaluation period were referred by family members or friends who live inside the AA area. In addition, the bank receives auto loan referrals from dealerships located inside and outside of the AA.

Many of the bank's commercial customers are individuals that are self-employed or own a sole proprietorship, and many of those customers are over-the-road truck drivers. Their commercial loans were for the purpose of purchasing a commercial vehicle for their business. When these customers are not driving, many customers stay with family members who reside outside of the bank's AA. The borrower uses the family member's address on loan documentation. This accounts for a significant portion of the commercial loans that are outside of the bank's AA. Some of the other commercial loans outside the bank's AA are secured by investment properties. The borrowers of these loans reside within the bank's AA, but the investment properties are outside.

In response to this expansion of the customer base, the board approved a change in the bank's AA area from the prior 35 census tracts in Dallas County and 16 census tracts in Ellis County to all of Dallas County and all of Ellis County. This change is effective January 2019.

<b>Lending Inside and Outside of the Assessment Area</b>										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage	35	25.7	101	74.3	136	3,997	20.9	15,149	79.1	19,146
Small Business	24	40.7	35	59.3	59	978	16	5,139	84	6,117
Consumer	20	33.9	39	66.1	59	437	33	886	67	1,323
Total	79	31.1	175	68.9	254	5,412	20.4	21,174	79.6	26,586

We ensured all loans used to determine the geographic distribution of lending were located inside the AA.

## Description of Institution

The bank is a national bank chartered in 1986 and is 100 percent owned by D Bancorp, Inc., a single bank holding company. The bank is located 15 miles south of downtown Dallas and is headquartered in DeSoto, TX. The bank is a single state institution. The previous CRA evaluation was dated May 11, 2015, and gave the bank a Satisfactory CRA rating. As of March 31, 2019, total assets of the bank were \$177.9 million. There are no legal or financial impediments to the bank's ability to meet the credit needs of the assessment area.

Bank of DeSoto does not have any branch offices and has one on-site automated teller machine (ATM). The bank did not open or close any branches during the evaluation period. Bank of DeSoto offers a full range of deposit and loan products and services. The primary focus of this institution continues to be consumer lending, commercial lending, and residential lending. Bank of DeSoto offers extended morning, evening, and weekend hours through the mini bank and drive-through, which are attached to the main office location.

Bank of DeSoto's business strategy is focused on supporting and banking the local community surrounding the bank location, primarily the city of DeSoto, TX and surrounding areas. Bank customers include residents of the community and surrounding areas, as well as extended family and friends of those customers. This has expanded the bank's footprint for deposits and loans to other parts of the Dallas/Fort Worth metroplex. Bank management and employees are native to the DeSoto area and are committed to serving the people in their community. The bank's primary lending products continue to be focused on automobile/consumer loans, church loans, and traditional CRE or commercial loans. Bank of DeSoto also continues to provide mortgage loans to its customer base and is a HMDA reporter.

The bank has one AA that includes 51 census tracts in Dallas County and Ellis County. The AA has not changed since the last evaluation. As of March 31, 2019, net loans totaled 64.48 percent of total assets. Together, the primary loan products evaluated in this examination total 93.3 percent of total loans. Commercial loans are 39.2 percent of total loans. Residential real estate loans make up 29.8 percent of total loans, and consumer loans total 24.3 percent of total loans.

## **Scope of the Evaluation**

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

This evaluation period starts from the date of the previous CRA examination, which was May 11, 2015, and extends through March 31, 2019. The bank's primary loan products are consumer loans, commercial loans, and residential real estate loans (HMDA reportable). We used loan data from January 1, 2015 through December 31, 2017. We selected a random sample of business loans and consumer loans to determine the percentage of lending inside the assessment area, as well as the distribution of loans to low- and moderate-income geographies and low- and moderate-income borrowers. We relied on the HMDA data for our review of residential loans. We completed a data integrity review of HMDA data in September 2018, and found the data to be reliable.

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

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

Bank of DeSoto has one AA, which received a full-scope review.

### **Ratings**

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

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

Bank of DeSoto is a single state and single MSA institution. Therefore the overall rating and the state rating are the same.

## **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 Texas<sup>1</sup>:** Satisfactory

**The Lending Test is rated:** Satisfactory

The major factors that support this rating include:

- The bank's loan to deposit ratio is reasonable.
- The distribution of loans to consumers of different income levels reflects excellent penetration.
- The bank's geographic distribution of consumer loans in low- and moderate-income census tracts reflects excellent penetration.
- The distribution of loans to businesses of different sizes reflects excellent penetration in 2015/2016 and reasonable penetration in 2017.
- The bank's geographic distribution of business loans was excellent in 2015/2016 and reasonable penetration in 2017.

### **Description of Institution's Operations in Texas**

Bank of DeSoto's operations within the state of Texas are the same as described above in the institution description.

The city of DeSoto, TX, is a suburb of Dallas, TX and is located in Dallas County. It is approximately 20 minutes south of downtown Dallas and 30 miles from DFW International Airport. DeSoto is part of a community called the Best Southwest area, which includes the cities of DeSoto, Cedar Hill, Duncanville, and Lancaster. All of which are in the bank's AA. In addition to being a residential area, there is also an industrial and commercial development park. Companies in the industrial park include Kohl's Fulfillment Center, Walmart Distribution Center, Solar Turbines, ZEP Manufacturing, DIAB Inc., Kauffman Tire, DW Distribution, Trybus, Sew Eurodrive, and Kohler Company. Other major employers in the assessment area include the city governments, the various Independent School Districts, retailers, and restaurants.

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

Unemployment in 2015/2016 was 4.79 percent, and 8.85 percent were living below the poverty level. Those in retirement were 14.85 percent, and 19.71 percent within the AA area were on social security. The unemployment rate in 2017 was 5.37 percent, and 11.06 percent of persons were living below the poverty level. Those in retirement were 15.77 percent, and 23.12 percent within the AA were on social security. The unemployment rate in Texas as of January 2016 was 4.4 percent and in the US was 4.9 percent. In 2017, the Texas unemployment rate was 4.8 percent, and the US unemployment rate was 4.7 percent.

We contacted one member of the local community from a non-profit organization that serves the DeSoto, Cedar Hill, Lancaster, and Duncanville areas by meeting the needs of the underserved and at risk members of the community. This organization provides training, meets basic needs, and provides mentoring services. The contact identified small business loans as a credit need within the community. The contact also stated that local banks are not perceived as assisting with these services within the community. Those in the community who serve low- and moderate-income individuals would like to have partnerships with local banks to provide financial coaching to those individuals.

### Bank of DeSoto Assessment Area

**Table A – Demographic Information of the Assessment Area**

Assessment Area: Bank of DeSoto 2015 Census

Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	51	3.9	21.6	49.0	22.5	0.0
Population by Geography	283,979	4.0	21.0	48.6	26.4	0.0
Housing Units by Geography	103,585	5.0	21.8	48.2	25.0	0.0
Owner-Occupied Units by Geography	66,952	0.7	18.3	48.1	32.8	0.0
Occupied Rental Units by Geography	30,376	13.7	28.2	48.9	9.2	0.0
Vacant Units by Geography	6,257	8.4	27.2	45.3	19.1	0.0
Businesses by Geography	19,204	4.4	17.1	48.9	29.6	0.0
Farms by Geography	347	1.2	17.6	48.7	32.6	0.0
Family Distribution by Income Level	73,047	21.3	17.0	21.9	39.9	0.0
Household Distribution by Income Level	97,328	21.9	17.1	19.5	41.5	0.0
Median Family Income Non-MSAs - GA		\$71,149	Median Housing Value			\$134,472
			Median Gross Rent			\$1,015
			Families Below Poverty Level			9.8%

Source: 2015 U.S. Census and 2017 D&B Data Due to rounding, totals may not equal 100.0

(\*) The NA category consists of geographies that have not been assigned an income classification.

## **Scope of Evaluation in Texas**

The scope of the evaluation in the state of Texas is the same as the overall scope. Bank of DeSoto has one location located in Texas and has one AA. We conducted a full-scope review of that AA, which is defined as 35 census tracts in southwestern Dallas County and 16 census tracts in northwestern Ellis County. Please refer to the table in Appendix A for a list of all assessment areas under review.

## **LENDING TEST**

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

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

The bank originated a minimal number of small farm loans; therefore, an analysis of loans for that product type is not meaningful, and those sections have been omitted from the Performance Evaluation below.

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

The bank exhibits excellent geographic distribution of loans in the 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.

In 2015/2016, the geographic distribution of home loans in low- and moderate-income census tracts was excellent. While there was zero penetration in low-income tracts, the percent of owner-occupied housing units on low-income tracts is nearly zero. The bank's penetration to moderate-income tracts was 22.2 percent compared to 6.1 percent of owner-occupied housing units in those census tracts.

In 2017, the geographic distribution of home loans in low- and moderate-income census tracts was excellent. There was zero penetration in low-income census tracts, but there are nearly zero owner-occupied housing units in those tracts. The bank showed 50 percent loan penetration in moderate-income census tracts compared to 18.3 percent owner-occupied housing units.

### ***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.

In 2015/2016, the bank demonstrated excellent penetration in low- and moderate-income census tracts. The bank loaned 5.26 percent of loans in low-income census tracts, compared to 4.4 percent of businesses in those tracts. Bank of DeSoto originated 15.79 percent of its loans to businesses in moderate-income census tracts compared to 6.5 percent of businesses in those tracts.

In 2017, distribution of loans to small businesses in low- and moderate-income census tracts was reasonable. Combined, the bank originated 20 percent of small business loans to businesses in low- and moderate-income census tracts, while the percentage of businesses in those tracts totaled 21.5 percent.

### ***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.

Bank of DeSoto's distribution of consumer loans in low- and moderate-income census tracts was excellent in both 2015/2016 and 2017. In 2015/2016, the combined penetration to low- and moderate-income census tracts was 27.3 percent with 12.9 percent of households in those same tracts. In 2017, the combined penetration to low- and moderate-income census tracts was 30 percent with 26.2 percent of households living in those same census tracts.

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

The bank exhibits a reasonable distribution of loans to individuals of different income levels and businesses of different sizes, given the HMDA reportable loans and small business loans offered by the bank. With regard to consumer loans, the bank exhibits an excellent distribution of loans to individuals of different income levels.

### ***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.

In 2015/2016 and 2017, the bank demonstrated reasonable distribution of residential real estate loans to individuals of different income levels. In 2015/2016, the combined distribution of loans was 18.5 percent to low- and moderate-income individuals, while the percentage of families reporting as low- or moderate-income individuals was 36.3. We did not rate this as poor distribution since data on another 18.2 percent of loans was not available. In 2017, zero percent of loans were originated to low-income borrowers, while there were 21.3 percent of low income families. This is not unusual as it may be more difficult for low-income borrowers to qualify for mortgage loans. The bank's distribution of residential real estate loans to moderate-income borrowers in 2017 was reasonable at 25 percent when compared to 17 percent of moderate-income families.

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

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

The distribution of loans to small businesses in 2015/2016 was excellent with over 97 percent of business loans made to businesses with gross annual revenues (GAR) less than \$1 million. The percentage of businesses in the assessment area that reported less than \$1 million in gross annual revenue was 89.9 percent.

In 2017, the distribution of loans to small businesses was reasonable with 95 percent of business loans originated to small businesses and 90 percent of small businesses reporting less than \$1 million in GAR.

### ***Consumer Loans***

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

The borrower distribution of the bank's consumer loan originations in 2015/2016 and 2017 was excellent. In 2015/2016, the combined distribution of loans to low- and moderate-income individuals was 54.5 percent, with 35.9 percent of households reported as low- or moderate-income. In 2017, the combined distribution of consumer loans to low- and moderate-income individuals was 50 percent, with 39 percent of households reported as low- or moderate-income.

### **Responses to Complaints**

There were no CRA related complaints received by the bank during this evaluation period.

## Appendix A: Scope of Examination

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The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the 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”.

<b>Time Period Reviewed:</b>	05/11/2015 to 03/31/2019	
<b>Bank Products Reviewed:</b>	Home mortgage, small business, consumer loans	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
N/A		
<b>List of Assessment Areas and Type of Examination</b>		
<b>Rating and Assessment Areas</b>	<b>Type of Exam</b>	<b>Other Information</b>
<b>MMSA(s)</b>		
N/A		
<b>Texas</b>		
Bank of DeSoto	Full-scope	Partial Counties of Dallas and Ellis – 35 census tracts in southwestern Dallas County and 16 census tracts in northwestern Ellis County

## Appendix B: Summary of MMSA and State Ratings

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RATINGS	Bank of DeSoto, NA
Overall Bank:	Lending Test Rating
Bank of DeSoto	Satisfactory
MMSA or State:	
Texas	Satisfactory

## Appendix C: Definitions and Common Abbreviations

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## Appendix D: Tables of Performance Data

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### Content of Standardized Tables

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

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

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

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

<b>Table O : Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography</b>																			<b>2015-16</b>	
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	
Bank of DeSoto	27	2,877	100.0	12,249	0.6	0.0	0.0	6.1	22.2	3.3	60.9	33.3	58.4	32.4	44.4	38.2	0.0	0.0	0.0	
<b>Total</b>	<b>27</b>	<b>2,877</b>	<b>100.0</b>	<b>12,249</b>	<b>0.6</b>	<b>0.0</b>	<b>0.0</b>	<b>6.1</b>	<b>22.2</b>	<b>3.3</b>	<b>60.9</b>	<b>33.3</b>	<b>58.4</b>	<b>32.4</b>	<b>44.4</b>	<b>38.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	

*Source: 2010 U.S. Census; 01/01/2015 - 12/31/2016 Bank Data, 2016 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0*

<b>Table O : Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography</b>																			<b>2017</b>	
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	
Bank of DeSoto	8	1,120	100.0	11,671	0.8	0.0	0.2	18.3	50.0	13.4	48.1	37.5	46.3	32.8	12.5	40.2	0.0	0.0	0.0	
<b>Total</b>	<b>8</b>	<b>1,120</b>	<b>100.0</b>	<b>11,671</b>	<b>0.8</b>	<b>0.0</b>	<b>0.2</b>	<b>18.3</b>	<b>50.0</b>	<b>13.4</b>	<b>48.1</b>	<b>37.5</b>	<b>46.3</b>	<b>32.8</b>	<b>12.5</b>	<b>40.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	

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

<b>Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower</b>																			<b>2015-16</b>
	<b>Total Home Mortgage Loans</b>				<b>Low-Income Borrowers</b>			<b>Moderate-Income Borrowers</b>			<b>Middle-Income Borrowers</b>			<b>Upper-Income Borrowers</b>			<b>Not Available-Income Borrowers</b>		
<b>Assessment Area:</b>	<b>#</b>	<b>\$</b>	<b>% of Total</b>	<b>Overall Market</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>
Bank of DeSoto	27	2,877	100.0	12,249	18.4	7.4	3.6	17.9	11.1	15.5	22.6	11.1	21.1	41.2	59.3	30.2	0.0	11.1	29.5
<b>Total</b>	<b>27</b>	<b>2,877</b>	<b>100.0</b>	<b>12,249</b>	<b>18.4</b>	<b>7.4</b>	<b>3.6</b>	<b>17.9</b>	<b>11.1</b>	<b>15.5</b>	<b>22.6</b>	<b>11.1</b>	<b>21.1</b>	<b>41.2</b>	<b>59.3</b>	<b>30.2</b>	<b>0.0</b>	<b>11.1</b>	<b>29.5</b>

*Source: 2010 U.S. Census; 01/01/2015 - 12/31/2016 Bank Data, 2016 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0*

<b>Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower</b>																			<b>2017</b>
	<b>Total Home Mortgage Loans</b>				<b>Low-Income Borrowers</b>			<b>Moderate-Income Borrowers</b>			<b>Middle-Income Borrowers</b>			<b>Upper-Income Borrowers</b>			<b>Not Available-Income Borrowers</b>		
<b>Assessment Area:</b>	<b>#</b>	<b>\$</b>	<b>% of Total</b>	<b>Overall Market</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>
Bank of DeSoto	8	1,120	100.0	11,671	21.3	0.0	3.8	17.0	25.0	15.7	21.9	37.5	23.4	39.9	37.5	32.4	0.0	0.0	24.8
<b>Total</b>	<b>8</b>	<b>1,120</b>	<b>100.0</b>	<b>11,671</b>	<b>21.3</b>	<b>0.0</b>	<b>3.8</b>	<b>17.0</b>	<b>25.0</b>	<b>15.7</b>	<b>21.9</b>	<b>37.5</b>	<b>23.4</b>	<b>39.9</b>	<b>37.5</b>	<b>32.4</b>	<b>0.0</b>	<b>0.0</b>	<b>24.8</b>

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

<b>Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography</b>																			<b>2015-16</b>	
Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	
Bank of DeSoto	38	1,924	100	4,984	4.4	5.26	4.2	6.5	15.79	4.8	57.9	42.11	53.8	31.3	36.84	37.2	0.0	0	0.0	
<b>Total</b>	<b>38</b>	<b>1,924</b>	<b>100</b>	<b>4,984</b>	<b>4.4</b>	<b>5.26</b>	<b>4.2</b>	<b>6.5</b>	<b>15.79</b>	<b>4.8</b>	<b>57.9</b>	<b>42.11</b>	<b>53.8</b>	<b>31.3</b>	<b>36.84</b>	<b>37.2</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>	

*Source: 2016 D&B Data; 01/01/2015 - 12/31/2016 Bank Data; 2016 CRA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0*

<b>Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography</b>														<b>2017</b>	
Assessment Area:	Total Loans to Small Businesses			Low-Income Tracts		Moderate-Income Tracts		Middle-Income Tracts		Upper-Income Tracts		Not Available-Income Tracts			
	#	\$	% of Total	% Businesses	% Bank Loans	% Businesses	% Bank Loans	% Businesses	% Bank Loans	% Businesses	% Bank Loans	% Businesses	% Bank Loans		
Bank of DeSoto	20	2,070,540	100	4.4	10	17.1	10	48.9	55	29.6	25	0.0	0		
<b>Total</b>	<b>20</b>	<b>2,070,540</b>	<b>100</b>	<b>4.4</b>	<b>10</b>	<b>17.1</b>	<b>10</b>	<b>48.9</b>	<b>55</b>	<b>29.6</b>	<b>25</b>	<b>0.0</b>	<b>0</b>		

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

<b>Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues</b>											<b>2015-16</b>
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Bank of DeSoto	38	1,923,693	100	4,984	89.9	97.37	44.7	2.6	2.63	7.5	0
<b>Total</b>	<b>38</b>	<b>1,923,693</b>	<b>100</b>	<b>4,984</b>	<b>89.9</b>	<b>97.37</b>	<b>44.7</b>	<b>2.6</b>	<b>2.63</b>	<b>7.5</b>	<b>0</b>
<i>Source: 2016 D&amp;B Data; 01/01/2015 - 12/31/2016 Bank Data; 2016 CRA Aggregate Data, "--" data not available.                      Due to rounding, totals may not equal 100.0</i>											

<b>Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues</b>											<b>2017</b>
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Bank of DeSoto	20	2,070,540	100	4,577	90.0	95	48.4	2.6	5	7.4	0
<b>Total</b>	<b>20</b>	<b>2,070,540</b>	<b>100</b>	<b>4,577</b>	<b>90.0</b>	<b>95</b>	<b>48.4</b>	<b>2.6</b>	<b>5</b>	<b>7.4</b>	<b>0</b>
<i>Source: 2017 D&amp;B Data; 01/01/2017 - 12/31/2017 Bank Data; "--" data not available.                      Due to rounding, totals may not equal 100.0</i>											

<b>Table U: Assessment Area Distribution of Consumer Loans by Income Category of the Geography</b>													<b>2015-16</b>	
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	
Bank of DeSoto	22	393,756	100	4.6	4.55	8.3	22.73	60.1	59.09	27.0	13.64	0.0	0	
<i>Source: 2010 U.S. Census; 01/01/2015 - 12/31/2016 Bank Data.                      Due to rounding, totals may not equal 100.0</i>														

<b>Table U: Assessment Area Distribution of Consumer Loans by Income Category of the Geography</b>													<b>2017</b>	
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	
Bank of DeSoto	20	383,871	100	4.8	0	21.4	30	48.4	60	25.4	10	0.0	0	
<i>Source: 2015 ACS Census; 01/01/2017 - 12/31/2017 Bank Data.                      Due to rounding, totals may not equal 100.0</i>														

<b>Table V - Assessment Area Distribution of Consumer Loans by Income Category of the Borrower</b>													<b>2015-16</b>	
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	
Bank of DeSoto	22	393,756	100	19.9	18.18	16.0	36.36	20.2	22.73	43.8	22.73	0.0	0	
<b>Total</b>	<b>22</b>	<b>393,756</b>	<b>100</b>	<b>19.9</b>	<b>18.18</b>	<b>16.0</b>	<b>36.36</b>	<b>20.2</b>	<b>22.73</b>	<b>43.8</b>	<b>22.73</b>	<b>0.0</b>	<b>0</b>	

*Source: 2010 U.S Census; 01/01/2015 - 12/31/2016 Bank Data.  
Due to rounding, totals may not equal 100.0*

<b>Table V - Assessment Area Distribution of Consumer Loans by Income Category of the Borrower</b>													<b>2017</b>	
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	
Bank of DeSoto	20	383,871	100	21.9	5	17.1	45	19.5	35	41.5	15	0.0	0	
<b>Total</b>	<b>20</b>	<b>383,871</b>	<b>100</b>	<b>21.9</b>	<b>5</b>	<b>17.1</b>	<b>45</b>	<b>19.5</b>	<b>35</b>	<b>41.5</b>	<b>15</b>	<b>0.0</b>	<b>0</b>	

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