

# **PUBLIC DISCLOSURE**

April 25, 2022

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Third Coast Bank, SSB  
RSSD # 3630323  
20202 Highway 59 North, Suite 190  
Humble, Texas 77338

Federal Reserve Bank of Dallas  
2200 North Pearl Street  
Dallas, Texas 75201

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, nor should it 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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## INSTITUTION'S COMMUNITY REINVESTMENT ACT RATING

This institution is rated: **Satisfactory**.

The Lending Test is rated: **Satisfactory**.

The Community Development Test is rated: **Satisfactory**.

Third Coast Bank, SSB (TCB or bank) is rated Satisfactory. This rating is based on the following conclusions with respect to the performance criteria under the Lending Test and Community Development Test:

- The bank's 13-quarter average net loan-to-deposit ratio (NLTD) is more than reasonable given the bank's size, financial condition, and assessment areas (AAs) credit needs.
- A majority of the bank's loans are originated inside the delineated AAs.
- A reasonable distribution of loans occurs throughout the bank's AAs.
- Lending reflects a reasonable distribution among businesses of different sizes.
- Neither the bank nor the Federal Reserve Bank of Dallas (Reserve Bank) received any CRA-related complaints since the previous evaluation.
- Community development (CD) activity reflects adequate responsiveness to needs of the bank's AAs.

## SCOPE OF EVALUATION

Examiners utilized the Federal Financial Institutions Examination Council's (FFIEC's) *Interagency Examination Procedures for Intermediate Small Institutions* to evaluate the bank's CRA performance. The evaluation considered CRA performance context, including the bank's asset size, financial condition, business strategy and market competition, as well as AA demographic and economic characteristics, and credit needs. Performance was assessed within the bank's six AAs.

<u>Assessment Area</u>	<u>Scope of Review</u>
Houston Metropolitan AA	Full-scope review
Dallas Metropolitan AA	Limited-scope review
Beaumont Metropolitan AA	Limited-scope review
San Antonio Metropolitan AA	Limited-scope review
Detroit Nonmetropolitan AA	Limited-scope review
Nixon Nonmetropolitan AA	Limited-scope review

Examiners reviewed the following data:

- The bank's 13-quarter average NLTD ratio;
- A statistically derived sample of the bank's primary loan product, commercial loans, which consist of 191 small business loans out of a universe of 3,122 loans originated between January 1, 2021, and December 31, 2021;
- Approximately 68 percent of the bank's lending activity by number of loans, 67 percent of the total deposits, and 42 percent of total branches were evaluated through the full-scope review performed; and
- The universe of CD loans, investments, and services provided by the bank since the conclusion of the previous CRA performance evaluation as of November 5, 2018 through April 25, 2022.

- To augment the evaluation, an interview with a leader at a small business organization serving the full-scope Houston Metropolitan AA was conducted to ascertain the credit needs of the communities, the responsiveness of area banks in meeting those credit needs, and local economic conditions.

The bank was a Home Mortgage Disclosure Act (HMDA) reporter in 2019, with 82 reportable transactions. However, as of July 1, 2020, the bank was no longer required to report HMDA data under the new loan volume threshold established by the Consumer Financial Protection Bureau. Given that the bank only reported HMDA data for a portion of the review period and HMDA-reportable transactions were not a major product for the bank during the review period, this evaluation does not include analysis of the bank’s HMDA-reportable lending and focuses on the bank’s small business lending.

### DESCRIPTION OF INSTITUTION

TCB is headquartered in Humble, Texas. The bank’s characteristics include:

- The bank is a wholly owned subsidiary of Third Coast Bancshares, Inc.
- The bank has total assets of \$2.5 billion as of December 31, 2021. On January 1, 2020, TCB merged with Heritage Bank in Pearland, Texas, increasing its asset size by \$300 million. In addition, the merger expanded the bank’s footprint by adding two AAs, Detroit Nonmetropolitan AA and Nixon Nonmetropolitan AA, and increasing TCB’s branching structure within the Houston Metropolitan AA and the San Antonio Metropolitan AA.
- TCB’s main office is located in Humble, Texas. The bank operates four additional branches in the Houston Metropolitan AA, one branch in the Beaumont Metropolitan AA, two branches in the Dallas Metropolitan AA, one branch in the San Antonio Metropolitan AA, one branch in the Detroit Non-Metropolitan AA, and one branch in the Nixon Non-Metropolitan AA. Full-service automated teller machines (ATMs) are located in the Houston, Beaumont, and San Antonio Metropolitan AAs as well as in the Detroit and Nixon Nonmetropolitan AAs, for a total of seven.
- The bank is primarily a commercial lender, as non-farm non-residential real estate loans account for the largest product by dollar amount in its loan portfolio.

**Table 1**

<b>Composition of Loan Portfolio as of December 31, 2021</b>		
<b>Loan Type</b>	<b>\$(000)</b>	<b>%</b>
Construction and Land Development	320,335	15.5
Farmland	9,934	0.5
1-4 Family Residential Real Estate	157,659	7.6
Multifamily Residential Real Estate	55,605	2.7
Non-Farm Non-Residential Real Estate	829,249	40.1
Agricultural	3,011	0.1
Commercial and Industrial	642,018	31.0
Consumer	4,001	0.2
Other	46,912	2.3
Gross Loans	2,068,724	100.0
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>		

The bank’s CRA performance was rated **Satisfactory** the previous performance evaluation dated November 5, 2018, which was performed by the Federal Deposit Insurance Corporation (FDIC). There are no known legal, financial, or other factors impeding the bank’s ability to help meet the credit needs in its communities.

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS<sup>1</sup>**

**LENDING TEST**

This performance evaluation first discusses the bank’s overall performance, followed by an in-depth evaluation of performance in the Houston Metropolitan AA (full-scope review) and a brief discussion of the performance in the Beaumont, Dallas, and San Antonio MSA AAs as well as the Detroit and Nixon Non-MSA AAs (limited-scope reviews).

The bank’s overall performance under the Lending Test is Satisfactory, as the institution reasonably meets the credit needs of its AAs by extending the majority of its lending inside its delineated AAs and through a more than reasonable NLTD ratio. The bank exhibits a reasonable distribution of loans to businesses different revenue sizes as well as a reasonable geographic dispersion of loans to businesses in low- and moderate-income (LMI) geographies.

**Net Loan-to-Deposit Ratio**

This performance criterion evaluates the bank’s average NLTD ratio since its previous CRA evaluation to determine the reasonableness of lending in light of performance context, such as the bank’s capacity to lend, the availability of lending opportunities, the demographic and economic factors present in the AAs, and in comparison to similarly situated FDIC-insured institutions. Three similarly situated institutions were selected based on asset size, product offerings, and operations within the bank’s AAs. The bank’s 13-quarter average NLTD ratio of 94.6 percent is more than reasonable and above the range of the average NLTD ratios of the similarly situated banks except for one. The bank’s NLTD reflects its willingness to extend credit.

**Table 2**

<b>Comparative NLTD Ratios [December 31, 2021]</b>			
<b>Institution</b>	<b>Location</b>	<b>Asset Size \$(000)</b>	<b>13-Quarter Average NLTD Ratio (%)</b>
Third Coast Bank, SSB	Humble, Texas	2,498,555	94.6
<b>Similarly Situated Institutions</b>			
American FNB	Houston, Texas	2,287,371	97.3
First Capital Bank	Midland, Texas	2,041,502	92.0
Texas First Bank	Texas City, Texas	2,139,158	59.4

<sup>1</sup> The net loan-to-deposit ratio and percentage of loans and other lending-related activity in the assessment area only apply to the institution overall. No discussion of these performance criteria applies to sections of the performance evaluation related to assessment areas.

### Assessment Area Concentration

This performance criterion evaluates the percentage of lending extended inside and outside of the bank’s delineated AAs. The bank originated a majority of its loans, by number and dollar volume, inside its AAs.

**Table 3**

Lending Inside and Outside the Assessment Areas								
Loan Type	Inside				Outside			
	#	%	\$(000)	%	#	%	\$(000)	%
<b>Small Business Loans</b>	137	71.7	14,203	68.5	54	28.3	6,518	31.5
<b>TOTAL LOANS</b>	<b>137</b>	<b>71.7</b>	<b>14,203</b>	<b>68.5</b>	<b>54</b>	<b>28.3</b>	<b>6,518</b>	<b>31.5</b>

The remaining analysis only considers loans extended within the bank’s AAs.

### Geographic Distribution of Loans

This performance criterion evaluates the bank’s distribution of lending within its AAs by income level of census tracts with consideration given to the dispersion of loans throughout the AAs. The bank’s overall geographic distribution of loans reflects reasonable distribution among the different census tracts and dispersion throughout the AAs. The bank’s dispersion of small business loans among LMI census tracts is generally comparable with the demographic data related to business concentration within those tracts. Furthermore, the bank generally extended its loans in proximity to its branches, with no conspicuous gaps or anomalies in the lending patterns noted. A detailed discussion of the facts and data supporting the overall conclusions are presented in the Conclusions with Respect to Performance Criterion section for the Houston Metropolitan AA.

### Lending to Businesses of Different Revenue Sizes

This performance criterion evaluates the bank’s lending to businesses of different revenue sizes. Despite the bank’s lending being below the percentage of small businesses in the AA, the bank’s performance has an overall reasonable distribution among businesses of different revenue sizes. A detailed discussion of the facts and data supporting the overall conclusions are presented in the Conclusions with Respect to Performance Criterion section for the Houston Metropolitan AA.

### COMMUNITY DEVELOPMENT TEST

The CD Test evaluates the bank’s responsiveness to the needs of the delineated AAs through the extension or purchase of qualified loans, investments, and services, considering the bank’s capacity and the need and availability of such opportunities in the AAs. The bank’s overall CD performance demonstrates adequate responsiveness. The majority of the bank’s CD activity is categorized as promoting the revitalization and stabilization of LMI geographies and disaster areas. The bank originated a large volume of PPP loans, by number and dollar amount in response to the COVID-19 pandemic. The table below reflects the bank’s qualified CD activity within in the delineated AAs.

**Table 4**

<b>Community Development Activity Assessment Area: All AAs</b>									
<b>Community Development Purpose</b>	<b>Community Development Loans</b>		<b>Qualified Investments</b>						<b>Community Development Services</b>
			<b>Investments</b>		<b>Donations</b>		<b>Total Investments</b>		
	<b>#</b>	<b>\$(000)</b>	<b>#</b>	<b>\$(000)</b>	<b>#</b>	<b>\$(000)</b>	<b>#</b>	<b>\$(000)</b>	<b>#</b>
Affordable Housing	17	11,437	-	-	-	-	-	-	7
Community Services	-	-	-	-	29	26	29	26	80
Economic Development	-	-	3	2,143	-	-	3	2,143	5
Revitalization and Stabilization	133	274,829	-	-	-	-	-	-	1
<b>Totals</b>	<b>150</b>	<b>286,266</b>	<b>3</b>	<b>2,143</b>	<b>29</b>	<b>26</b>	<b>32</b>	<b>2,169</b>	<b>93</b>

**FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW**

Compliance with the substantive provisions of anti-discrimination and other consumer protection laws and regulations, including the Equal Credit Opportunity Act and the Fair Housing Act, was considered as part of this CRA evaluation. No evidence of a pattern or practice of discrimination on a prohibited basis or of other illegal credit practices inconsistent with helping to meet community credit needs was identified.

**HOUSTON METROPOLITAN ASSESSMENT AREA**  
(Full-Scope Review)

**DESCRIPTION OF THE INSTITUTION’S OPERATIONS IN HOUSTON METROPOLITAN ASSESSMENT AREA**

The bank’s Houston Metropolitan AA consists of the entirety of Brazoria, Harris, and Montgomery counties (see Appendix A for an AA map and Appendix B for additional demographic data).

- The bank merged with Heritage Bank in 2020. At that time, the Houston AA consisted of Brazoria, Fort Bend, Galveston, Harris, and Montgomery counties. In 2021, the Houston AA was modified by removing Galveston and Fort Bend counties.
- According to the 2015 American Community Survey (ACS), the AA consists of 896 census tracts: 150 low-income census tracts (16.7 percent), 270 moderate-income census tracts (30.1 percent), 215 middle-income census tracts (24.0 percent), 254 upper-income census tracts (28.3 percent), and seven census tracts with unknown income (0.8 percent). At the prior CRA performance evaluation, there were 921 census tracts for the delineated AA, of which 16.4 percent were designated as low-income and 29.5 percent were designated as moderate-income census tracts.
- According to the June 30, 2021 FDIC Market Share Report, 90 federally insured depository institutions operate 1,365 branches, holding deposits of \$330.8 billion within the AA. The bank ranked 24<sup>th</sup> in deposit market share, with \$1.2 billion or 0.4 percent of total deposits. Leaders in the market include JP Morgan Chase Bank, National Association (47.1 percent), Wells Fargo Bank, National Association (10.2 percent), and Bank of America, National Association (8.0 percent).
- To augment the evaluation, an interview with a leader at a small business organization was conducted to ascertain the credit needs of the communities, the responsiveness of area banks in meeting those credit needs, and the local economic conditions. The small business contact identified that the AA needs include loans to small businesses as well as financial education and training for new small businesses.

**Table 5**

<b>2020 Population Change</b>			
<b>Assessment Area: Houston Metropolitan</b>			
<b>Area</b>	<b>2010 Population</b>	<b>2015 Population</b>	<b>Percent Change</b>
Houston Metropolitan	5,738,055	6,157,183	7.3
Brazoria County, TX	313,166	331,741	5.9
Fort Bend County, TX	585,375	658,331	12.5
Galveston County, TX	291,309	308,163	5.8
Harris County, TX	4,092,459	4,356,362	6.4
Montgomery County, TX	455,746	502,586	10.3
Houston-The Woodlands-Sugar Land, TX MSA	5,920,416	6,346,653	7.2
Texas	25,145,561	26,538,614	5.5

*Source: 2010 U.S. Census Bureau Decennial Census  
2011 - 2015 U.S. Census Bureau American Community Survey*



- According to the United States Census Bureau, the percentage of AA population change exceeded the population increase across the state of Texas. Fort Bend County and Montgomery County had the highest population growth within the AA, at 12.5 percent and 10.3 percent, respectively.

**Table 6**

<b>2020 Median Family Income Change</b>			
<b>Assessment Area: Houston Metropolitan</b>			
<b>Area</b>	<b>2010 Median Family Income</b>	<b>2015 Median Family Income</b>	<b>Percentage Change</b>
Houston Metropolitan	69,808	69,198	-0.9
Brazoria County, TX	82,780	81,727	-1.3
Fort Bend County, TX	96,322	99,214	3.0
Galveston County, TX	77,174	77,702	0.7
Harris County, TX	63,709	62,210	-2.4
Montgomery County, TX	82,865	81,166	-2.1
Houston-The Woodlands-Sugar Land, TX MSA	69,582	69,373	-0.3
Texas	63,314	62,717	-0.9

*Source: 2006 - 2010 U.S. Census Bureau American Community Survey  
2011 - 2015 U.S. Census Bureau American Community Survey  
Median Family Incomes have been inflation-adjusted and are expressed in 2015 dollars.*

- There are approximately 1,235,687 families in the AA. By family income, approximately 26.2 percent of these families are classified as low-income, 16.7 percent are moderate-income, 17.1 percent are middle-income, and 40.0 percent are upper-income families.
- Of the families in the AA, 13.9 percent are living below the poverty level, which is slightly higher than the family poverty rate for the state of Texas, at 13.5 percent.
- Income level designations, as indicated above, reflect a slight decrease in the median family income for the AA between 2010 and 2015. While the state of Texas reflected a similar drop, Harris County experienced a decrease of more than double the AA or the State.

**Table 7**

<b>2020 Housing Cost Burden</b>						
<b>Assessment Area: Houston Metropolitan</b>						
<b>Area</b>	<b>Cost Burden - Renters</b>			<b>Cost Burden - Owners</b>		
	<b>Low-Income</b>	<b>Moderate-Income</b>	<b>All Renters</b>	<b>Low-Income</b>	<b>Moderate-Income</b>	<b>All Owners</b>
Houston Metropolitan	80.2	46.2	43.4	62.0	37.7	19.8
Brazoria County, TX	69.1	28.4	35.1	49.9	23.6	15.4
Fort Bend County, TX	78.0	66.1	39.6	70.1	50.6	19.9
Galveston County, TX	77.4	49.6	43.5	61.5	27.4	17.9
Harris County, TX	81.3	45.2	44.5	62.8	38.3	20.6
Montgomery County, TX	74.4	54.3	37.4	58.8	36.5	18.8
Houston-The Woodlands-Sugar Land, TX MSA	80.0	46.0	43.3	61.6	36.9	19.8
Texas	77.5	46.7	42.4	59.1	33.8	19.4

*Cost Burden is housing cost that equals 30 percent or more of household income  
Source: U.S. Department of Housing and Urban Development (HUD), 2013-2017 Comprehensive Housing Affordability Strategy*

- In 2021, the AA contained 1,975,353 housing units with a median age of 37 years. The AA median housing value of \$142,799 is slightly above the state of Texas' median housing value of \$136,000.
- The cost burden for both renters and owners in the AA are similar to the state of Texas.
- Owner-occupied units in the AA comprises 52.1 percent of the housing stock, with rental and vacant properties representing 38.3 percent and 9.6 percent, respectively. Of the owner-occupied housing units, 22.7percent are located in low-income census tracts, 45.3 percent are in moderate-income census tracts, 58.2 are in middle-income census tracts, 66.0 percent are in upper-income census tracts, and 12.8 percent are in unknown income census tracts.

**Table 8**

<b>2020 Unemployment Rates</b>					
<b>Assessment Area: Houston Metropolitan</b>					
<b>Area</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Houston Metropolitan	5.3	5.0	4.3	3.8	8.6
Brazoria County, TX	5.2	5.3	4.6	4.2	8.6
Fort Bend County, TX	5.0	4.7	4.0	3.5	7.7
Galveston County, TX	5.3	5.3	4.7	4.0	8.7
Harris County, TX	5.3	5.1	4.4	3.9	8.9
Montgomery County, TX	4.9	4.4	3.8	3.4	7.5
Houston-The Woodlands-Sugar Land, TX MSA	5.3	5.0	4.4	3.8	8.6
Texas	4.6	4.3	3.9	3.5	7.6

*Source: Bureau of Labor Statistics (BLS), Local Area Unemployment Statistics*

- The most common industries in the AA are government entities, health care and social assistance, retail trade, professional and technical services, and accommodation/food services.
- Major employers in the AA are Wal-Mart, Memorial Hermann Health System, and H-E-B.
- According to 2021 Dun & Bradstreet (D&B) data, 295,208 businesses operated in the AA, of which 270,039 or 91.5 percent reported annual revenues of less than \$1 million.
- In 2020, unemployment rates increased significantly, primarily due to the COVID-19 pandemic. The unemployment rates in the AA, counties, MSA, and the state of Texas were low and generally decreasing prior to 2020.

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN HOUSTON METROPOLITAN ASSESSMENT AREA**

Lending activity reflects reasonable responsiveness to AA credit needs. The geographic distribution of loans reflects reasonable dispersion throughout the AA among businesses located in census tracts of various income levels. The bank's lending reflects reasonable penetration among businesses of different revenue sizes. The bank's core business focus is commercial lending, with commercial loans comprising 87.8 percent of the loan portfolio. Therefore, only the bank's small business loans were considered when evaluating the bank's performance.

## Geographic Distribution of Loans

The bank's geographic distribution of loans reflects reasonable distribution among the different census tracts and dispersion throughout the AA. Generally, the bank extended loans in proximity to its branches, and no conspicuous lending patterns were noted.

### *Small Business Lending*

The geographic distribution of small business lending is reasonable. As illustrated in the table below, the bank's performance in low-income census tracts was slightly above the AA demographic of 11.5 percent of small businesses located in such census tracts. The bank's performance in moderate-income census tracts was slightly below the AA demographic of 20.8 percent of small businesses located in such census tracts. Despite the level of competition in the Houston Metropolitan AA, the bank's performance in LMI census tracts remains comparable to the demographic data available. Based on this performance, the bank's small business lending is responsive to the needs of small businesses located LMI geographies, reflecting favorably when considering the bank's deposit market share of less than one percent.

**Table 9**

<b>Distribution of 2021 Small Business Lending By Income Level of Geography Assessment Area: Houston Metropolitan</b>					
<b>Geographic Income Level</b>	<b>Bank Loans</b>				<b>Percentage of Total Businesses (%)</b>
	<b>#</b>	<b>#%</b>	<b>\$(000)</b>	<b>%</b>	
Low	10	12.5	1,318	13.6	11.5
Moderate	14	17.5	1,830	18.9	20.8
Middle	16	20.0	2,084	21.5	23.7
Upper	40	50.0	4,461	46.0	43.8
Unknown	0	0.0	0	0.0	0.2
<b>Total</b>	<b>80</b>	<b>100.0</b>	<b>9,694</b>	<b>100.0</b>	<b>100.0</b>
<i>Source: 2021 FFIEC Census Data 2021 Dun &amp; Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey</i>					
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>					

## Lending to Businesses of Different Sizes

The bank's lending reflects a reasonable distribution among businesses of different sizes. The bank extended 51.8 percent by number volume and 36.6 percent by dollar volume to businesses with annual revenues of \$1 million or less, which is significantly below the 91.8 percent of businesses in the AA considered small per the 2021 D&B data. Given the high level of competition in the AA and the fact that the bank extended 46.4 percent of its small business loans in amounts of \$100,000 or less, the bank's performance is considered responsive, as small business owners usually require smaller dollar loan amounts. Moreover, the bank's lending in the AA demonstrates a responsiveness and willingness to meeting the credit needs of the AA.

*Small Business Lending*

The borrower distribution of small business lending is reasonable. The bank extended 77.5 percent by number volume and 52.1 percent by dollar volume to businesses with annual revenues of \$1 million or less, which is significantly below the 91.5 percent of businesses in the AA considered small per the 2021 D&B data. Given the high level of competition in the AA and the fact that the bank extended 77.4 percent of its small business loans in amounts of \$100,000 or less, the bank’s performance is considered responsive as small business owners usually require smaller dollar loan amounts. Moreover, the community contact noted the need for small business loans in the AA and the bank’s lending in the AA demonstrates a responsiveness and willingness to meeting the credit needs of the AA.

**Table 10**

<b>Distribution of 2021 Small Business Lending By Revenue Size of Businesses</b>					
<b>Assessment Area: Houston Metropolitan</b>					
	<b>Bank Loans</b>				<b>Total Businesses %</b>
	<b>#</b>	<b>#%</b>	<b>\$(000)</b>	<b>\$%</b>	
<b>By Revenue</b>					
<b>\$1 Million or Less</b>	62	77.5	5,046	52.1	91.5
<b>Over \$1 Million</b>	17	21.3	4,388	45.3	7.5
<b>Revenue Unknown</b>	1	1.3	260	2.7	1.1
<b>Total</b>	80	100.0	9,694	100.0	100.0
<b>By Loan Size</b>					
<b>\$100,000 or Less</b>	56	70.0	2,288	23.6	
<b>\$100,001 - \$250,000</b>	16	20.0	2,820	29.1	
<b>\$250,001 - \$1 Million</b>	8	10.0	4,586	47.3	
<b>Total</b>	80	100.0	9,694	100.0	
<b>By Loan Size and Revenues \$1 Million or Less</b>					
<b>\$100,000 or Less</b>	48	77.4	1,848	36.6	
<b>\$100,001 - \$250,000</b>	12	19.4	2,155	42.7	
<b>\$250,001 - \$1 Million</b>	2	3.2	1,043	20.7	
<b>Total</b>	62	100.0	5,046	100.0	
<i>Source: 2021 FFIEC Census Data 2021 Dun &amp; Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey</i>					
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>					

**COMMUNITY DEVELOPMENT TEST**

The bank’s CD performance demonstrates adequate responsiveness considering the bank’s capacity and identified community development needs and opportunities. The bank has applied its CD resources strategically to meet the substance of community needs, primarily through revitalization and stabilization in the Houston Metropolitan AA. The bank originated 50 PPP loans within the AA, which reflects favorably upon its responsiveness in meeting the needs of small businesses during the COVID-19 pandemic.

**Table 11**

**Community Development Activity  
Assessment Area: Houston Metropolitan**

Community Development Purpose	Community Development Loans		Qualified Investments						Community Development Services
			Investments		Donations		Total Investments		
	#	\$(000)	#	\$(000)	#	\$(000)	#	\$(000)	#
Affordable Housing	12	10,611	-	-	-	-	-	-	7
Community Services	-	-	-	-	21	19	21	19	80
Economic Development	-	-	3	2,144	-	-	3	2,144	5
Revitalization and Stabilization	51	95,730	-	-	-	-	-	-	1
<b>Totals</b>	<b>63</b>	<b>106,341</b>	<b>3</b>	<b>2,144</b>	<b>21</b>	<b>19</b>	<b>24</b>	<b>2,163</b>	<b>93</b>

**DALLAS METROPOLITAN ASSESSMENT AREA**  
(Limited-Scope Review)

**DESCRIPTION OF THE INSTITUTION'S OPERATIONS IN DALLAS METROPOLITAN ASSESSMENT AREA**

The Dallas Metropolitan AA consists of Collin and Dallas counties. The bank has two branches within the AA. As of June 30, 2021, the bank had \$173.8 million deposits in the AA, representing a market share of 0.1 percent and 9.6 percent of the bank's total deposits are in the AA. Given the bank's limited lending activity in the AA, the bank's performance in this AA carried limited weight when rating the overall bank's performance in meeting the credit and community development needs of the communities it serves.

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN DALLAS METROPOLITAN ASSESSMENT AREA**

The bank's lending and CD performance in the AA is consistent with the institution's performance overall.

**BEAUMONT METROPOLITAN ASSESSMENT AREA**  
(Limited-Scope Review)

**DESCRIPTION OF THE INSTITUTION'S OPERATIONS IN BEAUMONT METROPOLITAN ASSESSMENT AREA**

The Beaumont Metropolitan AA consists of Hardin, Jefferson, and Orange Counties. The bank has two branches within the AA. As of June 30, 2021, the bank's deposits in the AA totaled \$276.3 million, representing a market share of 4.0 percent and 15.4 percent of the bank's total deposits are in the AA. Given the bank's limited strategic focus on the AA, the bank's performance in this AA carried limited weight when rating the overall performance in meeting the credit and CD needs of the communities the bank serves.

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN BEAUMONT METROPOLITAN ASSESSMENT AREA**

The bank's lending and CD performance in the AA is consistent with the institution's performance overall.

**SAN ANTONIO METROPOLITAN ASSESSMENT AREA**  
(Limited-Scope Review)

**DESCRIPTION OF THE INSTITUTION'S OPERATIONS IN SAN ANTONIO METROPOLITAN ASSESSMENT AREA**

The San Antonio Metropolitan AA consists of Guadalupe and Wilson counties. The bank has two branches within the AA. As of June 30, 2021, the bank had \$73.2 million of its total deposits in the AA, representing a market share of less than 0.1 percent and 4.0 percent of the bank's total deposits are in the AA. Given the bank's limited lending activity in the AA, the bank's performance in this AA carried limited weight when rating the overall performance in meeting the credit and CD needs of the communities the bank serves.

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN SAN ANTONIO METROPOLITAN ASSESSMENT AREA**

The bank's lending and CD performance in the AA is consistent with the overall performance overall.



**DETROIT NONMETROPOLITAN ASSESSMENT AREA**  
(Limited-Scope Review)

**DESCRIPTION OF THE INSTITUTION'S OPERATIONS IN DETROIT NONMETROPOLITAN ASSESSMENT AREA**

The Detroit Nonmetropolitan AA consists of Lamar and Red River Counties. The Detroit Nonmetropolitan AA is a new AA for the bank, as it was added with the acquisition of Heritage Bank in 2020. The bank has one branch within the AA. As of June 30, 2021, the bank had deposits totaling \$22.7 million in the AA, representing a market share of 1.4 percent and 1.2 percent of the bank's total deposits. Due to the lack of small business lending activity in the AA, the bank's performance in this AA carried limited weight when rating the overall performance in meeting the credit and CD needs of the communities it serves.

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN DETROIT NONMETROPOLITAN ASSESSMENT AREA**

The bank's lending performance in the AA is below the institution's performance in the Houston Metropolitan AA, with no small business loans extended in 2021. the bank's performance in this AA does not change the rating for the bank.

**NIXON NONMETROPOLITAN AREA**  
(Limited-Scope Review)

**DESCRIPTION OF THE INSTITUTION'S OPERATIONS IN NIXON NONMETROPOLITAN ASSESSMENT AREA**

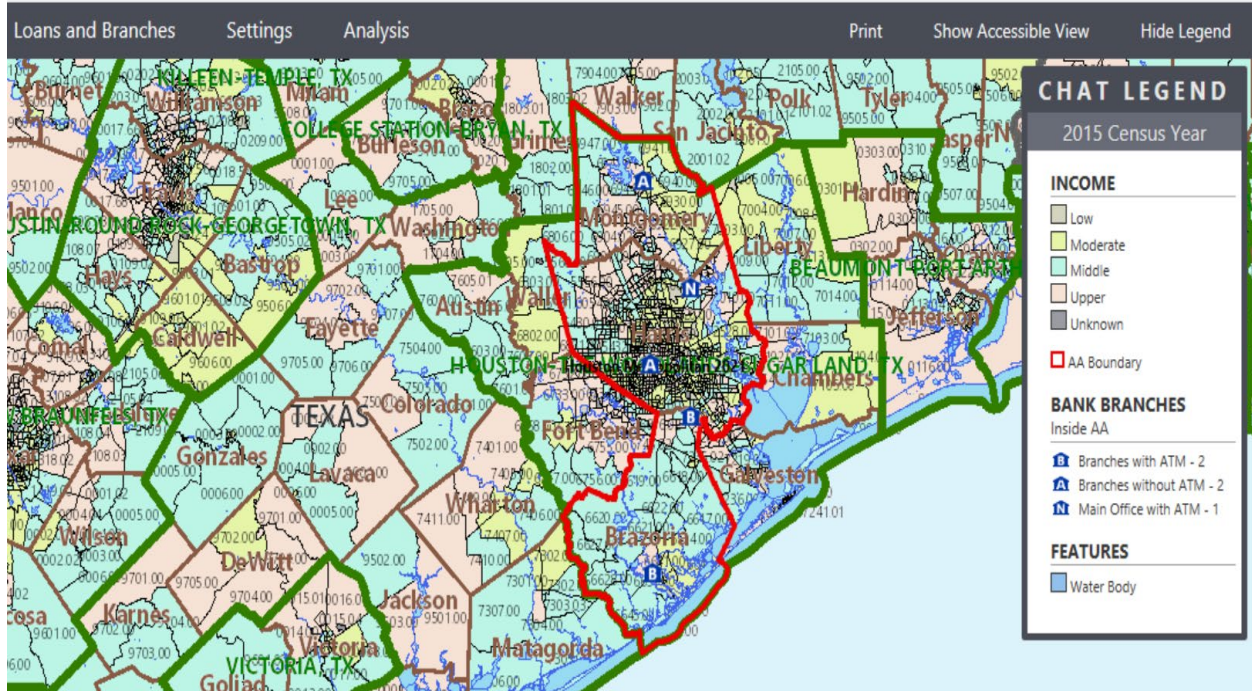
The Detroit Nonmetropolitan AA consists of Lamar and Red River Counties. The Nixon Nonmetropolitan AA is a new AA for the bank, as it was added with the acquisition of Heritage Bank in 2020. The bank has one branch within the AA. As of June 30, 2021, the bank had \$53.1 million deposits in the AA, representing a market share of 3.5 percent and 2.9 percent of the bank's total deposits. Due to the lack of small business lending activity in the AA, the bank's performance in this AA carried limited weight when rating the overall performance in meeting the credit and CD needs of the communities it serves.

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN NIXON NONMETROPOLITAN ASSESSMENT AREA**

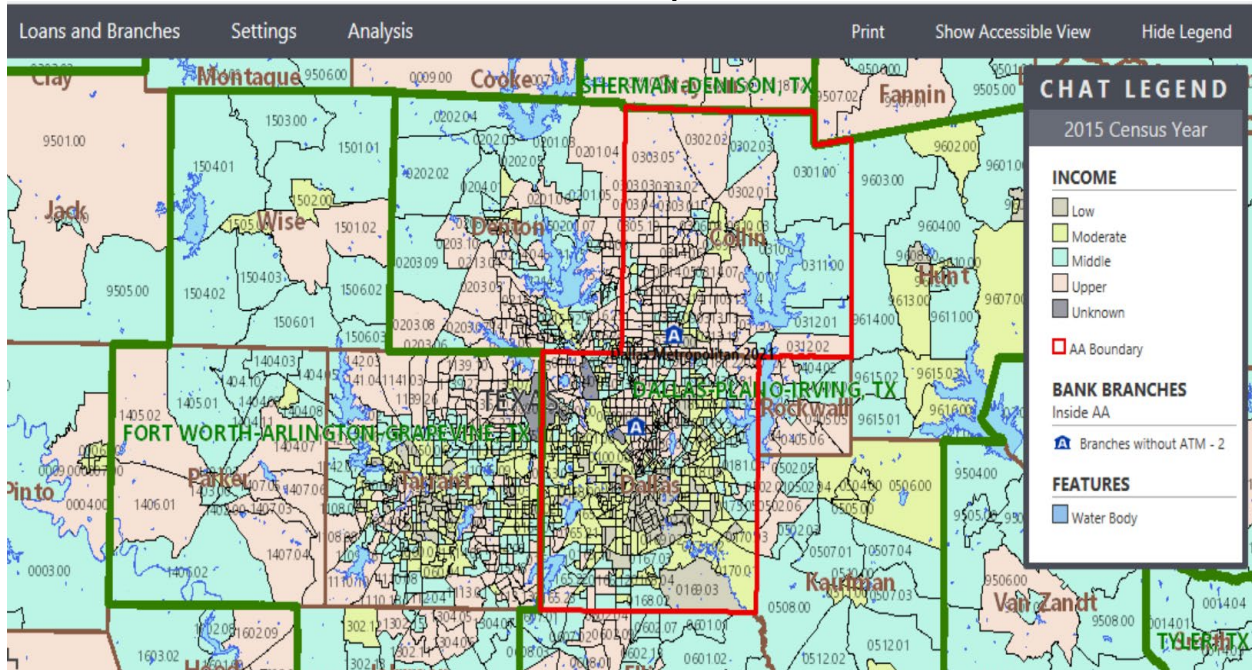
The bank's lending performance in the AA is below the institution's performance in the Houston Metropolitan AA, with no small business loans extended in 2021. the bank's performance in this AA does not change the rating for the bank.

### Appendix A – Maps of the Assessment Areas

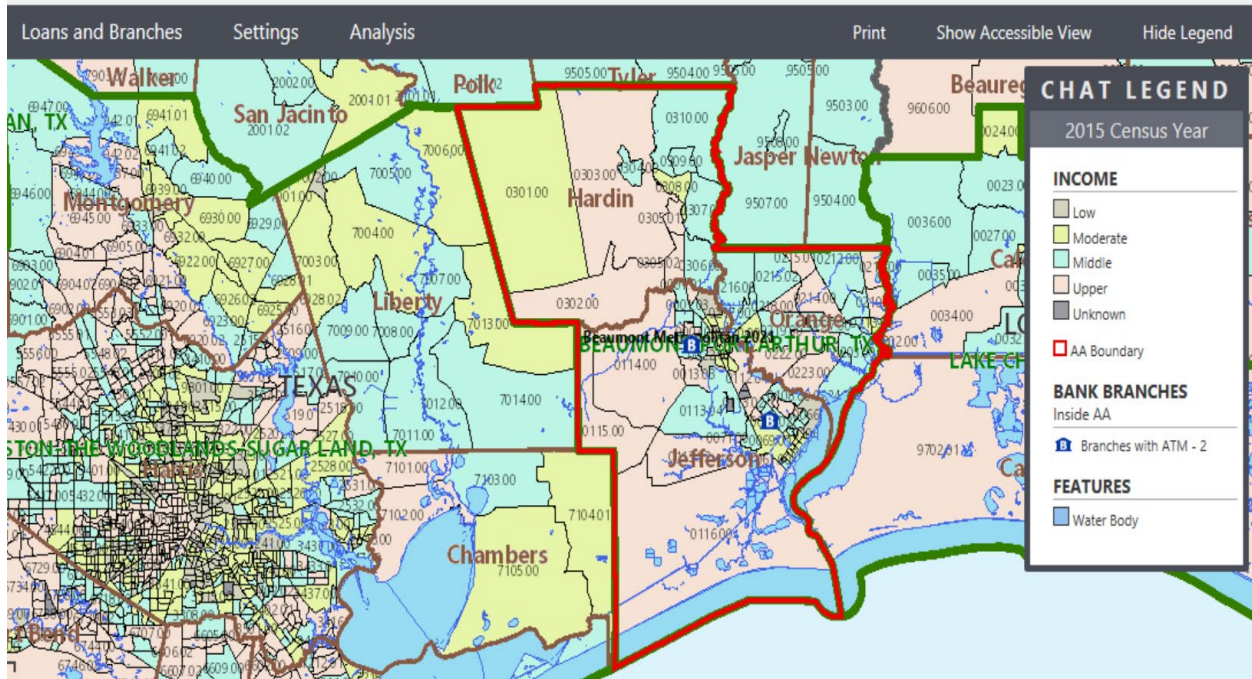
#### Houston Metropolitan



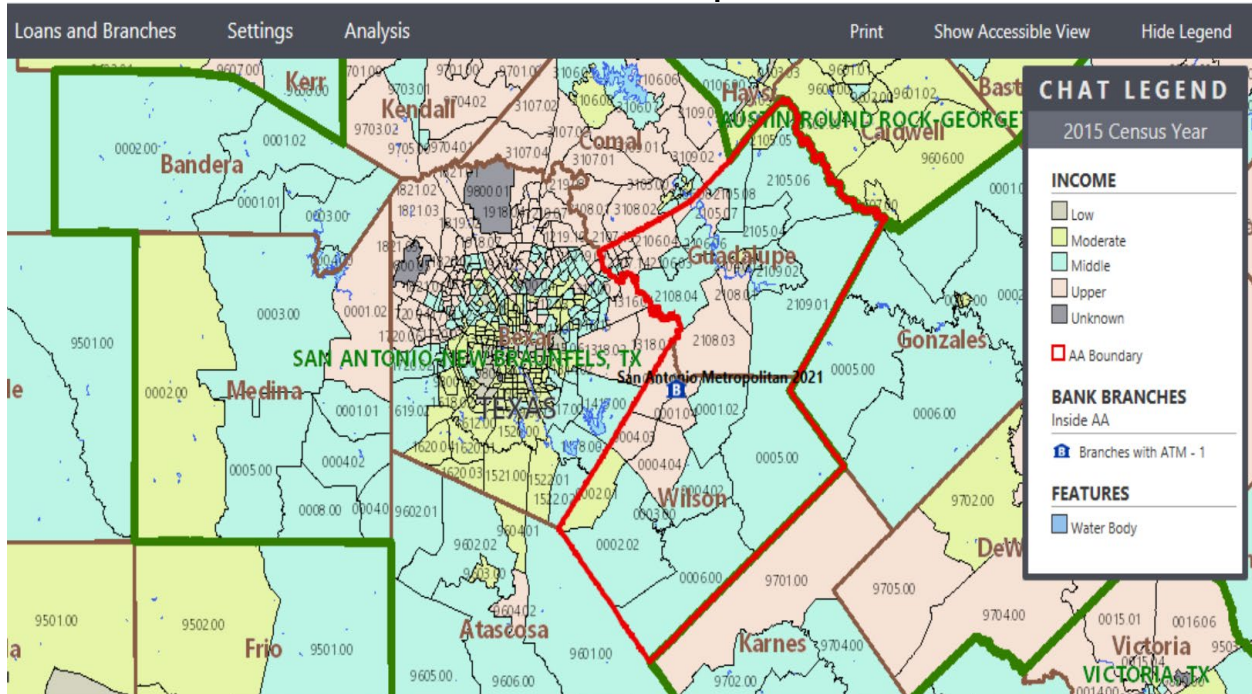
#### Dallas Metropolitan



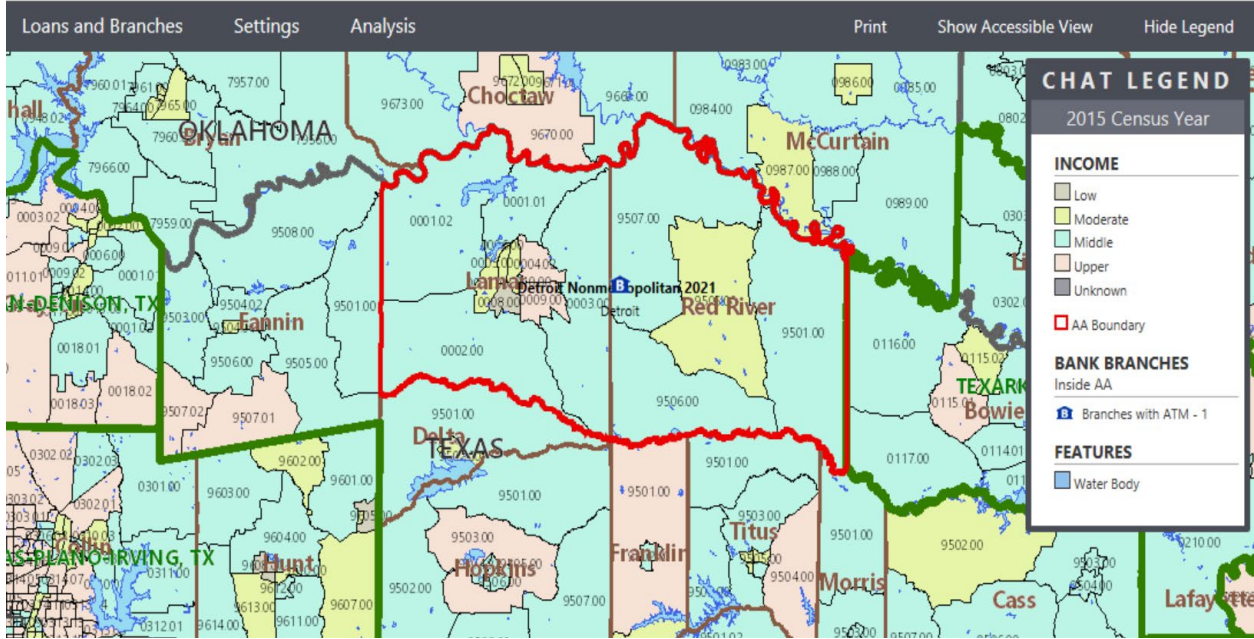
### Beaumont Metropolitan



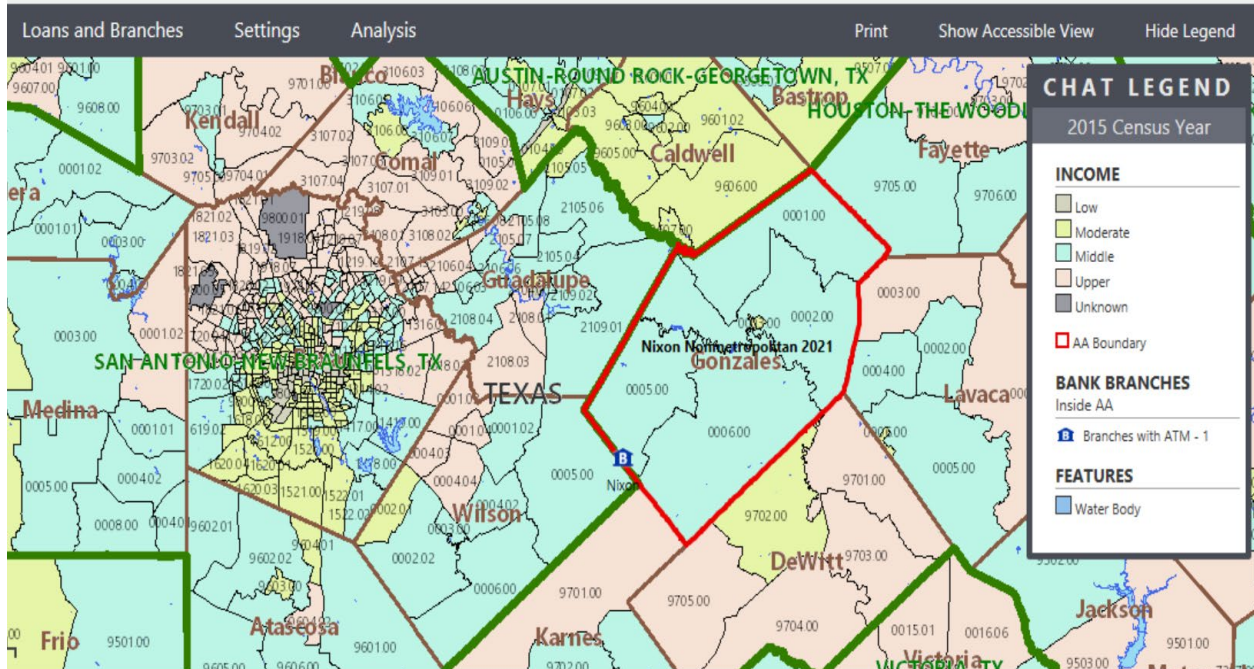
### San Antonio Metropolitan



### Detroit Nonmetropolitan



### Nixon Nonmetropolitan



## Appendix B – Demographic Information

### Table B-1

2021 Houston Metropolitan AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
<b>Low</b>	150	16.7	152,860	12.4	55,142	36.1	323,435	26.2
<b>Moderate</b>	270	30.1	329,319	26.7	64,653	19.6	206,140	16.7
<b>Middle</b>	215	24.0	338,744	27.4	34,635	10.2	211,351	17.1
<b>Upper</b>	254	28.3	412,459	33.4	16,315	4.0	494,761	40.0
<b>Unknown</b>	7	0.8	2,305	0.2	999	43.3	0	0.0
<b>Total AA</b>	<b>896</b>	<b>100.0</b>	<b>1,235,687</b>	<b>100.0</b>	<b>171,744</b>	<b>13.9</b>	<b>1,235,687</b>	<b>100.0</b>
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
<b>Low</b>	279,057	63,312	6.2	22.7	172,694	61.9	43,051	15.4
<b>Moderate</b>	530,079	239,912	23.3	45.3	233,823	44.1	56,344	10.6
<b>Middle</b>	518,637	301,685	29.3	58.2	174,549	33.7	42,403	8.2
<b>Upper</b>	641,401	423,107	41.1	66.0	170,639	26.6	47,655	7.4
<b>Unknown</b>	6,179	789	0.1	12.8	4,766	77.1	624	10.1
<b>Total AA</b>	<b>1,975,353</b>	<b>1,028,805</b>	<b>100.0</b>	<b>52.1</b>	<b>756,471</b>	<b>38.3</b>	<b>190,077</b>	<b>9.6</b>
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
<b>Low</b>	33,934	11.5	30,263	11.2	3,442	15.6	229	7.3
<b>Moderate</b>	61,474	20.8	55,942	20.7	5,123	23.3	409	13.0
<b>Middle</b>	69,915	23.7	64,968	24.1	4,368	19.8	579	18.5
<b>Upper</b>	129,246	43.8	118,277	43.8	9,055	41.1	1,914	61.0
<b>Unknown</b>	639	0.2	589	0.2	43	0.2	7	0.2
<b>Total AA</b>	<b>295,208</b>	<b>100.0</b>	<b>270,039</b>	<b>100.0</b>	<b>22,031</b>	<b>100.0</b>	<b>3,138</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>					<b>91.5</b>			<b>7.5</b>
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
<b>Low</b>	77	4.1	72	3.9	5	14.7	0	0.0
<b>Moderate</b>	231	12.3	222	12.1	9	26.5	0	0.0
<b>Middle</b>	567	30.2	556	30.3	7	20.6	4	80.0
<b>Upper</b>	997	53.2	983	53.5	13	38.2	1	20.0
<b>Unknown</b>	3	0.2	3	0.2	0	0.0	0	0.0
<b>Total AA</b>	<b>1,875</b>	<b>100.0</b>	<b>1,836</b>	<b>100.0</b>	<b>34</b>	<b>100.0</b>	<b>5</b>	<b>100.0</b>
<b>Percentage of Total Farms:</b>					<b>97.9</b>			<b>0.3</b>
Source: 2021 FFIEC Census Data 2021 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.								

**Appendix C – Limited-Scope Review Assessment Area Tables**

**Table C-1**

2021 Dallas Metropolitan AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	109	16.0	102,623	12.8	34,438	33.6	210,531	26.2
Moderate	201	29.5	226,536	28.2	43,094	19.0	136,995	17.1
Middle	138	20.3	177,568	22.1	15,305	8.6	137,459	17.1
Upper	227	33.3	295,051	36.7	11,543	3.9	318,281	39.6
Unknown	6	0.9	1,488	0.2	273	18.3	0	0.0
<b>Total AA</b>	<b>681</b>	<b>100.0</b>	<b>803,266</b>	<b>100.0</b>	<b>104,653</b>	<b>13.0</b>	<b>803,266</b>	<b>100.0</b>
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	192,788	45,555	7.0	23.6	121,840	63.2	25,393	13.2
Moderate	358,531	163,030	24.9	45.5	166,827	46.5	28,674	8.0
Middle	283,673	149,926	22.9	52.9	115,404	40.7	18,343	6.5
Upper	445,240	295,035	45.1	66.3	125,108	28.1	25,097	5.6
Unknown	4,910	1,248	0.2	25.4	3,133	63.8	529	10.8
<b>Total AA</b>	<b>1,285,142</b>	<b>654,794</b>	<b>100.0</b>	<b>51.0</b>	<b>532,312</b>	<b>41.4</b>	<b>98,036</b>	<b>7.6</b>
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	20,556	9.3	18,437	9.0	1,973	12.5	146	5.8
Moderate	47,629	21.4	43,379	21.3	3,906	24.7	344	13.6
Middle	51,628	23.2	47,316	23.2	3,800	24.0	512	20.3
Upper	100,104	45.1	93,004	45.6	5,615	35.5	1,485	58.9
Unknown	2,193	1.0	1,635	0.8	523	3.3	35	1.4
<b>Total AA</b>	<b>222,110</b>	<b>100.0</b>	<b>203,771</b>	<b>100.0</b>	<b>15,817</b>	<b>100.0</b>	<b>2,522</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>				<b>91.7</b>	<b>7.1</b>	<b>1.1</b>		
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	73	4.9	70	4.8	3	15.0	0	0.0
Moderate	200	13.6	197	13.5	3	15.0	0	0.0
Middle	365	24.7	363	25.0	2	10.0	0	0.0
Upper	829	56.2	816	56.1	11	55.0	2	100.0
Unknown	9	0.6	8	0.6	1	5.0	0	0.0
<b>Total AA</b>	<b>1,476</b>	<b>100.0</b>	<b>1,454</b>	<b>100.0</b>	<b>20</b>	<b>100.0</b>	<b>2</b>	<b>100.0</b>
<b>Percentage of Total Farms:</b>				<b>98.5</b>	<b>1.4</b>	<b>0.1</b>		
Source: 2021 FFIEC Census Data 2021 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.								

**Table C-2**

<b>Distribution of 2021 Small Business Lending By Income Level of Geography</b>						
<b>Assessment Area: Dallas Metropolitan</b>						
<b>Geographic Income Level</b>	<b>Bank Loans</b>				<b>Total Businesses %</b>	
	<b>#</b>	<b>#%</b>	<b>\$(000)</b>	<b>%</b>		
<b>Low</b>	1	14.3	79	26.6	9.3	
<b>Moderate</b>	2	28.6	134	45.1	21.4	
<b>Middle</b>	1	14.3	49	16.5	23.2	
<b>Upper</b>	3	42.9	34	11.4	45.1	
<b>Unknown</b>	0	0.0	0	0.0	1.0	
<b>Total</b>	7	100.0	297	100.0	100.0	

Source: 2021 FFIEC Census Data  
2021 Dun & Bradstreet Data  
2011-2015 U.S. Census Bureau: American Community Survey

Note: Percentages may not total 100.0 percent due to rounding.

**Table C-3**

<b>Distribution of 2021 Small Business Lending By Revenue Size of Businesses</b>					
<b>Assessment Area: Dallas Metropolitan</b>					
	<b>Bank Loans</b>				<b>Total Businesses %</b>
	<b>#</b>	<b>#%</b>	<b>\$(000)</b>	<b>%</b>	
<b>By Revenue</b>					
<b>\$1 Million or Less</b>	7	100.0	297	100.0	91.7
<b>Over \$1 Million</b>	0	0.0	0	0.0	7.1
<b>Revenue Unknown</b>	0	0.0	0	0.0	1.1
<b>Total</b>	7	100.0	297	100.0	100.0
<b>By Loan Size</b>					
<b>\$100,000 or Less</b>	6	85.7	187	63.0	
<b>\$100,001 - \$250,000</b>	1	14.3	110	37.0	
<b>\$250,001 - \$1 Million</b>	0	0.0	0	0.0	
<b>Total</b>	7	100.0	297	100.0	
<b>By Loan Size and Revenues \$1 Million or Less</b>					
<b>\$100,000 or Less</b>	6	85.7	187	63.0	
<b>\$100,001 - \$250,000</b>	1	14.3	110	37.0	
<b>\$250,001 - \$1 Million</b>	0	0.0	0	0.0	
<b>Total</b>	7	100.0	297	100.0	

Source: 2021 FFIEC Census Data  
2021 Dun & Bradstreet Data  
2011-2015 U.S. Census Bureau: American Community Survey

Note: Percentages may not total 100.0 percent due to rounding.



**Table C-4**

2021 Beaumont Metropolitan AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	7	6.7	4,728	4.9	2,068	43.7	21,824	22.5
Moderate	29	27.6	20,361	21.0	4,572	22.5	16,590	17.1
Middle	39	37.1	40,566	41.8	5,059	12.5	18,495	19.1
Upper	26	24.8	31,284	32.3	2,095	6.7	40,030	41.3
Unknown	4	3.8	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>105</b>	<b>100.0</b>	<b>96,939</b>	<b>100.0</b>	<b>13,794</b>	<b>14.2</b>	<b>96,939</b>	<b>100.0</b>
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	8,656	3,488	3.5	40.3	3,797	43.9	1,371	15.8
Moderate	40,893	19,753	19.8	48.3	14,123	34.5	7,017	17.2
Middle	69,758	42,228	42.2	60.5	19,996	28.7	7,534	10.8
Upper	46,746	34,531	34.5	73.9	8,432	18.0	3,783	8.1
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>166,053</b>	<b>100,000</b>	<b>100.0</b>	<b>60.2</b>	<b>46,348</b>	<b>27.9</b>	<b>19,705</b>	<b>11.9</b>
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	703	4.3	630	4.2	72	6.6	1	0.6
Moderate	3,349	20.7	3,064	20.5	250	22.9	35	20.1
Middle	7,518	46.4	6,917	46.3	528	48.3	73	42.0
Upper	4,629	28.6	4,324	28.9	240	22.0	65	37.4
Unknown	8	0.0	5	0.0	3	0.3	0	0.0
<b>Total AA</b>	<b>16,207</b>	<b>100.0</b>	<b>14,940</b>	<b>100.0</b>	<b>1,093</b>	<b>100.0</b>	<b>174</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>			<b>92.2</b>		<b>6.7</b>		<b>1.1</b>	
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	1	0.5	1	0.5	0	0.0	0	0.0
Moderate	23	10.6	22	10.3	1	50.0	0	0.0
Middle	78	36.1	76	35.7	1	50.0	1	100.0
Upper	114	52.8	114	53.5	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>216</b>	<b>100.0</b>	<b>213</b>	<b>100.0</b>	<b>2</b>	<b>100.0</b>	<b>1</b>	<b>100.0</b>
<b>Percentage of Total Farms:</b>			<b>98.6</b>		<b>0.9</b>		<b>0.5</b>	
Source: 2021 FFIEC Census Data 2021 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.								

**Table C-5**

<b>Distribution of 2021 Small Business Lending By Income Level of Geography</b>						
<b>Assessment Area: Beaumont Metropolitan</b>						
<b>Geographic Income Level</b>	<b>Bank Loans</b>				<b>Total Businesses %</b>	
	<b>#</b>	<b>#%</b>	<b>\$(000)</b>	<b>\$%</b>		
<b>Low</b>	2	4.2	723	17.5	4.3	
<b>Moderate</b>	8	16.7	1,216	29.5	20.7	
<b>Middle</b>	28	58.3	1,908	46.3	46.4	
<b>Upper</b>	10	20.8	273	6.6	28.6	
<b>Unknown</b>	0	0.0	0	0.0	0.0	
<b>Total</b>	48	100.0	4,120	100.0	100.0	

Source: 2021 FFIEC Census Data  
2021 Dun & Bradstreet Data  
2011-2015 U.S. Census Bureau: American Community Survey  
Note: Percentages may not total 100.0 percent due to rounding.

**Table C-6**

<b>Distribution of 2021 Small Business Lending By Revenue Size of Businesses</b>						
<b>Assessment Area: Beaumont Metropolitan</b>						
	<b>Bank Loans</b>				<b>Total Businesses %</b>	
	<b>#</b>	<b>#%</b>	<b>\$(000)</b>	<b>\$%</b>		
<b>By Revenue</b>						
<b>\$1 Million or Less</b>	43	89.6	3,611	87.6	92.2	
<b>Over \$1 Million</b>	3	6.3	409	9.9	6.7	
<b>Revenue Unknown</b>	2	4.2	100	2.4	1.1	
<b>Total</b>	48	100.0	4,120	100.0	100.0	
<b>By Loan Size</b>						
<b>\$100,000 or Less</b>	37	77.1	1,187	28.8		
<b>\$100,001 - \$250,000</b>	7	14.6	999	24.2		
<b>\$250,001 - \$1 Million</b>	4	8.3	1,934	46.9		
<b>Total</b>	48	100.0	4,120	100.0		
<b>By Loan Size and Revenues \$1 Million or Less</b>						
<b>\$100,000 or Less</b>	34	79.1	987	27.3		
<b>\$100,001 - \$250,000</b>	5	11.6	690	19.1		
<b>\$250,001 - \$1 Million</b>	4	9.3	1,934	53.6		
<b>Total</b>	43	100.0	3,611	100.0		

Source: 2021 FFIEC Census Data  
2021 Dun & Bradstreet Data  
2011-2015 U.S. Census Bureau: American Community Survey  
Note: Percentages may not total 100.0 percent due to rounding.

**Table C-7**

2021 San Antonio Metropolitan AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	1	2.5	1,255	2.6	508	40.5	7,626	15.6
Moderate	4	10.0	3,862	7.9	814	21.1	7,351	15.0
Middle	18	45.0	18,574	37.9	1,429	7.7	9,766	19.9
Upper	17	42.5	25,314	51.7	1,019	4.0	24,262	49.5
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>40</b>	<b>100.0</b>	<b>49,005</b>	<b>100.0</b>	<b>3,770</b>	<b>7.7</b>	<b>49,005</b>	<b>100.0</b>
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied		Rental		Vacant		
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	2,216	851	1.7	38.4	1,058	47.7	307	13.9
Moderate	6,087	3,499	6.9	57.5	1,755	28.8	833	13.7
Middle	28,439	19,081	37.8	67.1	6,576	23.1	2,782	9.8
Upper	33,290	27,081	53.6	81.3	4,516	13.6	1,693	5.1
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>70,032</b>	<b>50,512</b>	<b>100.0</b>	<b>72.1</b>	<b>13,905</b>	<b>19.9</b>	<b>5,615</b>	<b>8.0</b>
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	270	3.7	254	3.7	10	2.9	6	7.8
Moderate	441	6.1	393	5.8	44	12.7	4	5.2
Middle	2,819	39.1	2,602	38.3	181	52.2	36	46.8
Upper	3,687	51.1	3,544	52.2	112	32.3	31	40.3
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>7,217</b>	<b>100.0</b>	<b>6,793</b>	<b>100.0</b>	<b>347</b>	<b>100.0</b>	<b>77</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>				<b>94.1</b>		<b>4.8</b>		<b>1.1</b>
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	3	1.2	2	0.8	1	100.0	0	0.0
Moderate	19	7.3	19	7.4	0	0.0	0	0.0
Middle	147	56.8	146	57.0	0	0.0	1	50.0
Upper	90	34.7	89	34.8	0	0.0	1	50.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>259</b>	<b>100.0</b>	<b>256</b>	<b>100.0</b>	<b>1</b>	<b>100.0</b>	<b>2</b>	<b>100.0</b>
<b>Percentage of Total Farms:</b>				<b>98.8</b>		<b>0.4</b>		<b>0.8</b>
Source: 2021 FFIEC Census Data 2021 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.								

**Table C-8**

<b>Distribution of 2021 Small Business Lending By Income Level of Geography</b>					
<b>Assessment Area: San Antonio Metropolitan</b>					
<b>Geographic Income Level</b>	<b>Bank Loans</b>				<b>Total Businesses %</b>
	<b>#</b>	<b>#%</b>	<b>\$(000)</b>	<b>\$%</b>	
<b>Low</b>	0	0.0	0	0.0	3.7
<b>Moderate</b>	0	0.0	0	0.0	6.1
<b>Middle</b>	2	50.0	24	17.3	39.1
<b>Upper</b>	2	50.0	115	82.7	51.1
<b>Unknown</b>	0	0.0	0	0.0	0.0
<b>Total</b>	4	100.0	139	100.0	100.0

Source: 2021 FFIEC Census Data  
2021 Dun & Bradstreet Data  
2011-2015 U.S. Census Bureau: American Community Survey

Note: Percentages may not total 100.0 percent due to rounding.

**Table C-9**

<b>Distribution of 2021 Small Business Lending By Revenue Size of Businesses</b>					
<b>Assessment Area: San Antonio Metropolitan</b>					
	<b>Bank Loans</b>				<b>Total Businesses %</b>
	<b>#</b>	<b>#%</b>	<b>\$(000)</b>	<b>\$%</b>	
<b>By Revenue</b>					
<b>\$1 Million or Less</b>	4	100.0	139	100.0	94.1
<b>Over \$1 Million</b>	0	0.0	0	0.0	4.8
<b>Revenue Unknown</b>	0	0.0	0	0.0	1.1
<b>Total</b>	4	100.0	139	100.0	100.0
<b>By Loan Size</b>					
<b>\$100,000 or Less</b>	4	100.0	139	100.0	
<b>\$100,001 - \$250,000</b>	0	0.0	0	0.0	
<b>\$250,001 - \$1 Million</b>	0	0.0	0	0.0	
<b>Total</b>	4	100.0	139	100.0	
<b>By Loan Size and Revenues \$1 Million or Less</b>					
<b>\$100,000 or Less</b>	4	100.0	139	100.0	
<b>\$100,001 - \$250,000</b>	0	0.0	0	0.0	
<b>\$250,001 - \$1 Million</b>	0	0.0	0	0.0	
<b>Total</b>	4	100.0	139	100.0	

Source: 2021 FFIEC Census Data  
2021 Dun & Bradstreet Data  
2011-2015 U.S. Census Bureau: American Community Survey

Note: Percentages may not total 100.0 percent due to rounding.

**Table C-10**

2021 Detroit Nonmetropolitan AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	1	6.3	837	5.1	354	42.3	3,820	23.1
Moderate	5	31.3	4,180	25.3	974	23.3	3,121	18.9
Middle	8	50.0	8,375	50.6	898	10.7	3,380	20.4
Upper	2	12.5	3,152	19.1	248	7.9	6,223	37.6
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>16</b>	<b>100.0</b>	<b>16,544</b>	<b>100.0</b>	<b>2,474</b>	<b>15.0</b>	<b>16,544</b>	<b>100.0</b>
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied		Rental		Vacant		
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	1,785	503	3.1	28.2	979	54.8	303	17.0
Moderate	8,899	3,453	21.4	38.8	3,313	37.2	2,133	24.0
Middle	14,007	8,986	55.6	64.2	2,739	19.6	2,282	16.3
Upper	4,715	3,212	19.9	68.1	1,037	22.0	466	9.9
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>29,406</b>	<b>16,154</b>	<b>100.0</b>	<b>54.9</b>	<b>8,068</b>	<b>27.4</b>	<b>5,184</b>	<b>17.6</b>
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	198	7.9	164	7.2	31	17.7	3	6.5
Moderate	787	31.6	709	31.2	68	38.9	10	21.7
Middle	970	38.9	900	39.6	41	23.4	29	63.0
Upper	538	21.6	499	22.0	35	20.0	4	8.7
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>2,493</b>	<b>100.0</b>	<b>2,272</b>	<b>100.0</b>	<b>175</b>	<b>100.0</b>	<b>46</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>				<b>91.1</b>	<b>7.0</b>	<b>1.8</b>		
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	2	1.3	2	1.3	0	0.0	0	0.0
Moderate	20	12.8	20	12.9	0	0.0	0	0.0
Middle	121	77.6	120	77.4	1	100.0	0	0.0
Upper	13	8.3	13	8.4	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>156</b>	<b>100.0</b>	<b>155</b>	<b>100.0</b>	<b>1</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>
<b>Percentage of Total Farms:</b>				<b>99.4</b>	<b>0.6</b>	<b>0.0</b>		
Source: 2021 FFIEC Census Data 2021 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.								

**Table C-11**

<b>Distribution of 2021 Small Business Lending By Income Level of Geography</b>					
<b>Assessment Area: Detroit Nonmetropolitan</b>					
<b>Geographic Income Level</b>	<b>Bank Loans</b>				<b>Total Businesses %</b>
	<b>#</b>	<b>#%</b>	<b>\$(000)</b>	<b>\$%</b>	
<b>Low</b>	0	0.0	0	0.0	7.9
<b>Moderate</b>	0	0.0	0	0.0	31.6
<b>Middle</b>	0	0.0	0	0.0	38.9
<b>Upper</b>	0	0.0	0	0.0	21.6
<b>Unknown</b>	0	0.0	0	0.0	0.0
<b>Total</b>	0	0.0	0	0.0	100.0

Source: 2021 FFIEC Census Data  
2021 Dun & Bradstreet Data  
2011-2015 U.S. Census Bureau: American Community Survey

Note: Percentages may not total 100.0 percent due to rounding.

**Table C-12**

<b>Distribution of 2021 Small Business Lending By Revenue Size of Businesses</b>					
<b>Assessment Area: Detroit Nonmetropolitan</b>					
	<b>Bank Loans</b>				<b>Total Businesses %</b>
	<b>#</b>	<b>#%</b>	<b>\$(000)</b>	<b>\$%</b>	
<b>By Revenue</b>					
<b>\$1 Million or Less</b>	0	0.0	0	0.0	91.1
<b>Over \$1 Million</b>	0	0.0	0	0.0	7.0
<b>Revenue Unknown</b>	0	0.0	0	0.0	1.8
<b>Total</b>	0	0.0	0	0.0	100.0
<b>By Loan Size</b>					
<b>\$100,000 or Less</b>	0	0.0	0	0.0	
<b>\$100,001 - \$250,000</b>	0	0.0	0	0.0	
<b>\$250,001 - \$1 Million</b>	0	0.0	0	0.0	
<b>Total</b>	0	0.0	0	0.0	
<b>By Loan Size and Revenues \$1 Million or Less</b>					
<b>\$100,000 or Less</b>	0	0.0	0	0.0	
<b>\$100,001 - \$250,000</b>	0	0.0	0	0.0	
<b>\$250,001 - \$1 Million</b>	0	0.0	0	0.0	
<b>Total</b>	0	0.0	0	0.0	

Source: 2021 FFIEC Census Data  
2021 Dun & Bradstreet Data  
2011-2015 U.S. Census Bureau: American Community Survey

Note: Percentages may not total 100.0 percent due to rounding.

**Table C-13**

2021 Nixon Nonmetropolitan AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	1,100	23.8
Moderate	2	33.3	1,263	27.3	361	28.6	855	18.5
Middle	4	66.7	3,368	72.7	356	10.6	814	17.6
Upper	0	0.0	0	0.0	0	0.0	1,862	40.2
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>6</b>	<b>100.0</b>	<b>4,631</b>	<b>100.0</b>	<b>717</b>	<b>15.5</b>	<b>4,631</b>	<b>100.0</b>
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	0	0	0.0	0.0	0	0.0	0	0.0
Moderate	2,232	975	21.5	43.7	777	34.8	480	21.5
Middle	6,558	3,563	78.5	54.3	1,162	17.7	1,833	28.0
Upper	0	0	0.0	0.0	0	0.0	0	0.0
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>8,790</b>	<b>4,538</b>	<b>100.0</b>	<b>51.6</b>	<b>1,939</b>	<b>22.1</b>	<b>2,313</b>	<b>26.3</b>
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	297	38.7	274	39.4	20	36.4	3	17.6
Middle	470	61.3	421	60.6	35	63.6	14	82.4
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>767</b>	<b>100.0</b>	<b>695</b>	<b>100.0</b>	<b>55</b>	<b>100.0</b>	<b>17</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>			<b>90.6</b>		<b>7.2</b>		<b>2.2</b>	
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	12	11.8	12	12.0	0	0.0	0	0.0
Middle	90	88.2	88	88.0	2	100.0	0	0.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total AA</b>	<b>102</b>	<b>100.0</b>	<b>100</b>	<b>100.0</b>	<b>2</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>
<b>Percentage of Total Farms:</b>			<b>98.0</b>		<b>2.0</b>		<b>0.0</b>	
Source: 2021 FFIEC Census Data 2021 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.								

**Table C-14**

<b>Distribution of 2021 Small Business Lending By Income Level of Geography</b>					
<b>Assessment Area: Nixon Nonmetropolitan</b>					
<b>Geographic Income Level</b>	<b>Bank Loans</b>				<b>Total Businesses %</b>
	<b>#</b>	<b>#%</b>	<b>\$(000)</b>	<b>\$%</b>	
<b>Low</b>	0	0.0	0	0.0	0.0
<b>Moderate</b>	0	0.0	0	0.0	38.7
<b>Middle</b>	0	0.0	0	0.0	61.3
<b>Upper</b>	0	0.0	0	0.0	0.0
<b>Unknown</b>	0	0.0	0	0.0	0.0
<b>Total</b>	0	0.0	0	0.0	100.0

Source: 2021 FFIEC Census Data  
2021 Dun & Bradstreet Data  
2011-2015 U.S. Census Bureau: American Community Survey

Note: Percentages may not total 100.0 percent due to rounding.

**Table C-15**

<b>Distribution of 2021 Small Business Lending By Revenue Size of Businesses</b>					
<b>Assessment Area: Nixon Nonmetropolitan</b>					
	<b>Bank Loans</b>				<b>Total Businesses %</b>
	<b>#</b>	<b>#%</b>	<b>\$(000)</b>	<b>\$%</b>	
<b>By Revenue</b>					
<b>\$1 Million or Less</b>	0	0.0	0	0.0	90.6
<b>Over \$1 Million</b>	0	0.0	0	0.0	7.2
<b>Revenue Unknown</b>	0	0.0	0	0.0	2.2
<b>Total</b>	0	0.0	0	0.0	100.0
<b>By Loan Size</b>					
<b>\$100,000 or Less</b>	0	0.0	0	0.0	
<b>\$100,001 - \$250,000</b>	0	0.0	0	0.0	
<b>\$250,001 - \$1 Million</b>	0	0.0	0	0.0	
<b>Total</b>	0	0.0	0	0.0	
<b>By Loan Size and Revenues \$1 Million or Less</b>					
<b>\$100,000 or Less</b>	0	0.0	0	0.0	
<b>\$100,001 - \$250,000</b>	0	0.0	0	0.0	
<b>\$250,001 - \$1 Million</b>	0	0.0	0	0.0	
<b>Total</b>	0	0.0	0	0.0	

Source: 2021 FFIEC Census Data  
2021 Dun & Bradstreet Data  
2011-2015 U.S. Census Bureau: American Community Survey

Note: Percentages may not total 100.0 percent due to rounding.



## APPENDIX D – GLOSSARY

**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/assessment area.

**Census tract:** A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

**Community development:** 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 the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies, designated disaster areas; or designated distressed or underserved nonmetropolitan middle-income geographies.

**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 nonrelatives 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 is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (for example, 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 do 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 applications, the amount of loan requested, and the disposition of the application (for example, approved, denied, and withdrawn).

**Home mortgage loans:** Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans, loans for the purchase of manufactured homes and refinancing of home improvement and home purchase loans.

**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 is analyzed using only quantitative factors (for example, 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 metropolitan area/assessment area.

**Metropolitan area (MA):** A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. A MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. A MD is a division of a MSA based on specific criteria including commuting patterns. Only a MSA that has a population of at least 2.5 million may be divided into MDs.

**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.

**Nonmetropolitan area (NonMSA):** Any area that is not located within an MSA.

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

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

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

**Rated area:** A rated area is a state or multistate metropolitan 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 multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area. For these institutions, no state ratings will be received unless the bank also maintains deposit facilities outside of the multistate metropolitan area. CRA activity is captured in either a state rating or a multistate metropolitan area rating, but not both.

**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. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as 'small business loans' if the loans are reported on the TFR as nonmortgage, commercial loans.

**Small loan(s) to farm(s):** A loan included in 'loans to small farms' as defined in the Consolidated Reports of Condition and Income (Call Report) instructions. 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.

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