

# **PUBLIC DISCLOSURE**

March 14, 2022

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Texas First Bank  
RSSD #473266  
3232 Palmer Highway  
Texas City, Texas 77592

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: **Outstanding**.

Texas First Bank (the bank) is rated Satisfactory. This rating is based on the following conclusions with respect to the performance criteria under the Lending Test and the Community Development (CD) Test:

- A reasonable ten-quarter average net loan-to-deposit ratio (NLTD).
- A majority of the bank's principal loan products, residential real estate loans and small business loans, are originated inside the delineated assessment areas (AAs).
- A reasonable distribution of loans occurs throughout the bank's AAs.
- Lending reflects a reasonable distribution among individuals of different income levels, including low- and moderate-income (LMI), and businesses of different sizes.
- Neither the bank nor the Federal Reserve Bank of Dallas received any CRA-related complaints since the previous evaluation.
- CD activity reflects excellent responsiveness to the needs of the bank's AAs.

## SCOPE OF THE EVALUATION

Examiners utilized the Federal Financial Institutions Examination Council's (FFIEC's) *Interagency Examination Procedures for Intermediate Small Institutions* to evaluate the bank's Community Reinvestment Act (CRA) performance. The evaluation considered CRA performance context, including the bank's asset size, financial condition, business strategy and market competition, as well as the demographic and economic characteristics and credit needs of the AAs. Performance was assessed within the bank's two delineated AAs: Texas City, Texas Metropolitan Assessment Area (Texas City Metropolitan AA) and Beaumont, Texas Metropolitan Assessment Area (Beaumont Metropolitan AA). The Texas City Metropolitan AA received a full-scope review, while the Beaumont Metropolitan AA received a limited-scope review. Examiners reviewed the following data:

- The 10-quarter average NLTD ratio of the bank and three similarly situated financial institutions.
- The full-scope review considers approximately 96.0 percent of the bank's lending activity (by number of loans), 96.0 percent of the total deposits, and 88.9 percent of total branches.
- The universe of residential real estate lending activity reported by the bank on its 2018, 2019, and 2020 Home Mortgage Disclosure Act (HMDA) Loan/Application Registers, which totaled 501 loan applications and originations.
- A statistically-derived sample of 79 small business loans taken from a universe of 130 loans originated or renewed between January 1, 2020 and December 31, 2020.
- The universe of CD loans, investments, and services provided by the bank since the conclusion of the previous CRA performance evaluation as of December 2, 2019 through March 14, 2022.
- Information provided by a leader in affordable housing within the Texas City Metropolitan AA to further augment understanding of the credit and CD needs, and the economic conditions of the delineated AA.

## DESCRIPTION OF THE INSTITUTION

Texas First Bank, a community bank headquartered in Texas City, Texas, is characterized by the following:

- The bank is a wholly owned subsidiary of Texas Independent Bancshares, Inc.
- The bank has total assets of \$2.1 billion as of December 31, 2021. The significant asset growth of \$1 billion (90.9 percent) since the previous evaluation is primarily attributed to the bank's acquisition of Preferred Bank in October 2019 and organic growth.
- In addition to its main office in Texas City, the bank operates 26 offices through the counties of Brazoria, Chambers, Galveston, Harris, Hardin, Jefferson, Liberty, Fort Bend, and Montgomery. The acquisition of Preferred Bank added five branches to the bank's branching structure.
- The bank also operates 50 automated teller machines (ATMs). Of which, 26 are full-service ATMs and 24 are cash-dispensing only ATMs. With the exception of two bank locations, every branch has an ATM.
- As shown in the table below, the bank's primary lending focus is non-farm non-residential real estate, commercial and industrial, and 1-4 family residential real estate loans.

**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	139,930	15.1
Farmland	14,270	1.5
1-4 Family Residential Real Estate	142,143	15.3
Multifamily Residential Real Estate	9,315	1.0
Non-Farm Non-Residential Real Estate	436,706	47.1
Agricultural	3,850	0.4
Commercial and Industrial	163,221	17.6
Consumer	7,559	0.8
Other	10,721	1.2
Gross Loans	927,715	100.0
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>		

The bank's CRA performance was rated Satisfactory at its December 2, 2019 evaluation by the Federal Reserve Bank of Dallas. There are no known legal, financial, or other factors impeding the bank's ability to help meet the credit needs of the communities it serves.

## CONCLUSIONS WITH RESPECT TO THE 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 Texas City Metropolitan AA (full-scope review) and a brief discussion of performance in the Beaumont AA Metropolitan (limited-scope review). Greater weight was given to HMDA lending based on the bank’s portfolio composition within its assessment areas and business strategy.

The bank’s overall performance under the Lending Test is rated **Satisfactory**. The Lending Test rating is primarily driven by:

- the bank’s reasonable 10-quarter average NLTD ratio;
- the majority of the bank’s primary loans were extended inside the delineated AAs;
- reasonable penetration among businesses of different revenues and borrowers of different income levels; and
- reasonable geographic dispersion of the bank’s lending

### Net Loan-to-Deposit Ratio

This performance criterion evaluates the bank’s average NLTD ratio 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 institutions insured by the Federal Deposit Insurance Corporation (FDIC). Similarly situated institutions were selected based on their asset size, loan portfolio composition, and number of branches. There are no similarly situated institutions within the bank’s assessment areas.

The bank’s 10-quarter average NLTD ratio reflects a reasonable effort to extend credit. As reflected in table below, the bank’s 10-quarter average NLTD ratio as of December 31, 2021, is comparable to the similarly situated banks’ average NLTD ratios. While the bank’s ten-quarter average NLTD ratio is at the lower end of the range of NLTD ratios of the similarly situated institutions, it is considered reasonable given the high level of competition from larger banks operating in the AAs and the increase in deposited funds due to the COVID-19 pandemic.

**Table 2**

<b>Comparative NLTD Ratios from September 30, 2019 – December 31, 2021</b>			
<b>Institution</b>	<b>Location</b>	<b>Asset Size \$(000)</b>	<b>10-Quarter Average NLTD Ratio (%)</b>
Texas First Bank	Texas City, Texas	2,139	58.5
<b>Similarly Situated Institutions</b>			
Texas Regional Bank	Harlingen, Texas	1,962	58.4
Texas Community Bank	Laredo, Texas	1,975	64.1
American Bank	Corpus Christi, Texas	2,082	66.1

<sup>1</sup> The NLTD ratio and percentage of loans and other lending-related activity in the AA 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. As indicated below, the bank extended the majority of its small business loans, by number and dollar, within its AAs. While the majority of the HMDA loans were originated outside of the bank's AAs, the majority of the HMDA loans by dollar volume was extended inside the AAs. The bank has an agreement with another financial institution located in Houston to provide home improvement loans. The partnering financial institution takes the loan application, and the bank underwrites and funds the loans. These loans are just outside the bank's Texas City Metropolitan AA, displaying the bank's efforts to meet the credit needs of the surrounding communities.

**Table 3**

<b>Lending Inside and Outside the Assessment Areas</b>								
Loan Types	Inside				Outside			
	#	%	\$(000s)	%	#	%	\$(000s)	%
Home Improvement	70	22.3	\$4,706	22.4	244	77.7	\$16,288	77.6
Home Purchase - Conventional	126	93.3	\$45,729	91.5	9	6.7	\$4,252	8.5
Other Purpose Closed-End	31	96.9	\$3,094	98.9	1	3.1	\$35	1.1
Refinancing	18	90.0	\$5,401	70.5	2	10.0	\$2,265	29.5
<b>Total HMDA</b>	<b>245</b>	<b>48.9</b>	<b>\$58,930</b>	<b>72.1</b>	<b>256</b>	<b>51.1</b>	<b>\$22,840</b>	<b>27.9</b>
<b>Total Small Business</b>	<b>70</b>	<b>88.6</b>	<b>\$7,829</b>	<b>74.9</b>	<b>9</b>	<b>11.4</b>	<b>\$2,627</b>	<b>25.1</b>
<b>TOTAL LOANS</b>	<b>315</b>	<b>54.3</b>	<b>\$66,759</b>	<b>72.4</b>	<b>265</b>	<b>45.7</b>	<b>\$25,467</b>	<b>27.6</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 generally extended its loans in close proximity to its branches, with no conspicuous gaps or anomalies in the lending patterns. While the distribution of lending by income level of census tract is reasonable for HMDA and small business lending, HMDA lending received greater weight in the analysis based on loan portfolio composition and a majority of the bank's lending occurring in this category.

### Lending to Borrowers of Different Income Levels and to Businesses and Farms of Different Sizes

This performance criterion evaluates the bank's lending to borrowers of different income levels and businesses of different revenue sizes.

The bank's lending has an overall reasonable distribution among individuals of different income levels and businesses of different sizes. The bank's HMDA performance is similar to aggregate lenders during the same period; however, both the bank and aggregate lenders performed below

demographic data (percent of families by family income level) during the review period. This may indicate a low level of demand or difficulty in qualifying for HMDA loans from LMI families and does not necessarily reflect negatively on the bank’s performance. The bank performed above demographics with respect to the distribution of small business loans among businesses of different sizes, which is reasonable.

### COMMUNITY DEVELOPMENT TEST

The Community Development Test evaluates the bank’s responsiveness to the CD needs of its AAs through the purchase or extension of qualified loans, investments, and services, considering the bank’s capacity and the need and availability of such opportunities in the bank’s AAs. The bank has applied its CD resources strategically to meet the substance of community needs, primarily through CD lending and investment initiatives, and social services targeted to LMI individuals in its communities. The bank originated some loans under the Small Business Administration’s Payroll Protection Program (PPP), which was implemented in response to the COVID-19 pandemic. In this instance, the bank was responsive to small businesses, displaying good faith efforts to support their needs. As the bank is determined to respond to the credit needs and opportunities in its delineated AAs, additional activities benefitting areas within the state of Texas were also given consideration. This activity includes revitalization and stabilization loans and investments. The bank’s overall CD performance demonstrates excellent responsiveness.

**Table 4**

<b>Community Development Activity</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>
<b>Affordable Housing</b>	13	8,601	2	786	-	-	2	786	2
<b>Community Services</b>	-	-	-	-	34	92	34	92	40
<b>Economic Development</b>	42	48,218	2	5,000	5	13	7	5,013	19
<b>Revitalization and Stabilization</b>	16	39,566	78	36,113	-	-	78	36,113	4
<b>Totals</b>	<b>71</b>	<b>96,385</b>	<b>82</b>	<b>41,899</b>	<b>39</b>	<b>105</b>	<b>121</b>	<b>42,004</b>	<b>65</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.

**TEXAS CITY METROPOLITAN ASSESSMENT AREA**  
(Full-Scope Review)

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

The bank's Texas City Metropolitan AA consists of portions of the Houston-The Woodlands-Sugar Land, Texas Metropolitan Statistical Area (MSA). The AA consists of Brazoria, Chambers, Fort Bend, Galveston, Harris, Liberty, and Montgomery counties. Refer to Appendix A for AA maps and Appendix B for additional demographic data.

- The bank changed its Texas City Metropolitan AA by adding Fort Bend and Montgomery counties due to the acquisition of Preferred Bank in 2019. Since the acquisition, the AA's census tracts increased by 12.7 percent, with LMI census tracts increasing by 5.6 percent. The bank has 159 low-, 309 moderate-, 267 middle-, 314 upper-, and 11 unknown census tracts.
- The bank operates 24 of its 27 locations in the Texas City Metropolitan AA. Five of the 24 locations were added with the 2019 acquisition of Preferred Bank.
- The bank operates one branch in a low-, eight in moderate-, seven in middle-, and eight in upper-income census tracts. The bank's office, located in Texas City, Texas, is located in a middle-income census tract.
- According to the FDIC Market Share Report as of June 30, 2021, 92 federally insured institutions operated 1,383 branches and held deposits of \$333.1 billion within the AA. The bank ranked 21<sup>st</sup> in deposit market share, with \$1.6 billion or 0.5 percent of the deposit market share. Primary competitors in the market include JP Morgan Chase (46.7 percent), Wells Fargo (9.9 percent), and Bank of America (7.9 percent).
- An interview with a community leader in the AA revealed the bank is engaged in serving the communities' credit needs. The community leader also stated that investments and CD projects are needed within the AA.

***Demographic Characteristics***

The population of the AA has increased by 7.2 percent, which is slightly higher than the population growth for the state of Texas. While all of the counties in the AA experienced population growth, the counties of Fort Bend and Montgomery had the highest increase by 12.5 percent and 10.3 percent, respectively.



**Table 5**

<b>Population Change</b>			
<b>Assessment Area: Texas City Metropolitan</b>			
<b>Area</b>	<b>2010 Population</b>	<b>2015 Population</b>	<b>Percent Change</b>
Texas City Metropolitan	5,848,794	6,271,920	7.2
Brazoria County, TX	313,166	331,741	5.9
Chambers County, TX	35,096	37,251	6.1
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
Liberty County, TX	75,643	77,486	2.4
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
<i>Source: 2010 U.S. Census Bureau Decennial Census                  2011 - 2015 U.S. Census Bureau American Community Survey</i>			

**Income Characteristics**

- There are approximately 1,512,130 families in the AA. By family income, approximately 24.4 percent of these families are classified as low-income, 16.1 percent are moderate-income, 17.0 percent are middle-income, and 42.5 percent are upper-income families.
- Approximately 12.8 percent of these families live below poverty, which is similar to the family poverty rate for the state of Texas, at 13.5 percent.
- As noted in the table below, the median family income decreased slightly in 5 years. The 0.9 percent decrease in median family income mirrors the state of Texas. While the AA median family income decreased, it increased for the counties of Chambers and Fort Bend and remained static for Liberty County. Moreover, the counties of Harris and Montgomery experienced the largest decrease in median family income, at 2.4 percent and 2.1 percent, respectively.

**Table 6**

<b>Median Family Income Change</b>			
<b>Assessment Area: Texas City Metropolitan</b>			
<b>Area</b>	<b>2010 Median Family Income (\$)</b>	<b>2015 Median Family Income (\$)</b>	<b>Percentage Change (%)</b>
Texas City Metropolitan	69,691	69,099	-0.9
Brazoria County, TX	82,780	81,727	-1.3
Chambers County, TX	81,350	84,206	3.5
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
Liberty County, TX	57,661	57,634	0.0
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.*

**Housing Characteristics**

- The AA contains 2,373,494 housing units, with a median age of housing stock of 35 years.
- The median housing value of \$149,298 is greater than the state of Texas' median housing value of \$136,000.
- Within the AA, owner-occupied units comprise of 54.6 percent of the housing units, with rental and vacant units representing 35.7 percent 9.7 percent, respectively.
- Of the owner-occupied housing units, 23.4 percent are in low-income census tracts and 46.0 percent are in moderate-income census tracts.
- As shown in the housing cost burden table, housing cost percentages in the AA are similar when compared to the state of Texas.

**Table 7**  
**Percentage of Housing Cost Burden**  
**Assessment Area: Texas City Metropolitan**

Area	Cost Burden - Renters			Cost Burden – Owners		
	Low-Income	Moderate-Income	All Renters	Low-Income	Moderate-Income	All Owners
Texas City Metropolitan	80.0	46.1	43.3	61.6	37.2	19.8
Brazoria County, TX	69.1	28.4	35.1	49.9	23.6	15.4
Chambers County, TX	61.9	48.5	29.6	56.8	35.9	18.1
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
Liberty County, TX	65.0	30.2	39.1	49.6	14.9	17.9
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*

**Employment and Economic Conditions**

- While the largest industries in the AA are space exploration, medical, educational services, petroleum/chemical, and food services, the highest paying industries information technology, engineering, and healthcare.
- The unemployment rates in the AA continue to be slightly above the state of Texas. The COVID-19 pandemic contributed to a sharp increase in unemployment in 2020, with Liberty County experiencing the highest level of unemployment in the AA, at 10.6 percent.

**Table 8**  
**Unemployment Rates**  
**Assessment Area: Texas City Metropolitan**

Area	2016	2017	2018	2019	2020
Texas City Metropolitan	5.3	5.0	4.4	3.8	8.7
Brazoria County, TX	5.2	5.3	4.6	4.2	8.6
Chambers County, TX	6.1	6.5	5.4	4.5	9.5
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
Liberty County, TX	7.5	7.2	5.8	5.0	10.6
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*

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN TEXAS CITY METROPOLITAN AA**

### **Geographic Distribution of Loans**

The bank's geographic distribution of loans reflects reasonable distribution among different income-level census tracts and adequate dispersion throughout the AA. There are no conspicuous gaps in lending in the contiguous AA geographies.

#### *Residential Real Estate (HMDA) Lending*

In 2019 and 2020, the bank's geographic distribution of HMDA loans reflects reasonable penetration throughout the AA when compared to demographic data and the performance of the aggregate lenders. The bank's HMDA origination volume for refinance, home improvement, and multi-family lending within the AA is too low to conduct a meaningful analysis of the individual loan product categories; thus, the product categories were combined and analyzed at the total HMDA level. Lastly, the 2018 HMDA data was also evaluated and determined to be consistent with the 2019 and 2020 HMDA data.

Although the bank only originated a total of three HMDA loans in low-income census tracts in 2019 and 2020, the bank's performance is reasonable given the 22 HMDA loans extended in moderate-income tracts. As illustrated in the table below, both the bank and aggregate lenders performed below the demographic figures of 5.3 percent and 21.3 percent of owner-occupied properties in low-income and moderate-income census tracts, respectively. This indicates there are limited opportunities for lenders to extend residential real estate loans in these geographies. Moreover, the bank's performance is slightly below the performance of aggregate lenders in LMI geographies; sometimes exceeding the aggregate lenders' performance. It is noteworthy that the bank's HMDA lending represents less than 0.1 percent of the HMDA market share for both years, indicating a strong level of competition.

**Table 9**

Distribution of 2019 and 2020 Home Mortgage Lending By Income Level of Geography													
Assessment Area: Texas City Metropolitan													
Geographic Income Level	Bank And Aggregate Loans By Year												Owner Occupied Units %
	2019						2020						
	Bank		Agg		Bank		Agg		Bank		Agg		
	#	%	%	\$(000)	\$%	\$%	#	%	%	\$(000)	\$%	\$%	
<b>Home Purchase Loans</b>													
Low	2	3.3	2.7	256	1.2	2.1	1	2.0	2.8	303	1.5	2.1	5.3
Moderate	6	10.0	13.4	921	4.3	9.4	5	10.0	13.2	795	4.0	9.5	21.3
Middle	13	21.7	27.8	2,914	13.5	22.1	14	28.0	27.6	4,579	22.9	22.1	28.9
Upper	39	65.0	56.1	17,480	81.0	66.4	30	60.0	56.4	14,357	71.7	66.2	44.5
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.1	0	0.0	0.1	0.1
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	<b>60</b>	<b>100.0</b>	<b>100.0</b>	<b>21,571</b>	<b>100.0</b>	<b>100.0</b>	<b>50</b>	<b>100.0</b>	<b>100.0</b>	<b>20,034</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Refinance Loans</b>													
Low	0	0.0	2.6	0	0.0	1.7	0	0.0	1.9	0	0.0	1.5	5.3
Moderate	1	14.3	12.4	110	3.3	8.0	4	44.4	8.9	356	18.8	6.3	21.3
Middle	1	14.3	25.7	85	2.6	19.3	3	33.3	22.1	1,173	62.1	17.3	28.9
Upper	5	71.4	59.2	3,102	94.1	71.0	2	22.2	67.0	360	19.1	74.9	44.5
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.1
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	<b>7</b>	<b>100.0</b>	<b>100.0</b>	<b>3,297</b>	<b>100.0</b>	<b>100.0</b>	<b>9</b>	<b>100.0</b>	<b>100.0</b>	<b>1,889</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Home Improvement Loans</b>													
Low	0	0.0	3.1	0	0.0	2.5	0	0.0	2.1	0	0.0	1.5	5.3
Moderate	2	9.5	13.4	114	9.0	10.8	0	0.0	11.7	0	0.0	9.0	21.3
Middle	4	19.0	25.6	204	16.1	20.0	2	14.3	20.6	162	17.5	16.2	28.9
Upper	15	71.4	57.9	948	74.9	66.7	12	85.7	65.6	762	82.5	73.3	44.5
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.1
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	<b>21</b>	<b>100.0</b>	<b>100.0</b>	<b>1,266</b>	<b>100.0</b>	<b>100.0</b>	<b>14</b>	<b>100.0</b>	<b>100.0</b>	<b>924</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Multifamily Loans</b>													<b>Multi-family Units %</b>
Low	0	0.0	21.2	0	0.0	12.7	0	0.0	21.4	0	0.0	15.5	25.2
Moderate	0	0.0	28.5	0	0.0	19.8	0	0.0	30.1	0	0.0	20.9	27.6
Middle	0	0.0	20.4	0	0.0	24.1	0	0.0	22.0	0	0.0	22.6	21.3
Upper	0	0.0	29.9	0	0.0	43.5	0	0.0	26.5	0	0.0	40.9	25.2
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.7
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Total Home Mortgage Loans</b>													<b>Owner Occupied Units %</b>
Low	2	2.1	2.8	256	1.0	3.0	1	1.2	2.4	303	1.3	2.4	5.3
Moderate	11	11.6	13.4	1,277	4.8	10.2	11	13.4	11.5	1,211	5.2	8.6	21.3
Middle	23	24.2	27.4	3,475	13.1	21.8	24	29.3	25.5	6,083	26.0	20.2	28.9
Upper	59	62.1	56.4	21,530	81.1	64.9	46	56.1	60.6	15,799	67.5	68.8	44.5
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.1
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	<b>95</b>	<b>100.0</b>	<b>100.0</b>	<b>26,538</b>	<b>100.0</b>	<b>100.0</b>	<b>82</b>	<b>100.0</b>	<b>100.0</b>	<b>23,396</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: 2020 FFIEC Census Data  
2011-2015 U.S. Census Bureau: American Community Survey

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

*Small Business Lending*

The geographic distribution of small business lending reflects an excellent penetration throughout the AA based on the increased penetration since the previous evaluation and in comparison to demographics. At the prior evaluation, the bank’s geographic lending to low-income tracts was at 2.7 percent and the total percentage of business in these tracts were 12 percent. At this evaluation, the percentage of businesses within low-income tracts decreased from 12 percent to 9.8 percent, yet the bank was able to increase its lending by 7.9 percent, with 10.6 percent of its small business loans extended in low-income census tracts. Moreover, the bank’s lending to small businesses located in LMI census tracts slightly exceeds the percentage of total businesses located in these census tracts. However, loans by dollar in the moderate-income tracts were below the percentage of total businesses. The bank’s lending is responsive to the needs of small businesses located in these geographies and reflects favorably given the high level of competition in the AA and less than one percent in deposit market share.

**Table 10**

<b>Distribution of 2020 Small Business Lending By Income Level of Geography</b>					
<b>Assessment Area: Texas City 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>	7	10.6	868	12.5	9.8
<b>Moderate</b>	14	21.2	646	9.3	19.1
<b>Middle</b>	31	47.0	4,432	63.7	23.6
<b>Upper</b>	13	19.7	916	13.2	47.3
<b>Unknown</b>	1	1.5	100	1.4	0.2
<b>Tract-Unk</b>	0	0.0	0	0.0	
<b>Total</b>	66	100.0	6,962	100.0	100.0

Source: 2020 FFIEC Census Data  
2020 Dun & Bradstreet Data  
2011-2015 U.S. Census Bureau: American Community Survey

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

**Lending to Borrowers of Different Income Levels and to Businesses of Different Sizes**

The bank’s lending has a reasonable distribution among individuals of different income levels and businesses of different sizes.

*Residential Real Estate (HMDA) Lending*

The borrower distribution of home mortgage lending is reasonable. The bank’s HMDA origination volume within the AA is too low to conduct a meaningful analysis of the individual loan product categories; thus, the product categories were combined and analyzed at the total HMDA level. The bank’s performance in HMDA loans to low-income borrowers exceeded the performance of aggregate lenders; however, the bank’s extension of HMDA loans in moderate-income areas trailed aggregate lenders’ performance during the review period. Both the bank and aggregate lenders performed below demographic data (percentage of families by family income level) during the review period, indicating a low level of demand or difficulty in qualifying for HMDA loans from LMI families

**Table 11**

Distribution of 2019 and 2020 Home Mortgage Lending By Borrower Income Level													
Assessment Area: Texas City Metropolitan													
Borrower Income Level	Bank And Aggregate Loans By Year												Families by Family Income %
	2019						2020						
	Bank		Agg		Bank		Agg		Bank		Agg		
	#	%	#%	\$(000)	\$%	\$%	#	%	#%	\$(000)	\$%	\$%	
<b>Home Purchase Loans</b>													
Low	2	3.3	3.0	180	0.8	1.4	0	0.0	3.2	0	0.0	1.6	24.4
Moderate	2	3.3	16.3	264	1.2	10.4	3	6.0	18.7	345	1.7	12.6	16.1
Middle	2	3.3	23.3	447	2.1	18.7	4	8.0	23.6	807	4.0	19.8	17.0
Upper	43	71.7	44.5	17,588	81.5	57.0	35	70.0	44.2	16,609	82.9	55.9	42.5
Unknown	11	18.3	12.9	3,092	14.3	12.5	8	16.0	10.2	2,273	11.3	10.2	0.0
<b>Total</b>	<b>60</b>	<b>100.0</b>	<b>100.0</b>	<b>21,571</b>	<b>100.0</b>	<b>100.0</b>	<b>50</b>	<b>100.0</b>	<b>100.0</b>	<b>20,034</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Refinance Loans</b>													
Low	0	0.0	4.3	0	0.0	2.1	0	0.0	1.7	0	0.0	0.8	24.4
Moderate	0	0.0	10.1	0	0.0	5.6	1	11.1	7.7	135	7.1	4.4	16.1
Middle	0	0.0	16.5	0	0.0	11.3	0	0.0	15.1	0	0.0	11.0	17.0
Upper	4	57.1	49.5	3,034	92.0	60.7	1	11.1	54.0	200	10.6	63.0	42.5
Unknown	3	42.9	19.6	263	8.0	20.2	7	77.8	21.6	1,554	82.3	20.8	0.0
<b>Total</b>	<b>7</b>	<b>100.0</b>	<b>100.0</b>	<b>3,297</b>	<b>100.0</b>	<b>100.0</b>	<b>9</b>	<b>100.0</b>	<b>100.0</b>	<b>1,889</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Home Improvement Loans</b>													
Low	0	0.0	5.2	0	0.0	3.1	0	0.0	3.9	0	0.0	2.0	24.4
Moderate	0	0.0	11.7	0	0.0	8.2	0	0.0	9.9	0	0.0	6.8	16.1
Middle	1	4.8	17.5	34	2.7	12.8	0	0.0	16.2	0	0.0	12.2	17.0
Upper	19	90.5	61.9	1,152	91.0	70.4	13	92.9	67.0	882	95.5	74.7	42.5
Unknown	1	4.8	3.8	80	6.3	5.5	1	7.1	3.1	42	4.5	4.3	0.0
<b>Total</b>	<b>21</b>	<b>100.0</b>	<b>100.0</b>	<b>1,266</b>	<b>100.0</b>	<b>100.0</b>	<b>14</b>	<b>100.0</b>	<b>100.0</b>	<b>924</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Total Home Mortgage Loans</b>													
Low	4	4.2	3.3	275	1.0	1.6	3	3.7	2.4	80	0.3	1.2	24.4
Moderate	2	2.1	14.3	264	1.0	9.1	5	6.1	12.7	535	2.3	8.4	16.1
Middle	4	4.2	20.9	523	2.0	16.5	6	7.3	18.6	866	3.7	15.1	17.0
Upper	70	73.7	45.2	22,041	83.1	57.3	52	63.4	47.3	18,046	77.1	58.1	42.5
Unknown	15	15.8	16.2	3,435	12.9	15.5	16	19.5	19.0	3,869	16.5	17.1	0.0
<b>Total</b>	<b>95</b>	<b>100.0</b>	<b>100.0</b>	<b>26,538</b>	<b>100.0</b>	<b>100.0</b>	<b>82</b>	<b>100.0</b>	<b>100.0</b>	<b>23,396</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Source: 2020 FFIEC Census Data													
2011-2015 U.S. Census Bureau: American Community Survey													
Note: Note: Due to limited volume in the Other Purpose LOC, Other Purpose Closed/Exempt, and Purpose Not Applicable product categories, these categories are not displayed individually but are included in the total HMDA section of the table.													
Percentages may not total 100.0 percent due to rounding. Percentages may not total 100.0 percent due to rounding.													
Multifamily loans are not included in the borrower distribution analysis.													

**Small Business Lending**

The borrower distribution of small business lending is reasonable. The bank originated 42.4 percent of small business loans by number volume to businesses with revenues less than \$1 million and 25.8 percent to businesses with unknown income. According to bank management, loans to businesses with unknown revenue generally relate to start-up businesses and PPP loans, which did not report revenue. The bank's lending is responsive to the needs of small businesses located in these geographies and reflects favorably given the high level of competition in the AA

and less than one percent in deposit market share. This reflects favorably on the bank’s small business lending efforts.

Another way to gauge the bank’s small business lending performance is by loan amount. Small businesses typically require smaller dollar credits. In this regard, it is noted that 82.1 percent of the bank’s small business loans were made in loan amounts of \$100,000 or less to businesses with revenues of \$1 million or less. This demonstrates the bank’s commitment to meet small business needs by providing small dollar loans.

**Table 12**

<b>Distribution of 2020 Small Business Lending By Revenue Size of Businesses</b>					
<b>Assessment Area: Texas City 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>	28	42.4	1,598	23.0	91.6
<b>Over \$1 Million</b>	21	31.8	4,031	57.9	7.3
<b>Revenue Unknown</b>	17	25.8	1,333	19.1	1.1
<b>Total</b>	66	100.0	6,962	100.0	100.0
<b>By Loan Size</b>					
<b>\$100,000 or Less</b>	48	72.7	1,631	23.4	
<b>\$100,001 - \$250,000</b>	11	16.7	1,745	25.1	
<b>\$250,001 - \$1 Million</b>	7	10.6	3,585	51.5	
<b>Total</b>	66	100.0	6,962	100.0	
<b>By Loan Size and Revenues \$1 Million or Less</b>					
<b>\$100,000 or Less</b>	23	82.1	671	42.0	
<b>\$100,001 - \$250,000</b>	4	14.3	577	36.1	
<b>\$250,001 - \$1 Million</b>	1	3.6	350	21.9	
<b>Total</b>	28	100.0	1,598	100.0	
<i>Source: 2020 FFIEC Census Data 2020 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 excellent responsiveness to meeting the credit needs of the community. The bank’s CD lending increased significantly since the prior evaluation from 10 CD loans at the prior evaluation to 53 CD loans at this evaluation. The bank has applied its CD resources strategically to meet the AA needs primarily through qualified loans and investments, as well as social services targeted to LMI individuals. In addition, two CD investments and two donations extended by the bank benefited multiple AAs, including this AA. Refer to page 5 for more information on the overall performance of the bank. The bank’s CD activities in this AA include loans for affordable housing and economic development initiatives, as well as for revitalization and stabilization efforts. The bank originated PPP loans in response to the COVID-19 pandemic to meet the AA’s credit needs. Also, the bank made investments for the



revitalization and stabilization of LMI geographies in the AA. The bank made qualified donations in community services that targeted to LMI individuals and/or geographies. Lastly, bank employees participated in community service activities that promote economic development.

**Table 13**

<b>Community Development Activity</b>									
<b>Assessment Are: Texas City Metropolitan</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>
<b>Affordable Housing</b>	13	8,601	2	786	0	0	2	786	2
<b>Community Services</b>	-	-	-	-	30	90	30	90	40
<b>Economic Development</b>	26	32,917	2	5,000	5	13	7	5,013	13
<b>Revitalization and Stabilization</b>	14	37,422	71	33,763	-	-	71	33,763	4
<b>Totals</b>	<b>53</b>	<b>78,940</b>	<b>75</b>	<b>39,549</b>	<b>35</b>	<b>103</b>	<b>110</b>	<b>39,652</b>	<b>59</b>

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

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

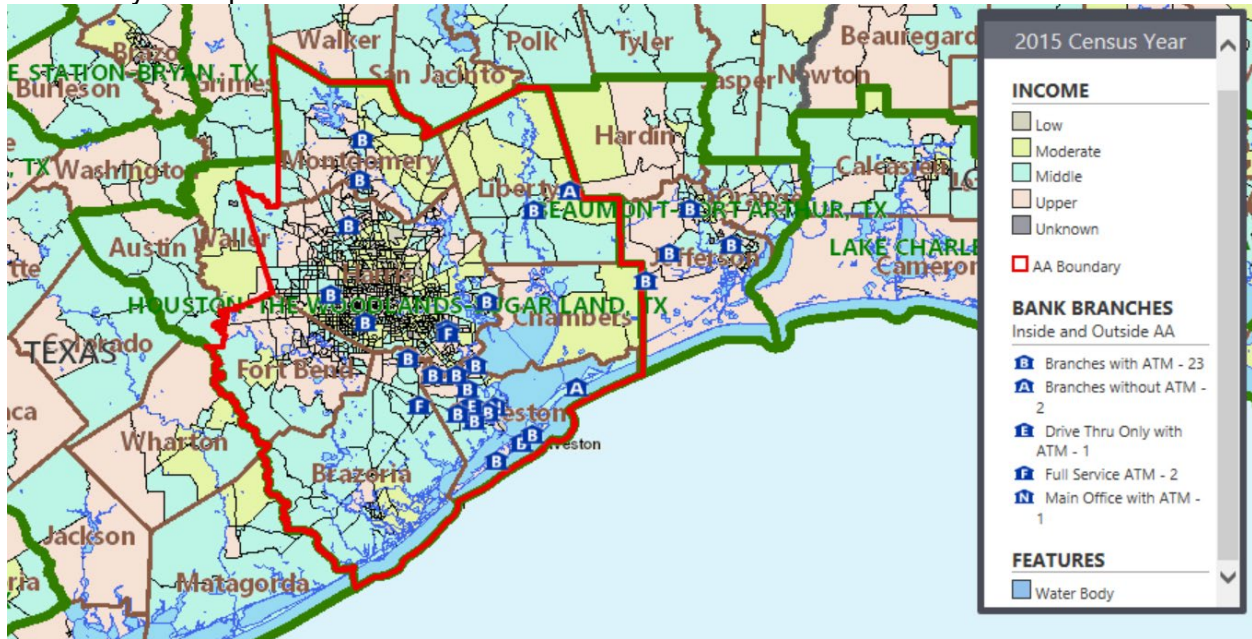
- The Beaumont Metropolitan AA is part of the Beaumont-Port Arthur, Texas MSA and is comprised of Hardin and Jefferson counties.
- As of December 31, 2021, the bank operated three branches in the AA, representing 11.1 percent of its branches in Texas. One branch is located in a moderate-income census tract and the remaining two are located in upper-income census tracts.
- As of June 30, 2021, the bank had \$70.1 million in deposits in this AA, representing a market share of 1.2 percent.
- In 2020, the Beaumont Metropolitan AA had seven (8.3 percent) low-income census tracts, 26 (31.0 percent) moderate-income, 28 (33.3 percent) middle-income, 19 (22.6 percent) upper-income, 4 (4.8 percent) unknown-income census tracts.

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE BEAUMONT METROPOLITAN AA**

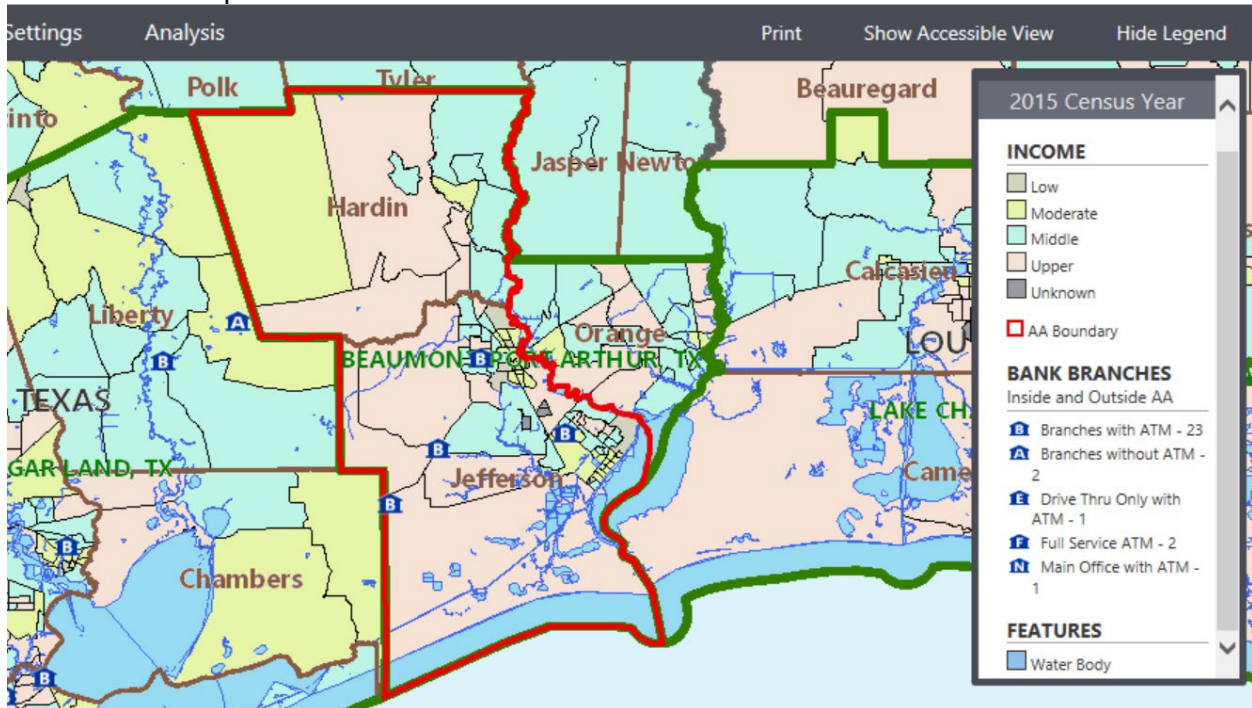
The bank's lending and CD performance in the Beaumont Metropolitan AA is not consistent with the overall lending and CD performance. However, this does not impact the bank's overall rating as the Beaumont Metropolitan AA does not have the same lending volume, branch presence, and market share as the Texas City Metropolitan AA. Additional information regarding detailed demographic information and the HMDA and small business lending for the AA can be found in Appendix D. The Beaumont Metropolitan AA map is located in Appendix A.

### APPENDIX A – MAPS OF THE ASSESSMENT AREAS

Texas City Metropolitan AA



Beaumont Metropolitan AA



### APPENDIX B – DEMOGRAPHIC INFORMATION

2020 Texas City Metropolitan AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	159	15.0	160,151	10.6	57,356	35.8	368,976	24.4
Moderate	309	29.2	367,830	24.3	71,303	19.4	243,252	16.1
Middle	267	25.2	418,095	27.6	42,481	10.2	257,709	17.0
Upper	314	29.6	563,749	37.3	21,790	3.9	642,193	42.5
Unknown	11	1.0	2,305	0.2	999	43.3	0	0.0
<b>Total AA</b>	<b>1,060</b>	<b>100.0</b>	<b>1,512,130</b>	<b>100.0</b>	<b>193,929</b>	<b>12.8</b>	<b>1,512,130</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	292,804	68,379	5.3	23.4	178,780	61.1	45,645	15.6
Moderate	599,718	275,625	21.3	46.0	256,026	42.7	68,067	11.3
Middle	634,768	375,415	28.9	59.1	205,719	32.4	53,634	8.4
Upper	840,021	576,657	44.5	68.6	201,507	24.0	61,857	7.4
Unknown	6,183	789	0.1	12.8	4,770	77.1	624	10.1
<b>Total AA</b>	<b>2,373,494</b>	<b>1,296,865</b>	<b>100.0</b>	<b>54.6</b>	<b>846,802</b>	<b>35.7</b>	<b>229,827</b>	<b>9.7</b>
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low	34,026	9.8	30,123	9.5	3,691	14.6	212	5.8
Moderate	65,918	19.1	59,812	18.9	5,650	22.4	456	12.4
Middle	81,459	23.6	75,348	23.8	5,424	21.5	687	18.7
Upper	163,539	47.3	150,789	47.6	10,446	41.4	2,304	62.8
Unknown	634	0.2	577	0.2	50	0.2	7	0.2
<b>Total AA</b>	<b>345,576</b>	<b>100.0</b>	<b>316,649</b>	<b>100.0</b>	<b>25,261</b>	<b>100.0</b>	<b>3,666</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>				<b>91.6</b>		<b>7.3</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	87	3.4	82	3.3	5	11.1	0	0.0
Moderate	321	12.6	308	12.3	11	24.4	2	25.0
Middle	803	31.5	784	31.4	14	31.1	5	62.5
Upper	1,337	52.4	1,321	52.9	15	33.3	1	12.5
Unknown	3	0.1	3	0.1	0	0.0	0	0.0
<b>Total AA</b>	<b>2,551</b>	<b>100.0</b>	<b>2,498</b>	<b>100.0</b>	<b>45</b>	<b>100.0</b>	<b>8</b>	<b>100.0</b>
<b>Percentage of Total Farms:</b>				<b>97.9</b>		<b>1.8</b>		<b>0.3</b>
<p>Source: 2020 FFIEC Census Data 2020 Dun &amp; Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey</p> <p>Note: Percentages may not total 100.0 percent due to rounding.</p>								

**APPENDIX C - 2018 HMDA FULL-SCOPE TABLES**

<b>Distribution of 2018 Home Mortgage Lending By Income Level of Geography</b>							
<b>Assessment Area: Texas City Metropolitan</b>							
<b>Geographic Income Level</b>	<b>Bank And Aggregate Loans</b>						<b>Owner Occupied Units %</b>
	<b>Bank</b>		<b>Agg</b>	<b>Bank</b>		<b>Agg</b>	
	<b>#</b>	<b>%</b>	<b>%</b>	<b>\$(000)</b>	<b>%</b>	<b>%</b>	
<b>Home Purchase Loans</b>							
<b>Low</b>	0	0.0	3.7	0	0.0	2.9	6.5
<b>Moderate</b>	5	38.5	15.2	912	30.9	10.7	24.1
<b>Middle</b>	6	46.2	31.7	869	29.4	25.0	29.7
<b>Upper</b>	2	15.4	49.4	1,172	39.7	61.3	39.6
<b>Unknown</b>	0	0.0	0.1	0	0.0	0.0	0.1
<b>Tract-Unk</b>	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	13	100.0	100.0	2,953	100.0	100.0	100.0
<b>Refinance Loans</b>							
<b>Low</b>	0	0.0	3.6	0	0.0	2.4	6.5
<b>Moderate</b>	2	100.0	18.3	215	100.0	12.2	24.1
<b>Middle</b>	0	0.0	31.6	0	0.0	24.2	29.7
<b>Upper</b>	0	0.0	46.4	0	0.0	61.1	39.6
<b>Unknown</b>	0	0.0	0.1	0	0.0	0.1	0.1
<b>Tract-Unk</b>	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	2	100.0	100.0	215	100.0	100.0	100.0
<b>Home Improvement Loans</b>							
<b>Low</b>	0	0.0	3.9	0	0.0	3.1	6.5
<b>Moderate</b>	1	3.2	15.0	499	21.8	12.8	24.1
<b>Middle</b>	5	16.1	25.8	232	10.1	21.4	29.7
<b>Upper</b>	25	80.6	55.2	1,559	68.1	62.6	39.6
<b>Unknown</b>	0	0.0	0.1	0	0.0	0.1	0.1
<b>Tract-Unk</b>	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	31	100.0	100.0	2,290	100.0	100.0	100.0
<b>Multifamily Loans</b>							<b>Multi-family Units %</b>
<b>Low</b>	0	0.0	22.9	0	0.0	15.3	26.8
<b>Moderate</b>	0	0.0	36.1	0	0.0	30.5	28.9
<b>Middle</b>	0	0.0	18.6	0	0.0	21.4	19.8
<b>Upper</b>	0	0.0	22.0	0	0.0	32.1	23.7
<b>Unknown</b>	0	0.0	0.4	0	0.0	0.6	0.8
<b>Tract-Unk</b>	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	0	0.0	100.0	0	0.0	100.0	100.0
<b>Total Home Mortgage Loans</b>							<b>Owner Occupied Units %</b>
<b>Low</b>	0	0.0	3.7	0	0.0	4.4	6.5
<b>Moderate</b>	12	20.3	16.3	1,907	25.6	13.7	24.1
<b>Middle</b>	16	27.1	31.8	1,693	22.8	24.6	29.7
<b>Upper</b>	31	52.5	48.1	3,840	51.6	57.2	39.6
<b>Unknown</b>	0	0.0	0.1	0	0.0	0.1	0.1
<b>Tract-Unk</b>	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	59	100.0	100.0	7,440	100.0	100.0	100.0
<i>Source: 2018 FFIEC Census Data</i>							
<i>2011-2015 U.S. Census Bureau: American Community Survey</i>							
<i>Note: Due to limited volume in the Other Purpose LOC, Other Purpose Closed/Exempt, and Purpose Not Applicable product categories, these categories are not displayed individually but are included in the total HMDA section of the table. Percentages may not total 100.0 percent due to rounding.</i>							

Distribution of 2018 Home Mortgage Lending By Borrower Income Level							
Assessment Area: Texas City Metropolitan							
Borrower Income Level	Bank And Aggregate Loans						Families by Family Income %
	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	
<b>Home Purchase Loans</b>							
Low	0	0.0	3.3	0	0.0	1.7	26.5
Moderate	1	7.7	16.5	150	5.1	10.8	16.9
Middle	1	7.7	21.1	122	4.1	17.2	17.2
Upper	9	69.2	42.3	1,441	48.8	56.2	39.4
Unknown	2	15.4	16.8	1,240	42.0	14.2	0.0
<b>Total</b>	<b>13</b>	<b>100.0</b>	<b>100.0</b>	<b>2,953</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Refinance Loans</b>							
Low	0	0.0	7.4	0	0.0	3.9	26.5
Moderate	0	0.0	15.1	0	0.0	9.7	16.9
Middle	1	50.0	20.4	50	23.3	15.6	17.2
Upper	0	0.0	43.7	0	0.0	57.7	39.4
Unknown	1	50.0	13.4	165	76.7	13.1	0.0
<b>Total</b>	<b>2</b>	<b>100.0</b>	<b>100.0</b>	<b>215</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Home Improvement Loans</b>							
Low	0	0.0	5.6	0	0.0	3.9	26.5
Moderate	0	0.0	13.0	0	0.0	9.9	16.9
Middle	1	3.2	17.4	29	1.3	13.2	17.2
Upper	28	90.3	58.4	1,735	75.8	62.9	39.4
Unknown	2	6.5	5.5	526	23.0	10.1	0.0
<b>Total</b>	<b>31</b>	<b>100.0</b>	<b>100.0</b>	<b>2,290</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Total Home Mortgage Loans</b>							
Low	0	0.0	4.2	0	0.0	2.0	26.5
Moderate	3	5.1	15.3	258	3.5	10.3	16.9
Middle	6	10.2	19.8	399	5.4	16.4	17.2
Upper	45	76.3	41.3	4,852	65.2	55.2	39.4
Unknown	5	8.5	19.4	1,931	26.0	16.2	0.0
<b>Total</b>	<b>59</b>	<b>100.0</b>	<b>100.0</b>	<b>7,440</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<p>Source: 2018 FFIEC Census Data 2011-2015 U.S. Census Bureau: American Community Survey</p> <p>Note: Due to limited volume in the Other Purpose LOC, Other Purpose Closed/Exempt, and Purpose Not Applicable product categories, these categories are not displayed individually but are included in the total HMDA section of the table. Percentages may not total 100.0 percent due to rounding.</p> <p>Multifamily loans are not included in the borrower distribution analysis.</p>							

**APPENDIX D – LIMITED-SCOPE REVIEW ASSESSMENT AREA TABLES**

2020 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	8.3	4,728	6.3	2,068	43.7	17,275	23.2	
Moderate	26	31.0	17,515	23.5	4,023	23.0	12,730	17.1	
Middle	28	33.3	27,845	37.4	3,429	12.3	14,094	18.9	
Upper	19	22.6	24,417	32.8	1,549	6.3	30,406	40.8	
Unknown	4	4.8	0	0.0	0	0.0	0	0.0	
<b>Total AA</b>	<b>84</b>	<b>100.0</b>	<b>74,505</b>	<b>100.0</b>	<b>11,069</b>	<b>14.9</b>	<b>74,505</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	4.6	40.3	3,797	43.9	1,371	15.8	
Moderate	35,258	16,999	22.5	48.2	12,172	34.5	6,087	17.3	
Middle	48,947	28,221	37.4	57.7	15,531	31.7	5,195	10.6	
Upper	37,240	26,785	35.5	71.9	7,301	19.6	3,154	8.5	
Unknown	0	0	0.0	0.0	0	0.0	0	0.0	
<b>Total AA</b>	<b>130,101</b>	<b>75,493</b>	<b>100.0</b>	<b>58.0</b>	<b>38,801</b>	<b>29.8</b>	<b>15,807</b>	<b>12.1</b>	
	Total Businesses by Tract	Businesses by Tract & Revenue Size							
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported			
		#	%	#	%	#	%	#	%
Low	692	5.2	613	5.0	79	8.1	0	0.0	
Moderate	2,968	22.2	2,700	22.0	246	25.2	22	19.0	
Middle	5,788	43.3	5,312	43.3	441	45.2	35	30.2	
Upper	3,907	29.2	3,641	29.7	207	21.2	59	50.9	
Unknown	8	0.1	5	0.0	3	0.3	0	0.0	
<b>Total AA</b>	<b>13,363</b>	<b>100.0</b>	<b>12,271</b>	<b>100.0</b>	<b>976</b>	<b>100.0</b>	<b>116</b>	<b>100.0</b>	
<b>Percentage of Total Businesses:</b>				<b>91.8</b>	<b>7.3</b>	<b>0.9</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	0.6	0	0.0	0	0.0	
Moderate	19	10.3	18	9.9	1	50.0	0	0.0	
Middle	62	33.7	60	33.1	1	50.0	1	100.0	
Upper	102	55.4	102	56.4	0	0.0	0	0.0	
Unknown	0	0.0	0	0.0	0	0.0	0	0.0	
<b>Total AA</b>	<b>184</b>	<b>100.0</b>	<b>181</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>98.4</b>	<b>1.1</b>	<b>0.5</b>			
Source: 2020 FFIEC Census Data 2020 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.									

Distribution of 2019 and 2020 Home Mortgage Lending By Income Level of Geography													
Assessment Area: Beaumont Metropolitan													
Geographic Income Level	Bank And Aggregate Loans By Year												Owner Occupied Units %
	2019						2020						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	#%	#%	\$(000)	\$%	\$%	#	#%	#%	\$(000)	\$%	\$%	
Low	0	0.0	1.5	0	0.0	1.3	0	0.0	1.4	0	0.0	2.1	4.6
Moderate	0	0.0	8.3	0	0.0	9.5	0	0.0	8.5	0	0.0	6.3	22.5
Middle	2	40.0	41.3	296	56.2	36.8	0	0.0	38.8	0	0.0	39.5	37.4
Upper	3	60.0	49.0	231	43.8	52.4	1	100.0	51.3	46	100.0	52.1	35.5
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	<b>5</b>	<b>100.0</b>	<b>100.0</b>	<b>527</b>	<b>100.0</b>	<b>100.0</b>	<b>1</b>	<b>100.0</b>	<b>100.0</b>	<b>46</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: 2020 FFIEC Census Data  
2011-2015 U.S. Census Bureau: American Community Survey  
Note: Percentages may not total 100.0 percent due to rounding.

Distribution of 2018 Home Mortgage Lending By Income Level of Geography							
Assessment Area: Beaumont Metropolitan							
Geographic Income Level	Bank And Aggregate Loans						Owner Occupied Units %
	Bank		Agg	Bank		Agg	
	#	#%	#%	\$(000)	\$%	\$%	
Low	0	0.0	1.7	0	0.0	1.6	4.6
Moderate	0	0.0	8.2	0	0.0	6.3	21.9
Middle	2	66.7	42.4	927	94.3	40.0	38.0
Upper	1	33.3	47.7	56	5.7	52.1	35.5
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	<b>3</b>	<b>100.0</b>	<b>100.0</b>	<b>983</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: 2018 FFIEC Census Data  
2011-2015 U.S. Census Bureau: American Community Survey  
Note: Percentages may not total 100.0 percent due to rounding.



Distribution of 2020 Small Business Lending By Income Level of Geography					
Assessment Area: Beaumont Metropolitan					
Geographic Income Level	Bank Loans				Total Businesses %
	#	#%	\$(000)	\$%	
Low	0	0.0	0	0.0	5.2
Moderate	1	25.0	8	0.9	22.2
Middle	2	50.0	390	44.9	43.3
Upper	1	25.0	470	54.1	29.2
Unknown	0	0.0	0	0.0	0.1
Tract-Unk	0	0.0	0	0.0	
<b>Total</b>	<b>4</b>	<b>100.0</b>	<b>868</b>	<b>100.0</b>	<b>100.0</b>

Source: 2020 FFIEC Census Data  
2020 Dun & Bradstreet Data  
2011-2015 U.S. Census Bureau: American Community Survey

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

Distribution of 2019 and 2020 Home Mortgage Lending By Borrower Income Level													
Assessment Area: Beaumont Metropolitan													
Borrower Income Level	Bank And Aggregate Loans By Year											Families by Family Income %	
	2019						2020						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank			Agg
	#	#%	#%	\$(000)	\$%	\$%	#	#%	#%	\$(000)	\$%		\$%
Low	0	0.0	2.7	0	0.0	1.3	0	0.0	1.8	0	0.0	0.9	23.2
Moderate	0	0.0	11.7	0	0.0	7.4	0	0.0	9.6	0	0.0	6.2	17.1
Middle	1	20.0	20.6	49	9.3	17.2	0	0.0	17.7	0	0.0	14.2	18.9
Upper	2	40.0	48.7	182	34.5	59.2	1	100.0	49.8	46	100.0	59.0	40.8
Unknown	2	40.0	16.3	296	56.2	15.0	0	0.0	21.2	0	0.0	19.7	0.0
<b>Total</b>	<b>5</b>	<b>100.0</b>	<b>100.0</b>	<b>527</b>	<b>100.0</b>	<b>100.0</b>	<b>1</b>	<b>100.0</b>	<b>100.0</b>	<b>46</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: 2020 FFIEC Census Data  
2011-2015 U.S. Census Bureau: American Community Survey

Note: Percentages may not total 100.0 percent due to rounding.  
Multifamily loans are not included in the borrower distribution analysis.

Distribution of 2018 Home Mortgage Lending By Borrower Income Level							
Assessment Area: Beaumont Metropolitan							
Borrower Income Level	Bank And Aggregate Loans						Families by Family Income %
	Bank		Agg	Bank		Agg	
	#	#%	#%	\$(000)	\$%	\$%	
Low	0	0.0	3.4	0	0.0	1.7	23.0
Moderate	0	0.0	12.5	0	0.0	7.8	17.0
Middle	0	0.0	19.2	0	0.0	16.7	18.9
Upper	2	66.7	44.5	108	11.0	55.6	41.1
Unknown	1	33.3	20.4	875	89.0	18.3	0.0
<b>Total</b>	<b>3</b>	<b>100.0</b>	<b>100.0</b>	<b>983</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: 2018 FFIEC Census Data  
2011-2015 U.S. Census Bureau: American Community Survey  
Note: Percentages may not total 100.0 percent due to rounding.  
Multifamily loans are not included in the borrower distribution analysis.

Distribution of 2020 Small Business Lending By Revenue Size of Businesses					
Assessment Area: Beaumont Metropolitan					
	Bank Loans				Total Businesses %
	#	#%	\$(000)	\$%	
<b>By Revenue</b>					
\$1 Million or Less	3	75.0	398	45.9	91.8
Over \$1 Million	1	25.0	470	54.1	7.3
Revenue Unknown	0	0.0	0	0.0	0.9
<b>Total</b>	<b>4</b>	<b>100.0</b>	<b>868</b>	<b>100.0</b>	<b>100.0</b>
<b>By Loan Size</b>					
\$100,000 or Less	2	50.0	52	6.0	
\$100,001 - \$250,000	0	0.0	0	0.0	
\$250,001 - \$1 Million	2	50.0	816	94.0	
<b>Total</b>	<b>4</b>	<b>100.0</b>	<b>868</b>	<b>100.0</b>	
<b>By Loan Size and Revenues \$1 Million or Less</b>					
\$100,000 or Less	2	66.7	52	13.1	
\$100,001 - \$250,000	0	0.0	0	0.0	
\$250,001 - \$1 Million	1	33.3	346	86.9	
<b>Total</b>	<b>3</b>	<b>100.0</b>	<b>398</b>	<b>100.0</b>	

Source: 2020 FFIEC Census Data  
2020 Dun & Bradstreet Data  
2011-2015 U.S. Census Bureau: American Community Survey  
Note: Percentages may not total 100.0 percent due to rounding.

## APPENDIX E – 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.