



PUBLIC DISCLOSURE

September 21, 2022

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Texana Bank, National Association
Charter Number: 10476

124 East Rush
Linden, TX 75563

Office of the Comptroller of the Currency

1800 NW Loop 281
Suite 306
Longview, TX 75604-2516

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

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Overall Community Reinvestment Act (CRA) Rating

Institution's CRA Rating: This institution is rated **Satisfactory**.
The lending test is rated: **Satisfactory**.

The major factors that support this rating include:

- The lending test rating is based on a more than reasonable loan-to-deposit (LTD) ratio.
- The institution exhibits a reasonable geographic distribution of small business loans and home mortgage loans.
- The institution exhibits an excellent distribution of loans to businesses of different sizes, given the product lines offered by the institution.
- The institution exhibits a reasonable distribution of loans to moderate-income borrowers in the Texarkana multi-state metropolitan statistical area (MMSA).
- The institution originated 259 Paycheck Protection Program (PPP) loans in the state of Texas and the Texarkana assessment area (AA) combined, in response to the COVID Pandemic. This had a positive effect on the final rating.
- Although optional, the institution had community development activities that helped support the overall rating.

The lending test rating is based on performance in the Texarkana and Longview AAs, as these areas have the majority of the institution's deposits and branches.

Loan-to-Deposit Ratio

Considering the institution's size, financial condition, and credit needs of the AAs, the institution's LTD ratio is more than reasonable.

The institution's quarterly average LTD ratio since the last CRA examination was 101 percent. During the evaluation period, the institution's quarterly LTD ratio ranged from a low of 94 percent to a high of 108 percent. Our analysis included a comparison with three similarly situated financial institutions in the area. The comparator financial institutions' quarterly average LTD ratio was 74 percent for the same period, ranging from a low of 67 percent to a high of 84 percent. We compared the institution to financial institutions in Cass, Bowie and Gregg Counties.

Lending in Assessment Area

A majority of the institution's loans are inside its AAs.

The institution originated and purchased an average of 59.4 percent of its total loans inside the institution's AAs during the evaluation period. This analysis is performed at the institution, rather than the AA level.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage	153	6.9	2,071	93.1	2,224	24,540	3.8	622,420	96.2	646,960
Small Business	75	83.3	15	16.7	90	9,832	83.8	1,904	16.2	11,736
PPP loans	197	87.9	27	12.1	224	9,179	83.6	1,802	16.4	10,981
Total and average %	425	59.4	2,113	40.6	2,538	43,551	57.1	626,126	42.9	669,677

The reason the home mortgage loans were predominantly originated outside of the institution's AAs is the institution had loan production offices (LPOs) in California, Ohio, Florida, Colorado, Texas, Michigan, Missouri, and North Carolina. The loans generated from these offices were mortgage loans which were sold to secondary market lenders. In June 2022, the institution made a strategic decision to close these out of state offices. The institution will concentrate their future mortgage activities within its current AAs.

A majority of small business loans and PPP loans were originated in the institution's AAs. Based on a sample of 90 commercial loans and 224 PPP loans, the institution originated 83 and 88 percent, respectively, of its loans by number of loans, in its AAs. By dollar amount, the institution originated 84 percent of both products in its AAs. More weight was placed on these two products, as these represent 48 percent of the loan portfolio by dollar amount and 31 percent by number of loans.

Description of Institution

Texana Bank, National Association (institution or TB) is a nationally chartered community bank headquartered at 124 East Rush Street in Linden, Texas. In addition to the main office in Linden, TB has two branches located in Longview, Texas, one branch located in Texarkana, Texas, and one branch located in Texarkana, Arkansas. The institution reported total assets of \$251.9 million as of December 31, 2021, and is wholly owned by Linden Bancshares, a one financial institution holding company.

As of December 31, 2021, the institution's loan portfolio totaled \$214.7 million with reported deposits of \$219.7 million and tier 1 capital of \$20.6 million, representing 9.4 percent of adjusted average assets. The institution's business strategy is that of a traditional community financial institution with focus on small business and one- to four-family mortgage lending. During the evaluation period, the institution had LPOs in Orange, California; Irvine, California; Dallas, Texas; Southlake, Texas; Cuyahoga Falls, Ohio; Bingham Farms, Michigan; St. Louis, Missouri; Fuquay Varina, North Carolina; Las Vegas, Nevada; Dundee, Illinois; and Fort Myers, Florida. In June of 2022, the institution made a strategic decision to close a majority of these LPOs. The Ohio and California LPOs remain open, however the institution is only performing settlement services on the loans from these locations, and referring the loans to other lenders for a fee.

By dollar amount, the loan portfolio consists of 48 percent commercial, including commercial real estate loans, 32 percent residential real estate, 11 percent agricultural production or farmland, 5 percent construction, 2 percent multi-family, and 2 percent automobile and consumer loans.

TB designated three distinct AAs consisting of Bowie and Miller Counties in the MMSA of Texarkana, TX-AR MSA, Gregg County in the Longview TX MSA, and Cass County, which is located in a non-MSA.

There are no legal, financial, or other factors impeding the institution's ability to meet the credit needs in its AAs. The institution was rated "Satisfactory" during the prior CRA examination dated May 29, 2018.

Scope of the Evaluation

Evaluation Period/Products Evaluated

The evaluation period for lending was from January 1, 2019, through December 31, 2021. The products reviewed were small business loans, PPP loans, and residential home mortgage loans. We performed data integrity before the CRA examination and the data was found to be reliable. The evaluation period for community development activities was from the date of the last Performance Evaluation (May 29, 2018) through December 31, 2021.

We used the total population of Home Mortgage Disclosure Act (HMDA) loans reported. This population was mostly generated from the institution's out of state LPOs. We chose a sample of 90 commercial loans, which consisted of 30 loans from each AA. The institution originated 258 PPP loans totaling \$12.8 million dollars. We eliminated duplicate borrowers and chose a sample of 224 loans to analyze loan performance. We only did geographic distribution analysis on the PPP loans, as income was not a requirement of this loan product.

Selection of Areas for Full-Scope Review

In each state where the institution has an office, one or more of the AAs within that state was selected for a full-scope review. Similarly, institution-delineated non-MSA AAs within the same state are combined and evaluated as a single area. These combined AAs may be evaluated as full- or limited-scope. A full-scope review was performed on all three of the institution's AAs. This consisted of the Texarkana MMSA which consisted of Bowie County, Texas and Miller County, Arkansas. For the State of Texas, the full-scope areas were the non-MSA area which consisted of Cass County, Texas and the Longview AA which consisted of Gregg County. Refer to the "Scope" section under each State Rating for details regarding how full-scope AAs were selected. Refer to Appendix A, Scope of Examination, for a list of full- and limited-scope AAs.

Ratings

The institution's overall rating is a blend of the state of Texas rating, and the Texarkana MMSA ratings. More weight was given to performance in the Texarkana MMSA as this AA has 42 percent of the institution's deposits and 40 percent of the institution's branches. This is followed by the Longview AA which has 37 percent of the institution's deposits and 40 percent of the institution's branches, and the non-MSA which has 21 percent of the institution's deposits and 20 percent of the institution's branches.

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

Discriminatory or Other Illegal Credit Practices Review

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

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

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

Multistate Metropolitan Statistical Area Rating

Texarkana MMSA (Texarkana AA)

CRA rating for the Texarkana AA¹: Satisfactory.
The lending test is rated: Satisfactory.

The major factors that support this rating include:

- The institution exhibits a reasonable geographic distribution of small business loans and home mortgage loans.
- The institution exhibits an excellent distribution of loans to businesses of different sizes, given the product lines offered by the institution.
- The institution exhibits a reasonable distribution of loans to moderate-income borrowers in the Texarkana MMSA.
- The institution originated 111 PPP loans in the Texarkana AA, in response to the COVID Pandemic. This had a positive effect on the final rating.
- Although optional, the institution had community development activities that helped support the overall rating.

Description of Institution's Operations in Texarkana AA

Deposits based in the Texarkana AA represent 42 percent of total deposits and 40 percent of total institution branches. There are two branches in the Texarkana AA. One branch is located at 502 Arkansas Boulevard and was opened November 23, 2015. The second branch is located at 3615 East 9th Street and was opened during this evaluation period on September 20, 2021. The loans reviewed during this evaluation located in the Texarkana AA represented 65 percent of the HMDA loans, 33 percent of the commercial loans, and 56 percent of the PPP loans.

TB is ranked 13th in the Texarkana AA with 4 percent of area deposits. The five top competitors in this area are Red River Employees Federal Credit Union, Wells Fargo Bank, N.A., Farmer's Bank & Trust Company, and Guaranty Bank & Trust, N.A. There are 253 HMDA lenders in the area. TB is ranked 34th with 1 percent market share.

The primary product for the institution is small business and residential home mortgage loans.

The OCC conducted two community contacts in the area during the evaluation period. One was from a planning and development company. This contact stated manufacturing, education, and healthcare services were the main source of employment in the area. New housing development has been slow in the area. The area financial institutions made efforts to keep small businesses operating. The second contact

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

was to a local housing authority. This contact stated there were recent declines in local retail business mostly attributed to the loss of population in the area. Housing stock is in poor condition and in need of home repairs. This contact expressed a need in the area for affordable housing, home improvement loans, and small business loans.

Table A – Demographic Information						
Metropolitan Statistical Area: Texarkana AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	30	3.3	30.0	46.7	16.7	3.3
Population by Geography	136,807	1.5	21.5	53.6	23.3	0.0
Housing Units by Geography	58,383	1.6	22.6	54.2	21.6	0.0
Owner-Occupied Units by Geography	32,975	0.9	14.7	57.4	27.0	0.0
Occupied Rental Units by Geography	17,408	3.2	35.2	47.8	13.7	0.0
Vacant Units by Geography	8,000	1.1	27.3	54.8	16.8	0.0
Businesses by Geography	9,103	0.6	25.1	47.9	26.2	0.2
Farms by Geography	340	0.6	12.4	59.1	27.9	0.0
Family Distribution by Income Level	34,302	22.5	16.2	19.2	42.1	0.0
Household Distribution by Income Level	50,383	25.1	15.4	16.9	42.5	0.0
Median Family Income Texarkana MMSA		\$51,151	Median Housing Value			\$100,557
			Median Gross Rent			\$711
			Families Below Poverty Level			16.4%
<i>Source: 2020 ACS Census and 2021 D&B Data</i> <i>Due to rounding, totals may not equal 100.0</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

Scope of Evaluation in Texarkana AA

Texarkana AA was selected as a full-scope area as it is an MMSA. These areas are reviewed separately. This area has the majority of the institution's deposits (42 percent) and branches (40 percent). In addition, the loans reviewed during this evaluation located in the Texarkana AA represented 65 percent of the HMDA loans, 33 percent of the commercial loans, and 56 percent of the PPP loans. Commercial real estate and commercial and industrial loans represent 48 percent of the loan portfolio. More weight was given to the commercial and PPP loan performance. The institution made 111 PPP loans totaling \$6.4 million in response to the COVID pandemic in the Texarkana MMSA.

We used the total population of HMDA loans, sample of 28 commercial loans and 111 PPP loans, located in the Texarkana AA to perform the geographic review. The PPP loans did not require income. Therefore, a revenue analysis was not performed on this product. A revenue analysis was conducted on the HMDA and commercial loans located in the AA.

Lending Test

The institution's performance under the lending test in the Texarkana AA is rated: **Satisfactory**.

Based on a full-scope review, the institution's performance in the Texarkana AA is adequate.

Distribution of Loans by Income Level of the Geography

The institution exhibits reasonable geographic distribution of loans in the Texarkana AA.

Home Mortgage Loans

Refer to Table O in Appendix D for the facts and data used to evaluate the geographic distribution of the institution's home mortgage loan originations and purchases.

The distribution of the institution's home mortgage loans in moderate-income census tracts (CTs) is reasonable. The institution did not make any home mortgage loans in low-income CTs. Low-income geographies had 0.9 percent of the housing stock in the area. The percentage of institution loans in moderate-income CTs was lower than the percentage of owner-occupied units, however, the percentage of institution loans was near to the aggregate of peers in the area.

Small Loans to Businesses

Refer to Table Q in Appendix D for the facts and data used to evaluate the geographic distribution of the institution's originations and purchases of small loans to businesses.

The distribution of loans located in low-income CTs is excellent and poor in moderate-income CTs. The percentage of small business loans in low-income CTs exceeds the percentage of businesses and the aggregate distribution of loans located in low-income geographies. The institution did not make any small business loans in moderate-income CTs. The excellent penetration in low-income CTs compensates for the lack of loans in moderate-income CTs, and geographic performance for small business loans is considered reasonable.

The institution's performance for PPP loans was similar to the small business loan findings, with excellent penetration in low-income CTs. The institution made PPP loans in moderate-income CTs, however, the percentage of PPP loans in moderate-income CTs was lower than the percentage of businesses and the aggregate distribution of loans in moderate-income CTs.

Lending Gap Analysis

We reviewed maps of each full-scope area. There were no unexplained conspicuous gaps identified.

Distribution of Loans by Income Level of the Borrower

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

Home Mortgage Loans

Refer to Table P in Appendix D for the facts and data used to evaluate the borrower distribution of the institution's home mortgage loan originations and purchases.

The distribution of the institution's home mortgage loans to moderate-income borrowers is reasonable. The institution did not make any home mortgage loans to low-income families. The distribution of institution's home mortgage loans to moderate-income borrowers is reasonable. The proportion of loans was somewhat lower than the percentage of moderate-income families and the aggregate of peers in the area.

Small Loans to Businesses

Refer to Table R in Appendix D for the facts and data used to evaluate the borrower distribution of the institution's originations and purchases of small loans to businesses.

The distribution of the institution's loans to small businesses with revenues less than or equal to \$1 million is excellent. The percent of institution loans exceeded the percent of small businesses in the AA and the aggregate comparators of small business loans in the AA.

PPP loans did not require income from business-owners, therefore, a revenue analysis was not performed on this product.

Responses to Complaints

The institution did not receive any CRA related complaints during the evaluation period.

Community Development - Texarkana

The institution is a Small Bank for CRA purposes. Community development activities are optional for this type of financial institution. In the Texarkana AA, one employee provided five hours of services to one organization. A loan officer served on the board of an organization that provides community services to low- to moderate-income (LMI) individuals. Services provided include affordable childcare, rental assistance, and access to basic needs. In addition, the institution made one loan in the amount of \$41,151 for affordable housing in the AA.

State Rating

State of Texas

CRA rating for the State of Texas: Satisfactory.

The lending test is rated: Satisfactory.

The major factors that support this rating include:

- The institution exhibits a reasonable geographic distribution of small business loans and home mortgage loans.
- The institution exhibits an excellent distribution of loans to businesses of different sizes given the product lines offered by the institution.
- The institution originated 32 PPP loans in the Longview AA and 54 PPP loans in the non-MSA in response to the COVID pandemic. This had a positive effect on the final rating.
- Although optional, the institution had community development activities that helped support the overall rating.

Description of Institution's Operations in Texas

The institution has two AAs in the state of Texas. One is the Longview AA which consists of all of Gregg County. There is also one AA which consists of all of Cass County located in a non-MSA. Deposits based in the Longview AA represent 37 percent of total deposits. There are 40 percent of total institution branches in this AA. There are two branches in the Longview AA. One branch is located at 910 East Marshall and one at 3814 Gilmer Road, Longview, Texas. The loans reviewed during this evaluation period located from the Longview AA represented 26 percent of the HMDA loans, 33 percent of the loans, and 16 percent of the PPP loans. Deposits based in the non-MSA represent 21 percent of the total deposits. There are 20 percent of total institution branches located in this area. There is one branch in this AA located on Rush Street, Linden, Texas. The loans reviewed during this evaluation located in the non-MSA represented 9 percent of the HMDA loans, 33 percent of the commercial loans, and 27 percent of the PPP loans.

TB is ranked 16th in the Longview AA with 4 percent of area deposits. The five top competitors in this area are Texas Bank and Trust, East Texas Professional Credit Union, Austin Bank, JP Morgan Chase Bank, and BTH Bank, N.A. There are 289 HMDA lenders in the area. TB is ranked 63rd with less than 1 percent market share. TB is ranked 2nd in the non-MSA with 30 percent of area deposits. The five top competitors in this area are The First National Bank of Hughes Spring, State Bank of DeKalb, Regions Bank, and The City National Bank of Sulphur Springs. There are 163 HMDA lenders in the area. TB is ranked 48th with less than 1 percent market share.

The primary product for the institution is small business and residential home mortgage loans.

The OCC conducted three community contacts in the Longview AA during the evaluation period. One was to a local chamber of commerce, one to a city governmental office, and another to an economic development corporation. The needs identified by these contacts were affordable housing, middle-income housing, small business development south of Highway 80 in Longview, and in the northeast side of Longview in the North Business Park area.

Longview AA

Table A – Demographic Information of the Assessment Area						
Assessment Area: Longview AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	25	4.0	20.0	52.0	20.0	4.0
Population by Geography	123,178	3.3	15.6	57.8	23.3	0.0
Housing Units by Geography	50,785	2.9	13.8	58.6	24.7	0.0
Owner-Occupied Units by Geography	27,568	1.4	12.4	57.9	28.3	0.0
Occupied Rental Units by Geography	18,050	5.3	14.9	59.1	20.7	0.0
Vacant Units by Geography	5,167	1.7	17.9	60.5	19.9	0.0
Businesses by Geography	12,329	8.6	10.2	53.7	27.2	0.3
Farms by Geography	260	3.1	6.9	56.5	33.5	0.0
Family Distribution by Income Level	30,560	23.5	15.6	19.1	41.8	0.0
Household Distribution by Income Level	45,618	25.3	15.6	17.5	41.5	0.0
Median Family Income MSA -Longview		\$56,456	Median Housing Value			\$124,763
			Median Gross Rent			\$781
			Families Below Poverty Level			14.9

*Source: 2020 ACS Census and 2021 D&B Data
 Due to rounding, totals may not equal 100.0
 (*) The NA category consists of geographies that have not been assigned an income classification.*

We made one community contact in Cass County in the non-MSA. This was to a community service organization in Northeast Texas. This organization represents primarily LMI individuals, veterans, and minorities. Cass County is in the area served by this organization. There are opportunities in the area to provide transportation and affordable childcare to LMI persons. Local independent school districts, Pilgrim’s Pride, and local medical centers are the primary employers in the area.

Non-MSA

Table A – Demographic Information of the Assessment Area						
Assessment Area: Non-MSA (Cass County)						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	7	0.0	14.3	85.7	0.0	0.0
Population by Geography	30,328	0.0	7.7	92.3	0.0	0.0
Housing Units by Geography	14,400	0.0	10.5	89.5	0.0	0.0
Owner-Occupied Units by Geography	8,980	0.0	9.1	90.9	0.0	0.0
Occupied Rental Units by Geography	2,711	0.0	7.2	92.8	0.0	0.0
Vacant Units by Geography	2,709	0.0	18.4	81.6	0.0	0.0
Businesses by Geography	1,750	0.0	5.6	94.4	0.0	0.0
Farms by Geography	91	0.0	14.3	85.7	0.0	0.0
Family Distribution by Income Level	7,946	22.7	20.1	19.7	37.6	0.0
Household Distribution by Income Level	11,691	26.8	18.8	17.2	37.2	0.0
Median Family Income MSA -Longview		\$52,198	Median Housing Value			\$80,794
			Median Gross Rent			\$585
			Families Below Poverty Level			13.7
<i>Source: 2020 ACS Census and 2021 D&B Data</i>						
<i>Due to rounding, totals may not equal 100.0</i>						
<i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

Scope of Evaluation in Texas

Longview AA was selected as a full-scope area. This area has the 2nd largest deposit base (37 percent) for the institution and branches (40 percent). In addition, the loans reviewed located in the Longview AA represented 26 percent of the HMDA loans, 33 percent of the commercial loans, and 16 percent of the PPP loans. Commercial real estate and commercial and industrial loans represent 48 percent of the loan portfolio. More weight was given to the commercial and PPP loan performance. The institution made 32 PPP loans totaling \$1.7 million in response to the COVID pandemic in the Longview AA.

We used the total population of HMDA loans to sample 23 commercial loans and 32 PPP loans to perform the geographic review. The PPP loans did not require income so a revenue analysis was not performed on this product. A revenue analysis was conducted on the HMDA and commercial loans located in the AA.

The non-MSA was selected as a full-scope area, as this is where the institution's home office is located. This area has the least percentage of deposits (21 percent) and branches (20 percent) for the bank. In addition, the loans reviewed located in the non-MSA represented 9 percent of the HMDA loans, 33 percent of the commercial loans, and 27 percent of the PPP loans. More weight was given to the commercial and PPP loan performance. The institution made 54 PPP loans totaling \$1.1 million in response to the COVID pandemic in the non-MSA.

We used the total population of HMDA loans to sample of 24 commercial loans and 32 PPP loans located in the non-MSA to perform the geographic review. The PPP loans did not require income so a revenue analysis was not performed on this product. A revenue analysis was conducted on the HMDA and commercial loans located in the AA.

Lending Test

The institution's performance under the lending test in Texas is rated: **Satisfactory**.

Based on full-scope reviews, the institution's performance in the Longview AA and non-MSA is reasonable.

Conclusions for Areas Receiving a Full Scope Review

Based on full-scope reviews, the institution's performance in the Longview AA and the non-MSA is adequate.

Distribution of Loans by Income Level of the Geography

The institution exhibits reasonable geographic distribution of loans in the State of Texas.

Home Mortgage Loans

Refer to Table O in Appendix D for the facts and data used to evaluate the geographic distribution of the institution's home mortgage loan originations and purchases.

Longview AA

The distribution of the institution's home mortgage loans in moderate-income CTs is reasonable. The institution did not make any home mortgage loans in low-income CTs. Low-income geographies had 1.4 percent of the housing stock in the area. The percentage of institution loans in moderate-income CTs was lower than the percentage of owner-occupied units; however, the percentage of institution loans exceeded the aggregate of peers in the area.

Non-MSA

There were too few residential home-mortgage loans in the non-MSA to perform a meaningful analysis. The institution only made 14 home mortgage loans in this area.

Small Loans to Businesses

Refer to Table Q in Appendix D for the facts and data used to evaluate the geographic distribution of the institution's originations and purchases of small loans to businesses.

Longview AA

The distribution of loans located in low-income CTs is excellent and poor in moderate-income CTs. The percentage of small business loans in low-income CTs exceeds the percentage of businesses and is near to the aggregate distribution of loans located in low-income geographies. The percentage of small business

loans in moderate-income CTs was significantly lower than the percentage of businesses and the aggregate distribution of loans located in moderate-income CTs. The excellent penetration in low-income CTs compensates for the lack of loans in moderate-income CTs, and geographic performance for small business loans is considered reasonable.

The institution's performance for PPP loans was similar to the small business loan findings; however, the institution had stronger performance in the moderate-income CTs. The institution had excellent penetration in moderate-income CTs and poor penetration in low-income CTs. The institution did make PPP loans in low-income CTs; however the percentage of PPP loans in low-income CTs was significantly lower than the percentage of businesses and the aggregate distribution of loans in low-income CTs.

Non-MSA

The distribution of loans located in moderate-income CTs was poor. There are no low-income CTs in the non-MSA. The institution did not make any loans in the moderate-income CTs during the evaluation period.

The institution's performance for PPP loans was stronger than the small business loan findings. The institution had reasonable penetration in moderate-income CTs. The percentage of PPP loans in moderate-income CTs was lower than the percentage of business and exceeded the aggregate distribution of loans located in moderate-income CTs.

Distribution of Loans by Income Level of the Borrower

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

Home Mortgage Loans

Refer to Table P in Appendix D for the facts and data used to evaluate the borrower distribution of the institution's home mortgage loan originations and purchases.

Longview AA

The distribution of the institution's home mortgage loans to LMI families in the Longview AA is poor. The institution did not make any home mortgage loans to low-income families. The distribution of institution's home mortgage loans to moderate-income borrowers is poor. The proportion of loans was significantly lower than the percentage of moderate-income families and the aggregate of peers in the area.

Non-MSA

There were too few residential home-mortgage loans in the non-MSA to perform a meaningful analysis. The institution only made 14 home mortgage loans in this area. However, it is duly-noted that of the 14 loans, there was penetration to moderate-income borrowers in this area.

Small Loans to Businesses

Refer to Table R in Appendix D for the facts and data used to evaluate the borrower distribution of the institution's originations and purchases of small loans to businesses.

Longview

The distribution of the institution's loans to small businesses with revenues less than or equal to \$1 million is excellent. The percent of institution loans exceeded the percent of small businesses in the AA and the aggregate comparators of small business loans in the AA.

PPP loans did not require income from business-owners therefore a revenue analysis was not performed on this product.

Non-MSA

The distribution of the institution's loans to small businesses with revenues less than or equal to \$1 million is excellent. The percent of institution loans exceeded the percent of small businesses in the AA and the aggregate comparators of small business loans in the AA.

PPP loans did not require income from business owners so a revenue analysis was not performed on this product.

Responses to Complaints

The institution did not receive any CRA related complaints during the evaluation period.

Community Development - Texas

The institution is a Small Bank for CRA purposes. Community development activities are optional for this type of financial institution.

Longview AA

In the Longview AA, the institution made one loan in the amount of \$49,152 for affordable housing.

Non-MSA

In the non-MSA, three employees provided 69 hours of services to two organizations. The CEO and a Vice President serve on the board of a local economic development corporation. A loan officer serves on the board of an organization that provides community services to LMI individuals. Services provided include affordable childcare, rental assistance, and access to basic needs. Additionally, the institution made one loan in the amount of \$50,000 to an organization that provides community services to LMI individuals.

Appendix A: Scope of Examination

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

Time Period Reviewed:	01/01/2019 - 12/31/2021	
Bank Products Reviewed:	Home mortgage, small business, PPP Community development loans and community development services - optional	
Affiliates	Affiliate Relationship	Products Reviewed
NA		
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
MMSAs		
Texarkana MMSA	Full Scope	Bowie County, TX and Miller County, AR
State of Texas		
Longview AA	Full Scope	Gregg County, TX
Non-MSA	Full Scope	Cass County, TX

Appendix B: Summary of MMSA and State Ratings

RATINGS: Texana Bank, National Association	
Overall Bank:	Lending Test Rating
Texana Bank, National Association	Satisfactory
MMSA or State:	
Texarkana MMSA	Satisfactory
State of Texas	Satisfactory

Appendix C: Definitions and Common Abbreviations

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

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

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

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

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

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

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

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

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

into ‘male householder’ (a family with a male householder and no wife present) or ‘female householder’ (a family with a female householder and no husband present).

Full-Scope Review: Performance under the lending, investment, and service tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

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

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

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

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

Limited-Scope Review: Performance under the lending, investment, and service tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Appendix D: Tables of Performance Data

Content of Standardized Tables

A separate set of tables is provided for each state. All MMSA, if applicable, are presented in one set of tables. References to the “bank” include activities of any affiliates that the institution provided for consideration (refer to Appendix A: Scope of the Examination). For purposes of reviewing the lending test tables, the following are applicable: (1) purchased are treated as originations; and (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all HMDA or CRA-reporting lenders in the MMSA/AA. Deposit data are compiled by the Federal Deposit Insurance Corporation and are available as of June 30th of each year. Tables without data are not included in this Performance Evaluation.

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

Table O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography - Compares the percentage distribution of the number of loans originated and purchased by the institution in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents aggregate peer data for the years the data is available.

Table P. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower - Compares the percentage distribution of the number of loans originated and purchased by the institution to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MMSA/AA. The table also presents aggregate peer data for the years the data is available.

Table Q. Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses that were originated and purchased by the institution in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) in those geographies. Because aggregate small business data are not available for geographic areas smaller than counties, it may be necessary to compare institution loan data to aggregate data from geographic areas larger than the institution’s AA.

Table R. Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenue - Compares the percentage distribution of the number of small loans (loans less than or equal to \$1 million) originated and purchased by the institution to businesses with revenues of \$1 million or less to: 1) the percentage distribution of businesses with revenues of greater than \$1 million; and, 2) the percentage distribution of businesses for which revenues are not available. The table also presents aggregate peer small business data for the years the data is available.

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																2019-2021		
Total Home Mortgage Loans			Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	\$	% of Total	% Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
Texarkana MMSA	99	15,779	64.7	0.9	0.0	0.1	14.7	9.1	9.2	57.4	54.5	52.0	27.0	36.4	38.7	0.0	0.0	0.0
Longview AA	40	6,987	26.1	1.4	0.0	1.0	12.4	7.5	5.0	57.9	75.0	59.1	28.3	17.5	34.9	0.0	0.0	0.0
Non-MSA	14	1,775	9.2	0.0	0.0	0.0	9.1	0.0	7.4	90.9	100.0	92.6	0.0	0.0	0.0	0.0	0.0	0.0
Total	153	24,541	100	1.0	0.0	0.5	13.1	7.8	7.3	61.9	64.1	58.1	24.0	28.1	34.1	0.0	0.0	0.0

Source: 2010 U.S Census; 01/01/2019 - 01/01/2021 Bank Data, "--" data not available. Due to rounding, totals may not equal 100.0

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																2019-2021		
Total Home Mortgage Loans			Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers			
	#	\$	% of Total	% of Families	% Bank Loans	Aggregate	% of Families	% Bank Loans	Aggregate	% of Families	% Bank Loans	Aggregate	% of Families	% Bank Loans	Aggregate	% of Families	% Bank Loans	Aggregate
Texarkana MMSA	99	15,779	64.7	22.5	0.0	4.6	16.2	11.1	15.5	19.2	10.1	20.1	42.1	62.6	36.3	0.0	16.2	23.4
Longview AA	40	6,987	26.1	23.5	0.0	2.6	15.6	5.0	11.6	19.1	0.0	19.3	41.8	30.0	42.3	0.0	65.0	24.2
Non-MSA	14	1,775	9.2	22.7	0.0	3.8	20.1	14.3	9.3	19.7	28.6	20.8	37.6	42.9	44.3	0.0	14.3	21.8
Total	153	24,541	100	22.9	0.0	3.7	16.4	9.8	13.4	19.2	9.2	19.8	41.5	52.3	39.4	0.0	28.8	23.6

Source: 2010 U.S Census; 01/01/2019 - 01/01/2021 Bank Data, "--" data not available. Due to rounding, totals may not equal 100.0

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																2019-2021		
Assessment Area:	Total Loans to Small Businesses			Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available- Income Tracts		
	#	\$	% of Total	% Bus.	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
Texarkana Comm.	28	5,791	10.3	0.6	3.6	0.6	25.1	0.0	19.1	47.9	64.3	49.6	26.2	32.1	30.5	0.2	0.0	0.2
Texarkana PPP	111	6,386	40.8	0.6	4.5	0.6	25.1	15.3	19.1	47.9	55.9	49.6	26.2	24.3	30.5	0.2	0.0	0.2
Longview Comm	23	2,933	8.5	8.6	8.7	9.2	10.2	4.4	9.0	53.7	52.2	52.1	27.2	34.7	29.3	0.3	0.0	0.4
Longview PPP	32	1,704	11.8	8.6	3.1	9.2	10.2	34.4	9.0	53.7	37.5	52.1	27.2	25.0	29.3	0.3	0.0	0.4
Non-MSA Comm	24	1,108	8.8	0.0	0.0	0.0	5.6	0.0	5.5	94.4	100.0	94.5	0.0	0.0	0.0	0.0	0.0	0.0
Non-MSA PPP	54	1,089	19.8	0.0	0.0	0.0	5.6	3.7	5.5	94.4	90.7	94.5	0.0	5.6	0.0	0.0	0.0	0.0
Total	272	19,011	100	4.8	3.3	5.5	15.7	9.6	12.8	54.5	66.8	52.8	24.8	20.3	28.6	0.2	0.0	0.3

Source: 2021 D&B Data; 01/01/2019 - 12/31/2021 Bank Data; "--" data not available. Due to rounding, totals may not equal 100.0

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues										2019-2021	
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Texarkana MMSA	28	5,791	37.3	3,004	81.0	85.7	40.1	4.7	14.3	14.3	0.0
Longview AA	23	2,933	30.7	4,321	80.7	91.3	35.5	5.1	4.4	14.2	4.3
Non-MSA	24	1,108	32.0	293	83.1	100.0	33.4	3.9	0.0	13.0	0.0
Total	75	9,832	100	7,618	81.0	92.3	37.3	4.8	6.2	14.1	1.4

Source: 2021 D&B Data; 01/01/2019 - 12/31/2021 Bank Data; "--" data not available. Due to rounding, totals may not equal 100.0

PPP loans did not require income, Revenue Analysis not performed on PPP loans.