# PUBLIC DISCLOSURE

August 29, 2022

# COMMUNITY REINVESTMENT ACT
# PERFORMANCE EVALUATION

Zapata National Bank
Charter Number 14955

703 E Hidalgo Street
Zapata, TX 78076

Office of the Comptroller of the Currency

San Antonio Office
10001 Reunion Place, Suite 250
San Antonio, TX 78216-4133

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# Overall CRA Rating

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

**The lending test is rated: Satisfactory.**

The major factors that support this rating include:

- The bank's loan-to-deposit (LTD) is reasonable.
- A substantial majority of the bank's loan are inside its assessment area (AA).
- The distribution of loans by geography is reasonable.
- The distribution of loans to borrowers of different income levels and to businesses of different sizes is reasonable.

## Loan-to-Deposit Ratio

Considering the bank's size, financial condition, and credit needs of the AA, the bank's loan-to-deposit ratio is reasonable.

The bank's quarterly average LTD ratio calculated on a bank-wide basis for the 16-quarter evaluation period was 44.5 percent. Over the evaluation period the bank's LTD ratio fluctuated from a high of 47.3 percent to a low of 40.0 percent. The bank's average quarterly LTD ratio is in line with the quarterly average LTD of two similarly situated institutions (SSIs). By comparison, the average high of the two SSIs was 47.0 percent with an average low of 39.0 percent.

## Lending in Assessment Area

A substantial majority the bank's loans are inside its AA.

The bank originated 98 percent of its total loans inside the bank's AAs during the evaluation period. This analysis is performed at the bank, rather than the AA level. This level of lending within the AA reflects positively on the overall geographic distribution of lending by income level of geography. The bank's one AA consists of three census tracts (CTs), two moderate-income CTs and one middle-income CT that has been designated as distressed and/or underserved. The bank's high level of lending inside its AA reflects its responsiveness to AA needs.

| 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 | 20 | 100.0 | 0 | 0.0 | 20 | 1,823 | 100.0 | 0 | 0.0 | 1,823 |
| Small Business | 19 | 95.0 | 1 | 5.0 | 20 | 1,517 | 86.0 | 250 | 14.0 | 1,767 |
| Consumer | 20 | 100.0 | 0 | 0.0 | 20 | 198 | 100.0 | 0 | 0.0 | 198 |
| **Total** | **59** | **98.0** | **1** | **2.0** | **60** | **3,538** | **93.0** | **250** | **7.0** | **3,788** |

# Description of Institution

Zapata National Bank (ZNB) is an intrastate community bank headquartered in Zapata, Texas. ZNB is a wholly owned subsidiary of Zapata Bancshares, Inc., a one-bank holding company also based in Zapata, Texas. ZNB operates one location which is the main office in Zapata. The bank has an onsite automated teller machine (ATM) at the main office location, and a drive-up facility across the street. The bank has not opened any new branches since the previous evaluation.

As of December 31, 2021, ZNB reported total assets of $97.9 million and tier one capital of $11.8 million, representing a 12.1 percent leverage capital ratio. Net loans totaled $34.3 million and represented 35.1 percent of total assets. The loan portfolio consists of residential real estate (48 percent), commercial loans (27 percent), consumer loans (15 percent), and agricultural loans (10 percent). ZNB's primary loan products are residential lending and commercial loans supplemented by smaller dollar volumes of consumer loans.

In addition to a full range of consumer and commercial banking products and services, the bank offers online banking through www.zapatanationalbank.com. The website allows customers to obtain account activity information, transfer funds between accounts, and manage payment of loans held at the bank. ZNB also offers mobile banking, which allows customers the ability to check account balances, transfer funds between accounts, make payments, and mobile deposits. The bank also offers access to accounts through 24-hour telephone banking. See the "Description of Institution's Operations in Texas" in the State Rating section for additional information.

Based on the bank's financial condition, size, product offerings, and branch network, there are not any legal, financial, or other factors that inhibit the bank's ability to help meet the credit needs in the AA. The prior CRA examination, dated August 6, 2018, assigned an overall "Satisfactory" rating to the lending performance of the bank.

# Scope of the Evaluation

### Evaluation Period/Products Evaluated

The evaluation period for this examination was January 1, 2019, to December 31, 2021.

To evaluate lending performance, we completed an analysis on a random sample of home mortgage loans, commercial loans, and consumer loans. For the geographic and borrower distribution analyses, we compared lending performance to updated 2015 American Community Survey Census data. For mortgage lending we also compared the bank's performance to aggregate data reported by institutions in the AA that are subject to annual reporting under the Home Mortgage Disclosure Act (HMDA). When evaluating small business lending we compared the bank's performance to demographic data from Dunn & Bradstreet and to data reported by larger lenders in the AA that are subject to CRA small business reporting requirements.

### Selection of Areas for Full-Scope Review

In each state where the bank has an office, one or more of AAs within that state was selected for a full-scope review. For purposes of this evaluation, bank delineated AAs located within the same metropolitan

statistical area (MSA), multistate metropolitan statistical area (MMSA), or combined statistical area (CSA) are combined and evaluated as a single AA. Similarly, bank delineated non-MSA AAs within the same state are combined and evaluated as a single area. These combined AAs may be evaluated as full- or limited-scope.

ZNB only has one AA, which we evaluated as full-scope review. Refer to appendix A, Scope of Examination, for more information on the full-scope AA selected for review.

**Ratings**

The bank's overall rating is based on performance in the State of Texas. The state rating is based on performance in the bank's one AA. We considered lending volume within the AA relative to the bank's capacity based on deposits, competition, and market presence. We placed equal weight on the bank's home mortgage, commercial, and consumer loans as they are primary products for the bank.

# Discriminatory or Other Illegal Credit Practices Review

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

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

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

# 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 bank's LTD ratio is reasonable.

- A substantial majority of the bank's loan are inside its AA.

- The bank has a reasonable distribution of loans by geography.

- The bank has a reasonable distribution of loans by borrower income.

## Description of Institution's Operations in Texas

The bank operates one location in the State of Texas in Zapata County, which is the only designated AA. ZNB faces competition from regional financial institutions operating in Zapata County. The primary competitors include state-chartered International Bank of Commerce (IBC) and Citizens State Bank. According to the FDIC's June 30, 2022, Deposit Market Share Reports, ZNB ranks second out of the three institutions in Zapata County with 29 percent of the total market share of deposits.

**Zapata County AA**

Zapata County is a rural non-MSA county including three CTs, which includes two moderate-income CTs and one distressed middle-income CT. The middle-income CT was distressed throughout the entire evaluation period due to high poverty rates and high unemployment in 2021. The city of Zapata is the largest city in Zapata County and is the county seat. The city of Zapata is divided by two CTs with the institution's main office being located in the distressed middle-income CT. The AA meets the requirements of the regulation does not arbitrarily exclude any low- or moderate-income (LMI) geographies.

The AA's economy is centered in agriculture, ranching, hunting, and government entities. The agriculture industry is driven primarily by cattle and wildlife. According to statistics from the United States (US) Bureau of Labor Statistics (BLS), the annual unemployment rate in this AA at year-end 2021 was 12.1 percent. The unemployment rate fluctuated as high as 16.9 percent in June 2020 to as low as 4.2 percent in April 2019. The local unemployment rate has yet to reach pre- COVID-19 pandemic (pandemic) levels but is showing steady improvement from the 16.9 percent high that was caused by the pandemic. In June 2022, the unemployment rate was 8.9 percent.

To help identify needs and opportunities in the AA, we performed research on the local economy using publicly available data and performed a community contact. Primary employers in the AA include Zapata County, the local school district, and US Border Patrol. The identified AA needs include small business

lending, economic development, and consumer lending. The community contact mentioned the AA's high poverty rates and that children in the community often migrate outside of the community due to the lack of opportunity. The contact mentioned the need for entertainment options and infrastructure improvements such as sidewalks from the schools to county parks. Opportunities also exist in the AA for job training. The contact mentioned that outside workers are often required to complete construction projects.

The following table reflects additional pertinent demographic information about the AA.

| Table A – Demographic Information of the Assessment Area | | | | | | |
|---|---|---|---|---|---|---|
| Assessment Area: Zapata County AA 2021 | | | | | | |
| Demographic Characteristics | # | Low % of # | Moderate % of # | Middle % of # | Upper % of # | NA* % of # |
| Geographies (Census Tracts) | 3 | 0.0 | 66.7 | 33.3 | 0.0 | 0.0 |
| Population by Geography | 14,308 | 0.0 | 73.8 | 26.2 | 0.0 | 0.0 |
| Housing Units by Geography | 6,223 | 0.0 | 65.8 | 34.2 | 0.0 | 0.0 |
| Owner-Occupied Units by Geography | 3,399 | 0.0 | 67.0 | 33.0 | 0.0 | 0.0 |
| Occupied Rental Units by Geography | 1,118 | 0.0 | 62.3 | 37.7 | 0.0 | 0.0 |
| Vacant Units by Geography | 1,706 | 0.0 | 65.8 | 34.2 | 0.0 | 0.0 |
| Businesses by Geography | 506 | 0.0 | 46.2 | 53.8 | 0.0 | 0.0 |
| Farms by Geography | 16 | 0.0 | 68.8 | 31.3 | 0.0 | 0.0 |
| Family Distribution by Income Level | 3,651 | 34.3 | 22.3 | 14.8 | 28.6 | 0.0 |
| Household Distribution by Income Level | 4,517 | 34.4 | 17.0 | 17.8 | 30.8 | 0.0 |
| Median Family Income Non-MSAs - TX | | $52,198 | Median Housing Value | | | $56,075 |
| | | | Median Gross Rent | | | $484 |
| | | | Families Below Poverty Level | | | 30.1% |

*Source: 2015 ACS and 2020 D&B Data*
*Due to rounding, totals may not equal 100.0%*
*(*) The NA category consists of geographies that have not been assigned an income classification.*

# Scope of Evaluation in Texas

As the bank's only AA, the Zapata County AA received a full-scope review.

## LENDING TEST

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

## Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank's performance in the Zapata County AA is satisfactory.

## Distribution of Loans by Income Level of the Geography

The bank has a reasonable geographic distribution of loans in the states.

*Home Mortgage Loans*

Refer to Table O in the state of Texas section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

The geographic distribution of the bank's home mortgage loans is reasonable. The AA does not include any low-income geographies. The percentage of bank loans in moderate-income geographies is below the percentage of owner-occupied housing units in the AA and other area mortgage lenders as reported in the Aggregate Lending (aggregate) data. The majority of the bank's loans were made in the distressed middle-income CT. The bank's performance in the distressed middle-income area exceeded the percentage of owner occupied housing units in this area and performance by aggregate lenders.

*Small Loans to Businesses*

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

The geographic distribution of the bank's small loans to businesses is reasonable. The AA does not include any low-income geographies. The percentage of bank loans in moderate-income geographies exceeds the percentage of businesses in the AA and exceeds aggregate lender data. Loan distribution in the distressed middle-income area is below the percentage of businesses in this area and performance by aggregate lenders.

*Consumer Loans*

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

The geographic distribution of the bank's consumer loan is reasonable. The AA does not include any low-income geographies. The percentage of bank loans in the moderate-income geographies is below the percentage of  households in the moderate-income geographies. The majority of the bank's loans were made in the distressed middle-income CT. The distribution of loans in middle-income area exceeded the percentage of households in these areas. Aggregate lender data was not available for consumer lending.

*Lending Gap Analysis*

We reviewed geographic distribution reports for home mortgage loans, small business loans, and consumer loans in the AA and did not identify any unexplained conspicuous gaps in lending activity after considering performance context.

## Distribution of Loans by Income Level of the Borrower

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

*Home Mortgage Loans*

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

The distribution of home mortgage loans to individuals of different income levels is reasonable. The percentage of loans to low-income borrowers is below the percentage of low-income families in the AA but exceeds the amount of aggregate lending. The percentage of home mortgages to moderate-income borrowers is near the percentage of moderate-income families in the AA and exceeds aggregate lending.

*Small Loans to Businesses*

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

The distribution of loans to small businesses in the AA is excellent. The bank's loans to business with revenues less than or equal to $1 million are near the percentage of businesses identified as having revenues less than or equal to $1 million. The bank's loan distributions significantly exceed performance by aggregate lending to these businesses in the AA.

*Consumer Loans*

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

The distribution of consumer loans to individuals of different income level is reasonable. The percentage of the bank consumer loans to low-income borrowers exceeds the percentage of low-income households in the AA. While the percentage of consumer loans to moderate-income borrowers was below the percentage of moderate-income families in the AA. Aggregate lender data was not available for consumer lending.

**Responses to Complaints**

ZNB did not receive any complaints regarding the institution's CRA or fair lending performance during the evaluation period.

# 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 to 12/31/2021 | |
| --- | --- | --- |
| **Bank Products Reviewed:** | Home mortgage, small business, and consumer loans | |
| **Affiliate(s)** | **Affiliate Relationship** | **Products Reviewed** |
| None | Not Applicable | Not applicable |
| **List of Assessment Areas and Type of Examination** | | |
| **Assessment Areas** | **Type of Exam** | **Other Information** |
| Zapata County AA | Full Scope | All CTs in Zapata County |

# Appendix B: Summary of MMSA and State Ratings

| RATINGS | **Zapata National Bank** |
|---|---|
| **Overall Bank:** | **Lending Test Rating** |
| Zapata National Bank | Satisfactory |
| State: 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 (Aggt.):** The number of loans originated and purchased by all reporting lenders (HMDA or CRA) in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

# Appendix D: Tables of Performance Data

## Content of Standardized Tables

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

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

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

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

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

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

**Table U.** **Assessment Area Distribution of Consumer Loans by Income Category of the Geography** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households in those geographies.

**Table V.** **Assessment Area Distribution of Consumer Loans by Income Category of the Borrower** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of households by income level in each MMSA/assessment area.

| Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography | | | | | | | | | | | | | | | | | | 2019-2021 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Assessment Area: | Total Home Mortgage Loans | | | | Low-Income Tracts | | | Moderate-Income Tracts | | | Middle-Income Tracts | | | Upper-Income Tracts | | | Not Available-Income Tracts | | |
| | # | $ (000) | % Of Total | # Overall Market | % of Owner-Occupied Housing Units | % Bank Loans | Aggregate | % of Owner-Occupied Housing Units | % Bank Loans | Aggregate | % of Owner-Occupied Housing Units | % Bank Loans | Aggregate | % of Owner-Occupied Housing Units | % Bank Loans | Aggregate | % of Owner-Occupied Housing Units | % Bank Loans | Aggregate |
| Zapata County | 20 | 1,824 | 100.0 | 91 | 0.0 | 0.0 | 0.0 | 67.0 | 45 | 54.9 | 33.0 | 55 | 45.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total | 20 | 1,824 | 100.0 | 91 | 0.0 | 0.0 | 0.0 | 67.0 | 45 | 54.9 | 33.0 | 55 | 45.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

*Source: 2015 ACS; 01/01/2019 - 12/31/2021 Bank Data, 2021 HMDA Aggregate 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 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Assessment Area: | Total Home Mortgage Loans | | | | Low-Income Borrowers | | | Moderate-Income Borrowers | | | Middle-Income Borrowers | | | Upper-Income Borrowers | | | Not Available-Income Borrowers | | |
| | # | $(000) | % Of Total | # Overall Market | % Families | % Bank Loans | Aggregate | % Families | % Bank Loans | Aggregate | % Families | % Bank Loans | Aggregate | % Families | % Bank Loans | Aggregate | % Families | % Bank Loans | Aggregate |
| Zapata County | 20 | 1,824 | 100.0 | 91 | 34.3 | 15 | 6.6 | 22.3 | 20.0 | 18.7 | 14.8 | 15.0 | 27.5 | 28.7 | 50 | 28.6 | 0.0 | -- | 18.7 |
| Total | 20 | 1,824 | 100.0 | 91 | 34.3 | 15 | 6.6 | 22.3 | 20.0 | 18.7 | 14.8 | 15.0 | 27.5 | 28.7 | 50 | 28.6 | 0.0 | -- | 18.7 |

*Source: 2015 ACS ; 01/01/2019 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data, "--" data not available.*
*Due to rounding, totals may not equal 100.0%*

**Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography**     **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 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | # | $(000) | % Of Total | # Overall Market | % Businesses | % Bank Loans | Aggregate | % Businesses | % Bank Loans | Aggregate | % Businesses | % Bank Loans | Aggregate | % Businesses | % Bank Loans | Aggregate | % Businesses | % Bank Loans | Aggregate |
| Zapata County | 20 | 1,531 | 100.0 | 97 | 0.0 | 0.0 | 0.0 | 46.2 | 65.0 | 52.6 | 53.8 | 35.0 | 47.4 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Total** | **20** | **1,531** | **100.0** | **97** | **0.0** | **0.0** | **0.0** | **46.2** | **65.0** | **52.6** | **53.8** | **35.0** | **47.4** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** |

*Source: 2021 D&B Data; 01/01/2019 - 12/31/2021 Bank Data; 2020 CRA Aggregate Data, "--" data not available.*
*Due to rounding, totals may not equal 100.0%*

**Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues**     **2019-2021**

| Assessment Area: | Total Loans to Small Businesses | | | | Businesses with Revenues <= 1MM | | | Businesses with Revenues > 1MM | | Businesses with Revenues Not Available | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | # | $(000) | % Of Total | # Overall Market | % Businesses | % Bank Loans | Aggregate | % Businesses | % Bank Loans | % Businesses | % Bank Loans |
| Zapata County | 20 | 1,531 | 100.0 | 97 | 79.1 | 70.0 | 28.9 | 3.4 | 30 | 17.6 | 0.0 |
| **Total** | **20** | **1,531** | **100.0** | **97** | **79.1** | **70.0** | **28.9** | **3.4** | **30** | **17.6** | **0.0** |

*Source: 2020 D&B Data; 01/01/2019 - 12/31/2021 Bank Data; 2020 CRA Aggregate Data, "--" data not available.*
*Due to rounding, totals may not equal 100.0%*

**Table U: Assessment Area Distribution of Consumer Loans by Income Category of the Geography**                                                2019-2021

| Assessment Area: | Total Consumer Loans | | | Low-Income Tracts | | Moderate-Income Tracts | | Middle-Income Tracts | | Upper-Income Tracts | | Not Available-Income Tracts | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | # | $ (000) | % Of Total | % Of Households | % Bank Loans | % Of Households | % Bank Loans | % Of Households | % Bank Loans | % Of Households | % Bank Loans | % Of Households | % Bank Loans |
| Zapata County | 20 | 147 | 100.0 | 0.0 | 0.0 | 65.8 | 45.0 | 34.2 | 55.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Total** | **20** | **147** | **100** | **0.0** | **0.0** | **65.8** | **45.0** | **34.2** | **55.0** | **0.0** | **0.0** | **0.0** | **0.0** |

*Source: 2015 ACS; 01/01/2019 - 12/31/2021 Bank Data.*
*Due to rounding, totals may not equal 100.0%*

**Table V - Assessment Area Distribution of Consumer Loans by Income Category of the Borrower**                                                2019-2021

| Assessment Area: | Total Consumer Loans | | | Low-Income Borrowers | | Moderate-Income Borrowers | | Middle-Income Borrowers | | Upper-Income Borrowers | | Not Available-Income Borrowers | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | # | $(000) | % Of Total | % Of Households | % Bank Loans | % Of Households | % Bank Loans | % Of Households | % Bank Loans | % Of Households | % Bank Loans | % Of Households | % Bank Loans |
| Zapata County | 20 | 147 | 100.0 | 34.4 | 45.0 | 17.0 | 10.0 | 17.8 | 20.0 | 30.8 | 25.0 | 0.0 | 0.0 |
| **Total** | **20** | **147** | **100.0** | **34.4** | **45.0** | **17.0** | **10.0** | **17.8** | **20.0** | **30.8** | **25.0** | **0.0** | **0.0** |

*Source: 2015 ACS; 01/01/2019 - 12/31/2021 Bank Data.*
*Due to rounding, totals may not equal 100.0%*