



## **PUBLIC DISCLOSURE**

October 4, 2021

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

The First Liberty National Bank  
Charter Number: 12850

1900 Sam Houston Avenue  
Liberty TX, 77575

Office of the Comptroller of the Currency

909 Fannin Street, Suite 1900  
Houston, TX 77019

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

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## Overall CRA Rating

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

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

The major factors that support this rating include:

- The Lending Test rating is based on a reasonable loan-to-deposit (LTD) ratio, a reasonable geographic distribution, an excellent borrower distribution, and a majority of the bank's loans being in the assessment area (AA).
- Community development (CD) activities had a positive impact on the institution's overall CRA rating.

### Lan-to-Deposit Ratio

Considering the bank's size, financial condition, and credit needs of the AA, the LTD ratio is reasonable.

As of June 30, 2021, our analysis included five similarly situated banks in Texas ranging in total assets from \$370 million to \$557 million. The bank's quarterly average LTD ratio since the last CRA evaluation was 68 percent, ranging from a low of 60 percent in the fourth quarter of 2020 to a high of 73 percent in the third quarter of 2019. The comparator quarterly average ratio over the same period was 58 percent. These quarterly average ratios ranged from a low of 49 percent to a high of 86 percent.

### Lending in Assessment Area

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

The bank originated 65 percent of its total loans inside the its AAs during the evaluation period. This analysis is performed at the bank, rather than the AA, level. This percentage does not include extensions of credit by affiliates that may be considered under the other performance criteria.

Lending Inside and Outside of the AA										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage	210	60.5	137	39.5	347	41,995	59.1	29,003	40.9	70,998
Business	54	60.0	36	40.0	90	7,454	54.4	6,255	45.6	13,709
PPP	11	55.0	9	45.0	20	379	37.1	642	62.9	1,021
Consumer	81	90.0	9	10.0	90	680	93.0	51	7.0	731
<b>Total</b>	356	65.1	191	34.9	547	50,508	58.4	35,951	41.6	86,459

*Source: Bank Data  
Due to rounding, totals may not equal 100.0%*

## Description of Institution

The First Liberty National Bank (FLNB) is a single-state community bank headquartered in Liberty, Texas. FLNB was chartered in November 1925 and is wholly owned by First Liberty National Bancshares, Inc., a Texas holding company. In July 2021, FLNB was designated as a minority owned depository institution since a majority of owners are women.

FLNB's only rating area is Texas, which includes one AA in the Houston-The Woodlands-Sugar Land metropolitan statistical area (MSA) and one AA in the Beaumont-Port Arthur MSA. Throughout both AAs, FLNB operates a total of five full-service branches, four automated teller machines (ATM), and 18 interactive teller machines that also function as ATMs. FLNB also operates a loan production office (LPO) in Baytown, Texas and a mortgage origination center in Dayton, Texas, which are both located in the Houston MSA AA.

There was no merger or acquisition activity during the evaluation period; however, in the fourth quarter of 2019, FLNB established the Beaumont MSA AA with the opening of a full-service branch in China, Texas. Other openings included the previously mentioned LPO in September 2018 and the mortgage origination center in June 2020.

As of June 30, 2021, FLNB had total assets of \$406 million and a tier 1 leverage capital ratio of 10.5 percent. FLNB offers a full range of deposit and lending products, as well as other banking services. Deposit services include traditional personal and business checking/savings accounts, as well as student and free checking/savings accounts. Other convenience services include online banking, bill payment, mobile banking, and 24-hour customer service.

There are currently no legal or financial factors impeding FLNB's ability to meet the credit and CD needs of its AAs. FLNB was rated Outstanding at the last CRA examination dated July 30, 2018.

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

The evaluation period for the Lending Test was January 1, 2018 through December 31, 2020. As of December 31, 2020, business financing represented the largest portion of the loan portfolio at 39 percent by dollar amount. Residential real estate financing was also a primary lending product representing 33 percent of the loan portfolio by dollar amount. We also evaluated consumer lending, which represented 5.5 percent of total loans by dollar and 43.5 percent by number of accounts. We evaluated all lending products under the Lending Test with equal weight. In the Houston MSA AA, we also sampled 20 loans originated under the Small Business Administration (SBA) Paycheck Protection Program (PPP) for geographic distribution.

As a small bank, there is no requirement to originate CD loans, make qualified investments, or provide CD services. At FLNB's option, we evaluated CD activities spanning July 31, 2018 through December 31, 2020.

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

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

## **Ratings**

The bank’s overall rating is limited to the state of Texas, as FLNB only has branches in Texas.

The state rating is based on performance in all bank AAs. Refer to the “Scope” section under each 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, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any AA by an affiliate whose loans have been considered as part of the bank’s lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Bureau of Consumer Financial Protection, as applicable.

The OCC has not identified that this institution (or any affiliate whose loans have been considered as part of the institution’s lending performance) has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

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

## State Rating

### State of Texas

**CRA rating for the state of Texas<sup>1</sup>:** Outstanding

**The Lending Test is rated:** Satisfactory

The major factors that support this rating include:

- A reasonable distribution of loans by income of geographies; and
- An excellent distribution of loans by income of borrowers.

### Description of Institution's Operations in Texas

FLNB operates five full-service branches within two AAs in Texas. The most significant AA is the Houston MSA AA, which includes all census tracts (CTs) in Liberty and Chambers Counties, and 11 CTs in Harris County. Of the 32 CTs, 3 percent are low income, 28 percent are moderate income, 41 percent are middle income, 22 percent are upper income, and 6 percent did not have an income designation. In the Houston MSA AA, one branch is located in a moderate-income CT and the remaining three branches are located in middle-income CTs. In addition to four branches, the Houston MSA AA contains FLNB's LPO and mortgage origination center. The Beaumont MSA AA includes two CTs in Jefferson County, both of which are upper income. The only branch is located in an upper-income CT.

As of June 30, 2021, FLNB held deposits totaling \$350 million, which represented 12.9 percent market share and ranked the bank second of 16 institutions within Texas AAs. The Houston MSA AA accounted for 99.1 percent of rated area deposits and 13.1 percent of market share in the individual AA. The Beaumont MSA AA accounted for 0.9 percent of rated area deposits and 4.89 percent of market share in the individual AA.

### Community Contacts

In the Houston MSA AA, we identified four individuals representing various local organizations, which included CD, public services, small business development, and an education extension program specialist. Primary needs identified included affordable housing options, homebuyer assistance programs, and financial education workshops on budgeting, taxes, and financial literacy. FLNB helped meet these needs by providing mortgage and consumer loans to low- and moderate-income (LMI) borrowers.

In the Beaumont MSA AA, we identified one local Beaumont business owner and member of the Port Arthur Chamber of Commerce. Primary needs in the AA included affordable housing to replace homes that were lost or damaged from previous hurricane and flooding events, convenient bank branches and ATMs, and financial literacy.

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

Houston MSA AA

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Houston MSA</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	32	3.1	28.1	40.6	21.9	6.3
Population by Geography	189,708	1.6	25.0	42.7	30.7	0.0
Housing Units by Geography	70,267	1.7	27.3	42.4	28.7	0.0
Owner-Occupied Units by Geography	49,026	0.8	25.3	40.4	33.5	0.0
Occupied Rental Units by Geography	14,192	4.4	28.4	46.9	20.3	0.0
Vacant Units by Geography	7,049	2.3	39.1	46.6	12.0	0.0
Businesses by Geography	10,829	2.0	23.6	40.8	33.6	0.0
Farms by Geography	412	0.5	30.8	44.4	24.3	0.0
Family Distribution by Income Level	48,035	22.2	17.4	20.3	40.1	0.0
Household Distribution by Income Level	63,218	25.3	15.8	18.1	40.9	0.0
Median Family Income MSA - 26420 Houston-The Woodlands-Sugar Land, TX MSA		\$69,373	Median Housing Value			\$116,071
<i>Source: 2015 ACS and 2020 D&amp;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.</i>			Median Gross Rent			\$869
			Families Below Poverty Level			9.9%

Beaumont MSA AA

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Beaumont MSA</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	2	0.0	0.0	0.0	100.0	0.0
Population by Geography	10,169	0.0	0.0	0.0	100.0	0.0
Housing Units by Geography	4,358	0.0	0.0	0.0	100.0	0.0
Owner-Occupied Units by Geography	3,283	0.0	0.0	0.0	100.0	0.0
Occupied Rental Units by Geography	642	0.0	0.0	0.0	100.0	0.0
Vacant Units by Geography	433	0.0	0.0	0.0	100.0	0.0
Businesses by Geography	668	0.0	0.0	0.0	100.0	0.0
Farms by Geography	68	0.0	0.0	0.0	100.0	0.0
Family Distribution by Income Level	3,056	16.2	10.9	17.0	56.0	0.0
Household Distribution by Income Level	3,925	18.2	10.6	14.8	56.4	0.0
Median Family Income MSA - 13140 Beaumont-Port Arthur, TX MSA		\$57,254	Median Housing Value			\$127,413
<i>Source: 2015 ACS and 2020 D&amp;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.</i>			Median Gross Rent			\$716
			Families Below Poverty Level			12.1%

## Scope of Evaluation in Texas

Both the Houston MSA and Beaumont MSA AAs received full-scope reviews. In the Beaumont MSA AA, there were not enough mortgage, business, or consumer loans for a meaningful analysis. This is reasonable as the AA only contains two CTs and the branch was only open nine months of the full evaluation period. Refer to appendix A for a list of all AAs under 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 Houston MSA AA is good.

## Distribution of Loans by Income Level of the Geography

The bank exhibits reasonable geographic distribution of loans in the state.

### *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.

#### Houston MSA AA

There were no mortgage loan originations in low-income geographies, but this was reasonable as there was only one low-income CT in the AA. The distribution of loans originated in moderate-income geographies was excellent. The bank's proportion of mortgage loans to borrowers in moderate-income geographies was consistent with the percentage of owner-occupied housing units and exceeded the aggregate distribution of loans in those geographies.

### *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 of small loans to businesses.

#### Houston MSA AA

There were no business loan originations in low-income geographies, but this was reasonable as there was only one low-income CT in the AA. The distribution of loans originated in moderate-income geographies was reasonable. The bank's proportion of loans in moderate-income CTs was slightly below the proportion of businesses and aggregate distribution of loans in those geographies.

In addition to small loans to business, we also evaluated the geographic distribution of SBA PPP loans. Of our total sample of 20 loans, there were no PPP loans located in low-income CTs, but 10 percent of PPP loans were located in moderate-income CTs. This is reasonable, as only 31 percent of all CTs in the AA are LMI CTs.



### ***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.

#### Houston MSA AA

There were no consumer loan originations in low-income geographies, but this was reasonable as there was only one low-income CT in the AA. The bank's proportion of consumer loans to borrowers in moderate-income geographies was consistent with the percentage of households in those geographies.

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

The bank exhibits an excellent distribution of loans to individuals of different income levels and businesses of different sizes, 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.

#### Houston MSA AA

The distribution of home mortgage loans to LMI borrowers was reasonable. The bank's proportion of loans to low-income borrowers was significantly below the proportion of low-income families but significantly exceeded the aggregate distribution of loans to those families. The bank's proportion of loans to moderate-income borrowers was slightly below both the proportion of moderate-income families and the aggregate distribution of loans to those families.

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

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

#### Houston MSA AA

The distribution of small loans to businesses by revenue was excellent. The bank's proportion of loans was below the proportion of small businesses but significantly exceeded the aggregate distribution of loans to those businesses.

### ***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.

Houston MSA AA

The distribution of consumer loans to LMI borrowers was excellent. The bank's proportion of loans to low-income borrowers was below the proportion of low-income families but the proportion of loans to moderate-income borrowers exceeded the proportion of moderate-income families.

**Responses to Complaints**

There were no complaints related to FLNB's CRA performance within Texas.

**COMMUNITY DEVELOPMENT**

Based on full-scope reviews, the bank exhibits excellent responsiveness to CD needs in Texas through CD loans, qualified investments, and CD services, as appropriate, considering the bank's capacity and the need and availability of such opportunities for CD in the bank's AA. Performance related to CD activities had a positive effect on the bank's rating in Texas.

**Number and Amount of CD Loans**

Refer to the table below for the facts and data used to evaluate the bank's level of CD lending. The table includes all CD loans, including multifamily loans that also qualify as CD loans.

Community Development Loans				
Assessment Area	#	% of Total #	\$(000's)	% of Total \$
Beaumont MSA	1	33.3	270	41.2
Houston MSA	2	66.7	386	58.8

The level of CD loans is reasonable. During the evaluation period, two CD loans helped support economic development by creating jobs for LMI individuals, while one loan supported an organization that provides community services to LMI individuals.

**Flexible Lending Products and Disaster Relief**

FLNB offers flexible lending products that help support LMI individuals. The Fresh Start loan program allows customers that are overdrawn for more than 30 days to receive a 12-month interest-free loan. This ensures that customers do not enter a cycle of increasing overdraft fees. FLNB also offers a separate interest extension program for customers in financial need. This program allows consumers in need to extend payments two times every 12-month cycle up to four times over the life of the loan.

In 2019, the Federal Emergency Management Agency designated areas of the Houston MSA AA as a major disaster area in response to Tropical Storm Imelda. FLNB offered 37 interest-free payment extensions to 31 borrowers with total outstanding balances of \$645,418. These extensions assisted customers recovering during and after that natural disaster. In response to the COVID-19 pandemic (pandemic), FLNB provided numerous loan modifications and extensions to support consumer and commercial customers in need.

## Number and Amount of Qualified Investments

Assessment Area	Prior Period*		Current Period		Total			
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$
Beaumont MSA	0	0	1	0	1	5.6	0	0.0
Houston MSA	5	3,634	11	1,115	16	88.8	4,749	100.0
Broader Region	0	0	1	2	1	5.6	2	0.0

The level of CD investments and donations is excellent. In the Houston MSA AA, FLNB contributed \$4.7 million through nine investments that benefitted four school districts. FLNB also made seven donations to organizations that provide community services to LMI individuals. In the Beaumont MSA AA, FLNB contributed one donation that supported economically disadvantaged students. Outside of the AAs, FLNB provided a donation that helped revitalize/stabilize a major disaster area in Louisiana relating to Hurricane Laura. In addition to the qualified investments and donations previously discussed, FLNB contributed to an educational fund that awarded a number of scholarships to LMI individuals in 2020.

### Extent to Which the Bank Provides CD Services

Bank involvement through CD services is reasonable, as the pandemic greatly impacted the ability of banks to provide services. During the evaluation period, three bank employees provided 323 hours of service in the Houston MSA AA. These employees served as board members for two school districts where a majority of students are economically disadvantaged.

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\* 'Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.

# 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”.

<b>Time Period Reviewed:</b>	Lending Test: 1/01/2018-12/31/2020 CD Test: 7/31/2018-12/31/2020	
<b>Bank Products Reviewed:</b>	Home mortgage, small business, consumer loans CD loans, qualified investments, CD services	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
N/A		N/A
<b>List of Assessment Areas and Type of Examination</b>		
<b>Rating and Assessment Areas</b>	<b>Type of Exam</b>	<b>Other Information</b>
<b>State - Texas</b>		
Beaumont MSA	Full-Scope	
Houston MSA	Full-Scope	

## Appendix B: Summary of MMSA and State Ratings

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RATINGS – FLNB	
Overall Bank:	Lending Test Rating
Outstanding	Satisfactory
State:	
Texas	Satisfactory

## Appendix C: Definitions and Common Abbreviations

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

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

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

**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. 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 (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 non-MSA 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.

**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.

**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 institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/AA 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 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 (MD):** 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 MD 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 (MSA):** 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 multistate MSA (MMSA). 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 MMSA, the institution will receive a rating for the MMSA.

**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 call report. These loans have original amounts of \$500,000 or less and are either secured by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

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

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



## Appendix D: Tables of Performance Data

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### Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan statistical areas (MMSA), 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 AA. Deposit data are compiled by the Federal Deposit Insurance Corporation and are available as of June 30<sup>th</sup> of each year. Tables without data are not included in this PE.

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

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

Texas

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2018-20	
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggt	% of Owner-Occupied Housing Units	% Bank Loans	Aggt	% of Owner-Occupied Housing Units	% Bank Loans	Aggt	% of Owner-Occupied Housing Units	% Bank Loans	Aggt	% of Owner-Occupied Housing Units	% Bank Loans	Aggt	
Beaumont MSA	7	1,957	3.3	460	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	100.0	100.0	100.0	0.0	0.0	0.0	
Houston MSA	203	40,038	96.7	10,490	0.8	0.0	0.4	25.3	27.1	17.9	40.4	67.0	28.5	33.5	5.9	53.1	0.0	0.0	0.0	
<b>Total</b>	<b>210</b>	<b>41,995</b>	<b>100.0</b>	<b>10,950</b>	<b>0.7</b>	<b>0.0</b>	<b>0.4</b>	<b>23.7</b>	<b>26.2</b>	<b>17.2</b>	<b>37.9</b>	<b>64.8</b>	<b>27.3</b>	<b>37.7</b>	<b>9.0</b>	<b>55.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	

Source: 2015 ACS Census; 01/01/2018 - 12/31/2020 Bank Data, 2020 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																			2018-20	
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers			
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggt	% Families	% Bank Loans	Aggt	% Families	% Bank Loans	Aggt	% Families	% Bank Loans	Aggt	% Families	% Bank Loans	Aggt	
Beaumont MSA	7	1,957	4.0	460	16.2	0.0	1.1	10.9	0.0	5.0	17.0	33.3	12.4	56.0	71.4	64.3	0.0	0.0	17.2	
Houston MSA	203	40,038	96.7	10,490	22.2	4.4	3.2	17.4	10.3	14.8	20.3	18.2	21.7	40.1	56.2	38.4	0.0	10.8	21.9	
<b>Total</b>	<b>210</b>	<b>41,995</b>	<b>100.0</b>	<b>10,950</b>	<b>21.8</b>	<b>4.3</b>	<b>3.1</b>	<b>17.1</b>	<b>10.0</b>	<b>14.4</b>	<b>20.1</b>	<b>18.6</b>	<b>21.3</b>	<b>41.1</b>	<b>56.7</b>	<b>39.5</b>	<b>0.0</b>	<b>10.5</b>	<b>21.7</b>	

Source: 2015 ACS Census; 01/01/2018 - 12/31/2020 Bank Data, 2020 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																			2018-20
Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggt	% Businesses	% Bank Loans	Aggt	% Businesses	% Bank Loans	Aggt	% Businesses	% Bank Loans	Aggt	% Businesses	% Bank Loans	Aggt
Beaumont MSA	2	259	3.6	248	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	100.0	100.0	100.0	0.0	0.0	0.0
Houston MSA	53	7,323	96.4	3,061	2.0	0.0	1.4	23.6	18.9	25.7	40.8	73.6	40.3	33.6	7.6	32.6	0.0	0.0	0.0
<b>Total</b>	<b>55</b>	<b>7,582</b>	<b>100</b>	<b>3,309</b>	<b>1.9</b>	<b>0.0</b>	<b>1.3</b>	<b>22.2</b>	<b>18.2</b>	<b>23.8</b>	<b>38.5</b>	<b>70.9</b>	<b>37.3</b>	<b>37.4</b>	<b>10.9</b>	<b>37.6</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Source: 2020 D&B Data; 01/01/2018 - 12/31/2020 Bank Data; 2019 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												2018-20
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	Aggt	% Businesses	% Bank Loans	% Businesses	% Bank Loans	
Beaumont MSA	2	259	3.6	248	85.2	0.0	36.7	4.9	100.0	9.9	0.0	
Houston MSA	53	7,323	96.4	3,061	85.9	60.4	38.4	4.0	32.0	10.1	7.6	
<b>Total</b>	<b>55</b>	<b>7,582</b>	<b>100</b>	<b>3,309</b>	<b>85.9</b>	<b>58.2</b>	<b>38.3</b>	<b>4.0</b>	<b>34.6</b>	<b>10.1</b>	<b>7.3</b>	

Source: 2020 D&B Data; 01/01/2018 - 12/31/2020 Bank Data; 2019 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													2018-20	
Assessment Area:	Total Consumer Loans			Low-Income Tracts		Moderate-Income Tracts		Middle-Income Tracts		Upper-Income Tracts		Not Available-Income Tracts		
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	
Beaumont MSA	4	146	4.7	0.0	0.0	0.0	0.0	0.0	0.0	100.0	100.0	0.0	0.0	
Houston MSA	81	680	95.3	1.6	0.0	26.0	24.7	41.9	74.1	30.5	1.2	0.0	0.0	
<b>Total</b>	<b>85</b>	<b>826</b>	<b>100</b>	<b>1.5</b>	<b>0.0</b>	<b>24.5</b>	<b>23.5</b>	<b>39.4</b>	<b>70.6</b>	<b>34.6</b>	<b>5.9</b>	<b>0.0</b>	<b>0.0</b>	

*Source: 2015 ACS Census; 01/01/2018 - 12/31/2020 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													2018-20	
Assessment Area:	Total Consumer Loans			Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Not Available-Income Borrowers		
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	
Beaumont MSA	4	146	4.7	18.2	0.0	10.6	50.0	14.8	0.0	56.4	50.0	0.0	0.0	
Houston MSA	81	680	95.3	25.3	14.8	15.8	21.0	18.1	23.5	40.9	33.3	0.0	7.4	
<b>Total</b>	<b>85</b>	<b>826</b>	<b>100</b>	<b>24.9</b>	<b>14.1</b>	<b>15.5</b>	<b>22.4</b>	<b>17.9</b>	<b>22.4</b>	<b>41.8</b>	<b>34.1</b>	<b>0.0</b>	<b>7.1</b>	

*Source: 2015 ACS Census; 01/01/2018 - 12/31/2020 Bank Data.  
Due to rounding, totals may not equal 100.0%*