



Office of the
Comptroller of the Currency
Washington, DC 20219

INTERMEDIATE SMALL BANK

PUBLIC DISCLOSURE

June 7, 2021

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Citizens National Bank
Charter Number 5484

118 South Houston Street
Cameron, TX 76520

Office of the Comptroller of the Currency
Southern District
San Antonio Field Office
10001 Reunion Place, Suite 250
San Antonio, TX 78216

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 **Satisfactory**.

The lending test is rated: Satisfactory

The community development test is rated: Outstanding

The Lending Test rating is based primarily on the bank's performance in the full-scope review assessment areas (AAs). The bank's performance in the limited-scope review AA was evaluated to determine if the performance impacted the overall rating.

The Community Development (CD) Test rating is based primarily on the bank's performance in the full-scope review AAs. The bank's performance in the limited-scope review AA was evaluated to determine if performance impacted the overall rating.

The major factors that support this rating include:

- The bank's loan-to-deposit (LTD) ratio is reasonable.
- A majority of the bank's loans are inside its AAs.
- The bank exhibits a reasonable geographic distribution of loans.
- The bank exhibits a reasonable distribution of loans to individuals of different income levels and to businesses of different sizes.
- The bank exhibits excellent responsiveness to CD needs, considering the bank's capacity and the need and availability of CD opportunities in the AAs.

Loan-to-Deposit Ratio

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

The bank's quarterly average LTD ratio calculated on a bank-wide basis for the 12 quarters in the evaluation period was 63.5 percent. The ratio ranged from a low of 59.1 percent at June 30, 2018 to a high of 69.1 percent at September 30, 2019. The bank's average quarterly ratio has improved from the 48 percent reported at the previous examination. The LTD ratio at December 31, 2020 was 64.1 percent.

The bank's quarterly average LTD ratio is less than the quarterly average LTD ratio for three similarly situated institutions in its AAs. The similarly situated institutions' quarterly average LTD ratio was 71.2 percent ranging from a low of 64.2 percent to a high of 84.2 percent.

Lending in Assessment Area

A majority of the bank's loans are inside its AAs. The bank originated and purchased 68 percent of its total loans by number and 55 percent by dollar volume inside the bank's AAs during the evaluation period. This analysis is performed at the bank, rather than the AA, level. The bank did not have any affiliate lending activities included in this assessment.

In response to the Coronavirus Aid, Relief, and Economic Security Act or CARES Act established in 2020, Citizens participated in the Small Business Administrations' Paycheck Protection Program (PPP). The bank originated 166 PPP loans totaling \$25.5 million in 2020. Internal bank reports show that a majority of the loans, 79 percent by number and 70 percent by dollar volume originated inside the bank's AAs. Several PPP loans are included in the small business lending samples used to analyze lending inside and outside the AAs and in the geographic and borrower distributions analyses.

| Lending Inside and Outside of the Citizens National Bank Assessment Areas | | | | | | | | | | |
|---|-----------------|-----------|-----------|-----------|------------|---------------------------------|-----------|---------------|-----------|---------------|
| Loan Category | Number of Loans | | | | | Dollar Amount of Loans \$(000s) | | | | |
| | Inside | | Outside | | Total | Inside | | Outside | | Total |
| | | % | # | % | # | \$ | % | \$ | % | \$(000s) |
| Home Mortgage | 71 | 66 | 36 | 34 | 107 | 10,270 | 43 | 13,402 | 57 | 23,672 |
| Small Business | 29 | 73 | 11 | 27 | 40 | 13,481 | 70 | 5,868 | 30 | 19,349 |
| Total | 100 | 68 | 47 | 32 | 147 | 23,751 | 55 | 19,270 | 45 | 43,021 |

Source: Bank Data, 2018 and 2918 HMDA and business loan sample. Due to rounding, totals may not equal 100.0%

Description of Institution

Citizens National Bank (Citizens), an intrastate bank is headquartered in Cameron, Texas. The bank is a wholly-owned subsidiary of Central Texas Financial Corp., a one-bank holding company controlled primarily by one family. The holding company also owns an affiliated finance company. We did not review any affiliate or subsidiary activities of Citizens or related bank holding company in this Performance Evaluation (PE). The bank's affiliate and/or subsidiary activities do not affect Citizens capacity to lend or invest in its AAs.

Citizens operates 11 locations, five branches and the main office in the Milam and Lee Counties AA and five branches in the Williamson and Travis Counties AA. Citizens does not have a branch in the Falls County AA. The bank has not opened or closed any branches since the previous evaluation. Refer to the "Description of Institution's Operations in Texas" in the State Rating section for additional information.

Citizens primary lending focus is the commercial sector, specifically commercial real estate loans and small business lending. At December 31, 2020, Citizens reported total assets of \$509 million. Tier 1 capital totaled \$51 million, and the tier 1 leverage ratio was 10.3 percent. Net loans totaled \$292 million and represented 57 percent of total assets and 64 percent of total deposits. Citizens loan portfolio consisted of commercial real estate and construction/development loans secured by real estate (58 percent), residential real estate and multifamily (20 percent), commercial and industrial loans (12 percent), farmland and farm-related (9 percent), and consumer and other loans (1 percent).

Based on the financial condition, size, product offerings, and branch network, there are no legal, financial, or other factors that inhibit Citizens ability to help meet credit needs in its AAs. The prior examination, dated May 7, 2018, assigned an overall "Satisfactory" rating to Citizens CRA performance based on a Lending Test rating of "Satisfactory" and a Community Development Test rating of "Outstanding."

Scope of the Evaluation

Evaluation Period/Products Evaluated

The evaluation period for the Lending Test covered lending activities from January 1, 2018 to December 31, 2020. The evaluation period for the Community Development Test covered activities from May 7, 2018 (the date of the previous evaluation) to December 31, 2020. Qualifying activities performed in response to the Coronavirus pandemic during the evaluation period are included in this CRA evaluation.

We tested mortgage loan data reported under the Home Mortgage Disclosure Act (HMDA) from January 1, 2018 through December 31, 2019 to verify accuracy of reported data and found the data reliable for use in this evaluation. The bank did not meet HMDA reporting thresholds in 2020 and was not required to submit data.

To evaluate lending performance, we used the HMDA data and selected a random sample of loans to small businesses. We also evaluated CD loans, investments (including donations), and CD services. For the geographic and borrower distribution analyses, we compared lending performance data to updated 2015 American Community Survey census data effective January 2017.

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 assessment areas 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.

For analytical purposes, Citizens has three AAs. We combined Williamson County and Travis County into the Williamson and Travis Counties AA because both counties are in the Austin-Round Rock-Georgetown MSA. The AA includes all of Williamson County and five census tracts in Travis County. We combined Milam County and Lee County into the Milam and Lee Counties AA because these counties are adjacent and not included in an MSA. The Falls County AA includes one census tract; Falls County is included in the Waco MSA. We performed full-scope reviews for the Williamson and Travis Counties AA and the Milam and Lee Counties AA and a limited scope review for the Falls County AA. Refer to the "Scope" section under the 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 based on performance in the State of Texas. The state rating is based on performance in all bank AAs with the most weight placed on performance in the full-scope review AAs. We placed more weight on loans to small businesses activity as Citizens originated a significant number and dollar volume of these loans during the evaluation period. Refer to the "Scope" section under the 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 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 Community Development Test is rated: Outstanding

The lending test rating is based primarily on the bank's performance in the full-scope review AAs. The bank's performance in the limited-scope review AA was evaluated to determine if the performance impacted the overall rating.

The CD test rating is based primarily on the bank's performance in the full-scope review AAs. The bank's performance in the limited-scope review AA was evaluated to determine if performance impacted the overall rating.

The major factors that support this rating include:

- The bank's LTD ratio is reasonable.
- A majority of the bank's loans are inside its AAs.
- The bank exhibits a reasonable geographic distribution of loans.
- The bank exhibits a reasonable distribution of loans to individuals of different income levels and to businesses of different sizes.
- The bank exhibits excellent responsiveness to CD needs, considering the bank's capacity and the need and availability of CD opportunities in the AAs.

Description of Institution's Operations in Texas

Citizens operates 11 banking centers including the bank's main office in the state of Texas. Six banking centers (55 percent) are in the Milam and Lee Counties AA and five (45 percent) are in the Williamson and Travis Counties AA. Citizens has no banking center in the Falls County AA. We completed full scope reviews of the Milam and Lee Counties AA and the Williamson and Travis Counties AA and performed a limited scope review of the Falls County AA.

Milam and Lee Counties AA

The AA includes two rural adjacent non-MSA counties that we combined as one AA for analytical purposes. The AA meets regulatory requirements and does not arbitrarily exclude low- or moderate-income geographies. Citizens operates four locations in Milam County, the main office and a motor bank with ATM in Cameron, and one branch and a motor bank with ATM in Rockdale. The bank operates two locations in Lee County, one branch and a motor bank with ATM in Giddings. None of the ATMs accept deposits. Fifty-five percent of the bank's deposits are in this AA.

The FDIC's June 30, 2020 Deposit Market Share Report reflects Citizens ranks 2nd of six institutions with a deposit market share of 22.2 percent. A local competitor, Classic Bank, N.A. ranks 1st with a market share of 27.5 percent.

The 2019 Peer Mortgage Data reflects Citizens ranks 11th of 171 mortgage lenders in the AA with a market share of 2 percent based on number of mortgage loans originated. A local competitor, Classic Bank N.A. ranks 1st with a market share of 8.8 percent. Citizens faces strong competition for mortgage loans, but this is not the bank's main lending focus.

Economic conditions are generally good, but slowdowns did occur starting in 2020 due to the pandemic. Main industries in Milam County relate to services, healthcare, and retail trade. Major employers include county and city employees, school district employees, medical service providers, and light manufacturing companies such as Butler Weldments and Charlotte Pipe. In 2018, Luminant closed its operations in Rockdale resulting in a loss of 450 jobs directly related to Luminant and indirectly to subcontractors who did work for Luminant. The plant closing resulted in lost revenue for hotels, trailer parks and restaurants in the area, as well a substantial loss of tax revenue for the school district and the county.

The Bureau of Labor Statistics reflects an unemployment rate of 7.1 percent as of December 2020 for Milam County and 4.9 percent for Lee County. The Milam County rate is slightly higher than the 6.9 percent reported for the state of Texas and the national rate of 6.7 percent. The Lee County unemployment rate compares favorably to both the state and national rates.

To help identify needs and opportunities in the AA we reviewed two recent regulatory agency contacts and found primary needs included small business lending and affordable housing. Citizens identified similar needs in the AA.

The following table shows pertinent demographic information about the AA.

| Demographic Information of the Milam and Lee Counties Assessment Area | | | | | | |
|---|--------|---------------|------------------------------|------------------|-----------------|---------------|
| Demographic Characteristics | # | Low % of # | Moderate % of # | Middle % of # | Upper % of # | NA* % of # |
| Geographies (Census Tracts) | 11 | 0.0 | 9.1 | 54.5 | 36.4 | 0.0 |
| Population by Geography | 41,008 | 0.0 | 8.0 | 58.6 | 33.4 | 0.0 |
| Housing Units by Geography | 18,893 | 0.0 | 8.5 | 56.9 | 34.6 | 0.0 |
| Owner-Occupied Units by Geography | 10,620 | 0.0 | 7.0 | 55.2 | 37.9 | 0.0 |
| Occupied Rental Units by Geography | 4,722 | 0.0 | 10.9 | 61.5 | 27.6 | 0.0 |
| Vacant Units by Geography | 3,551 | 0.0 | 9.8 | 56.2 | 34.0 | 0.0 |
| Businesses by Geography | 2,739 | 0.0 | 10.4 | 58.9 | 30.7 | 0.0 |
| Farms by Geography | 227 | 0.0 | 5.3 | 55.9 | 38.8 | 0.0 |
| Family Distribution by Income Level | 10,303 | 18.5 | 16.5 | 19.1 | 45.9 | 0.0 |
| Household Distribution by Income Level | 15,342 | 24.8 | 14.9 | 14.9 | 45.4 | 0.0 |
| Median Family Income Non-MSAs - TX | | \$52,198 | Median Housing Value | | | \$95,081 |
| | | | Median Gross Rent | | | \$670 |
| | | | Families Below Poverty Level | | | 12.6% |

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.

Williamson and Travis Counties AA

The AA includes all of Williamson County and five census tracts in Travis County. We combined the counties for analytical purposes as both are part of the Austin-Round Rock-Georgetown MSA. The AA meets regulatory requirements and does not arbitrarily exclude low- or moderate-income geographies. Citizens operates four branches in Williamson County, one each in Taylor, Coupland, Round Rock, and Cedar Park. The branches in Round Rock and Cedar Park each have a non-deposit taking ATM. The bank operates one branch in Travis County; it is in Pflugerville and has a non-deposit taking ATM. Forty-five percent of the bank's deposits are in this AA.

The FDIC's June 30, 2020 Deposit Market Share Report reflects Citizens ranks 29th of 61 institutions with a deposit market share of 0.4 percent. Citizens faces strong competition in this AA from large national banks, regional community banks, and other community banks. Wells Fargo Bank, N.A. ranks 1st with a deposit market share of 19.6 percent and JPMorgan Chase Bank, N.A. is a close second with a market share of 19.1 percent.

The 2019 Peer Mortgage Data reflects Citizens ranks 147th of 564 mortgage lenders in the AA with a market share of 0.1 percent based on number of mortgage loans originated. Citizens faces strong competition for mortgage loans, but this is not the bank's main lending focus. Wells Fargo Bank, N.A. ranks 1st with a market share of 8.3 percent and JPMorgan Chase Bank, N.A. ranks 2nd with a market share of 4.7 percent.

The January 2021 Moody's Analytics report reflects the Austin-Round Rock economy recovery is among the fastest in the nation. Several major industries, including professional services, financial, retail and manufacturing, are up year over year in sharp contrast with their national counterparts. Job seekers are re-entering the labor force. Housing indicators, both construction and prices, have been very strong. The analyst notes the large IT and professional services industries will lift the overall economy and Austin-Round Rock will recover at a pace well above the national average in 2021. High tech, professional services, and housing will lead the way, and manufacturing has the potential to contribute.

The Bureau of Labor Statistics reflects an unemployment rate of 5.9 percent as of December 2020 for Williamson County and 6.3 percent for Travis County. Both county rates compare favorably to the 6.9 percent reported for the state of Texas and the national rate of 6.7 percent.

To help identify needs and opportunities in the AA we reviewed three recent regulatory agency contacts and found primary needs included small business lending and affordable housing. Citizens identified similar needs in the AA.

The following table reflects pertinent demographic information about the AA.

| Demographic Information of the Williamson and Travis Counties Assessment Area | | | | | | |
|---|---------|---------------|--------------------|------------------|-----------------|---------------|
| Demographic Characteristics | # | Low % of # | Moderate % of # | Middle % of # | Upper % of # | NA* % of # |
| Geographies (Census Tracts) | 94 | 2.1 | 14.9 | 51.1 | 31.9 | 0.0 |
| Population by Geography | 532,162 | 1.0 | 11.8 | 53.3 | 33.8 | 0.0 |
| Housing Units by Geography | 191,648 | 1.0 | 12.7 | 54.1 | 32.2 | 0.0 |
| Owner-Occupied Units by Geography | 126,816 | 0.6 | 7.0 | 54.4 | 38.0 | 0.0 |

| | | | | | | |
|---|----------|------------------------------|------|------|------|-----------|
| Occupied Rental Units by Geography | 53,824 | 1.8 | 24.8 | 54.1 | 19.4 | 0.0 |
| Vacant Units by Geography | 11,008 | 2.0 | 19.1 | 51.3 | 27.6 | 0.0 |
| Businesses by Geography | 61,585 | 1.2 | 9.3 | 57.4 | 32.1 | 0.0 |
| Farms by Geography | 1,414 | 1.0 | 11.0 | 60.9 | 27.2 | 0.0 |
| Family Distribution by Income Level | 132,464 | 16.2 | 17.1 | 22.8 | 43.9 | 0.0 |
| Household Distribution by Income Level | 180,640 | 16.4 | 15.0 | 19.5 | 49.1 | 0.0 |
| Median Family Income MSA - 12420 Austin-Round Rock-Georgetown, TX MSA | \$78,997 | Median Housing Value | | | | \$196,028 |
| | | Median Gross Rent | | | | \$1,077 |
| | | Families Below Poverty Level | | | | 5.4% |
| <i>Source: 2015 ACS and 2020 D&B Data. 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> | | | | | | |

Falls County AA

Citizens designated one census tract in Falls County as an assessment area. The middle-income census tract encompasses the City of Rosebud. Citizens does not have any branches in Falls County which is part of the Waco MSA. A review of internal lending reports for 2018, 2019 and 2020 showed Citizens originated 10 agriculture loans and one commercial loan with an address in Rosebud. Due to the nominal number of loans originated, a meaningful analysis of borrower income distribution is not possible. However, we noted all 11 originated loans had annual revenues less than \$1 million. We performed a limited scope review of the Falls County AA as lending and deposit volumes originating in Rosebud are very low and do not contribute significantly to bank operations. The following table shows other pertinent information about the AA.

| Demographic Information of the Falls County Assessment Area | | | | | | |
|---|----------|------------------------------|-----------------|---------------|--------------|------------|
| Demographic Characteristics | # | Low % of # | Moderate % of # | Middle % of # | Upper % of # | NA* % of # |
| Geographies (Census Tracts) | 1 | 0.0 | 0.0 | 100.0 | 0.0 | 0.0 |
| Population by Geography | 2,749 | 0.0 | 0.0 | 100.0 | 0.0 | 0.0 |
| Housing Units by Geography | 1,305 | 0.0 | 0.0 | 100.0 | 0.0 | 0.0 |
| Owner-Occupied Units by Geography | 689 | 0.0 | 0.0 | 100.0 | 0.0 | 0.0 |
| Occupied Rental Units by Geography | 190 | 0.0 | 0.0 | 100.0 | 0.0 | 0.0 |
| Vacant Units by Geography | 426 | 0.0 | 0.0 | 100.0 | 0.0 | 0.0 |
| Businesses by Geography | 132 | 0.0 | 0.0 | 100.0 | 0.0 | 0.0 |
| Farms by Geography | 18 | 0.0 | 0.0 | 100.0 | 0.0 | 0.0 |
| Family Distribution by Income Level | 665 | 30.7 | 14.7 | 16.8 | 37.7 | 0.0 |
| Household Distribution by Income Level | 879 | 23.8 | 20.1 | 15.2 | 40.8 | 0.0 |
| Median Family Income MSA-47380 Waco, TX MSA | \$54,026 | Median Housing Value | | | | \$54,400 |
| | | Median Gross Rent | | | | \$625 |
| | | Families Below Poverty Level | | | | 17.0% |
| <i>Source: 2015 ACS and 2020 D&B Data. 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

We selected the Milam and Lee Counties AA and the Williamson and Travis Counties AA for full scope reviews as 55 percent and 45 percent of deposits respectively are in these AAs. Based on internal bank reports, 54 percent of loans by number originate in the Milam and Lee Counties AA. By dollar volume, 74 percent originate in the Williamson and Travis Counties AA.

We weighted small business lending performance heavier as this is the bank's primary lending product. Internal bank reports reflect that by number 71 percent of the loans originated during the evaluation period were commercial loans.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN TEXAS

LENDING TEST

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

Conclusions for Areas Receiving Full-Scope Reviews

Based on full- and limited-scope reviews, the bank's lending performance in the state of Texas is reasonable.

Distribution of Loans by Income Level of the Geography

The bank exhibits excellent 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 and purchases.

Milam and Lee Counties AA

The geographic distribution of the bank's home mortgage loans is excellent. The percentage of bank loans in moderate-income geographies exceeds the percentage of owner-occupied housing units in these areas and the bank's lending performance in moderate-income areas significantly exceeds performance by other area mortgage lenders as reported in the Aggregate Lending (aggregate) data. The AA does not include any low-income geographies.

Williamson and Travis Counties AA

The geographic distribution of the bank's home mortgage loans is excellent. The percentage of bank loans in low-income geographies is poor; however, the AA includes only two low-income census tracts. The percentage of bank loans in moderate-income geographies significantly exceeds the percentage of owner-occupied housing units in these areas and significantly exceeds performance by other area mortgage lenders as reported in the Aggregate Lending (aggregate) data.

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.

Milam and Lee Counties AA

The geographic distribution of small loans to businesses is excellent. The percentage of bank loans in moderate-income geographies significantly exceeds the percentage of businesses in moderate-income geographies. The bank’s performance exceeds aggregate data from other area small business lenders. There are no low-income geographies in the AA.

Williamson and Travis Counties AA

The geographic distribution of small loans to business is excellent. The percentage of bank loans in low-income and in moderate-income geographies significantly exceeds the percentage of businesses in these geographies. The bank’s performance also significantly exceeds aggregate data from other area small business lenders.

Distribution of Loans by Income Level of the Borrower

The bank exhibits a reasonable 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 and purchases.

Milam and Lee Counties AA

The distribution of home mortgage loans to individuals of different income levels is reasonable. The percentage of bank loans to low-income borrowers is significantly below the percentage of low-income families as the bank did not make any loans to low-income families. The percentage of bank loans to moderate-income borrowers exceeds the percentage of moderate-income families and significantly exceeds the aggregate HMDA lending data reported by other mortgage lenders in the area.

Williamson and Travis Counties AA

The distribution of bank home mortgage loans to borrowers of different income levels is reasonable. The percentage of bank loans to low-income families is less than the percentage of low-income families in the AA, but exceeds distributions reported by competitors in the Aggregate Lender data. The percentage of bank loans to moderate-income families is significantly less than the percentage of moderate-income families and significantly less than Aggregate Lender distributions. The increased demand for affordable housing, coupled with rising costs of housing and challenges associated with down payment and closing costs all negatively impacted the bank’s performance.

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.

Milam and Lee Counties AA

The distribution of small loans to businesses is reasonable. The percentage of bank loans to businesses with annual revenues of \$1 million or less is lower than the reported percentage of small businesses in the AA; however, the bank's percentage exceeds the aggregate percentage reported by other businesses lenders in the AA.

Williamson and Travis Counties AA

The distribution of small loans to businesses is reasonable. The percentage of bank loans to businesses with annual revenues of \$1 million or less is lower than the reported percentage of small businesses in the AA; however, the bank's percentage exceeds the aggregate percentage reported by other businesses lenders in the AA.

Responses to Complaints

Citizens did not receive any complaints related to its CRA or fair lending performance during the evaluation period.

Conclusions for Area Receiving a Limited Scope Review

Based on a limited-scope review, the bank's performance under the Lending Test in the Falls County AA is weaker than the bank's overall performance under the Lending Test in the full scope area(s). During the evaluation period, Citizens originated only one business loan and no home mortgage loans in this one census tract AA. Citizens did originate 10 agricultural loans in this census tract. The loans were made to farms with annual revenues less than \$1 million. The limited number of loans does not provide for a meaningful analysis. The weaker performance in the Falls County AA had a limited impact on the overall lending test rating.

COMMUNITY DEVELOPMENT TEST

The bank's performance under the Community Development Test in the state of Texas is rated Outstanding.

Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope and limited-scope reviews, the bank exhibits excellent responsiveness to community development needs in the state through community development loans, qualified investments, and community development services, as appropriate, considering the bank's capacity and the need and availability of such opportunities for community development in the bank's AAs.

Number and Amount of Community Development Loans

The Community Development Loans Table, shown below, sets forth the information 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 | Total | | | |
| | # | % of Total # | \$(000's) | % of Total \$ |
| Full-Scope Reviews | | | | |
| Williamson and Travis Counties AA | 10 | 25 | 10,471 | 51 |
| Milam and Lee Counties AA | 20 | 50 | 1,085 | 5 |
| Limited Scope Review | | | | |
| Falls County AA | 3 | 7 | 1,626 | 8 |
| Broader Statewide | 7 | 18 | 7,275 | 36 |
| Total | 40 | 100 | 20,457 | 100 |

Source: Bank Data 5/7/2018 to 12/31/2020

Williamson and Travis Counties AA

Citizens originated 10 CD loans totaling \$10.5 million in the AA. Responsive to AA needs, the loans centered in loans to businesses promoting economic development and added an estimated 760 low- to moderate-income (LMI) jobs to the AA economy. Examples of the CD loans include the following:

- A \$3 million loan that provided funding for the construction of a resort in the AA. It created an estimated 700 LMI jobs.
- A \$520 thousand loan that provided funding for the purchase of a vacant nursing home. It created 30 LMI jobs.
- A \$125 thousand loan that provided funding to construct a habitat for humanity home.

Milam and Lee Counties AA

Citizens originated 20 CD loans totaling \$1.1 million in the AA. The loans promoted economic development by providing loans to small farms in the AA and helping to meet community service needs. Examples of the loans included the following:

- A \$44 thousand loan to finance the purchase of a new fire truck for a rural town that services a wide geography within the AA.
- A \$36 thousand loan that helped a small family farm purchase seed.
- A \$7 thousand loan that helped a small family farm repair farm equipment.

Broader Statewide Area

Citizens originated 7 CD loans totaling \$7.3 million outside of its AAs but within the State of Texas. The loans met a variety of needs with most centered on providing affordable housing. Examples include the following:

- A \$3.5 million loan that provided funding for an apartment complex in a low-income CT.

- A \$780 thousand loan that provided funding for an apartment complex in a moderate-income CT where 41 percent of residents are below the poverty level.

Number and Amount of Qualified Investments

| Qualified Investments | | | | | | | | | | |
|-----------------------------------|----------------------|-------------------|-----------------------|-------------------|--------------|---------------------|-------------------|----------------------|-------------------------------|-------------------|
| Assessment Area | Prior Period* | | Current Period | | Total | | | | Unfunded Commitments** | |
| | # | \$ (000's) | # | \$ (000's) | # | % of Total # | \$ (000's) | % of Total \$ | # | \$ (000's) |
| Full Scope | | | | | | | | | | |
| Williamson and Travis Counties AA | 1 | 390 | 34 | 1,962 | 35 | 53 | 2,352 | 99.6 | 0 | 0 |
| Milam and Lee Counties AA | 0 | 0 | 31 | 9 | 31 | 47 | 9 | 0.4 | 0 | 0 |
| Limited Scope Review | | | | | | | | | | |
| Falls County AA | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 1 | 390 | 65 | 1,971 | 66 | 100 | 2,361 | 100 | 0 | 0 |

* Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.
 ** Unfunded Commitments' means legally binding investment commitments tracked and recorded by the institution's financial reporting system. #

Williamson and Travis Counties AA

During the evaluation period, Citizens' investments included debt investments totaling \$1.94 million and donations totaling approximately \$22 thousand. The donations and investments provided funding for LMI services and for building and rehabilitating schools where the majority of students are economically disadvantaged. Examples of the donations and investments include:

- Two bonds totaling \$625 thousand issued by Austin TX ISD to construct new schools and purchase equipment.
- Six donations totaling \$14 thousand to the Round Rock ISD Partners in Education organization to help provide educational programs.

Milam and Lee Counties AA

During the evaluation period, Citizens investments included donations totaling approximately \$9 thousand that provided for LMI services within the AA. The bank did not make any equity or debt investments in the AA during the evaluation period. Citizens has focused on meeting financial and CD related needs within this AA through lending and services. Examples of the donations include:

- Three donations totaling \$3 thousand to Cameron ISD to help fund the district's scholarship program; 75 percent of students in this school district are economically disadvantaged.
- Six donations totaling \$1.8 thousand to Giddings Noon Lions Club to help fund its eyeglasses program which focuses on helping economically disadvantaged youth.

Broader Statewide

During the evaluation period, Citizens invested \$410 thousand in a school bond for improvements where 79 percent of students are economically disadvantaged. Additionally, although not identified at the previous exam, the bank had 10 qualified investments totaling \$2.7 million outside the AAs that remained outstanding during the current evaluation period.

Extent to Which the Bank Provides Community Development Services

Williamson and Travis Counties AA

During the evaluation period, bank officers and staff provided 52 community service hours to six organizations that provide CD services in the AA. Eligible activities included providing leadership and technical expertise through board and committee membership and providing financial education to LMI individuals. The qualifying organizations focus on providing essential service to LMI individuals and families. Examples of CD service in the AA during the evaluation period include:

- The Taylor Lions Club has an eyeglasses program that helps to provide eye exams and eyeglasses for qualified applicants. One bank employee provided 12 hours of service as a board member responsible for reviewing applicants for eligibility and for ensuring the Club budgeted enough funds to maintain the program. The eyeglasses program helped 12 LMI individuals during the evaluation period.
- Five bank employees provided eight hours of financial education to schools in the AA. The employees taught 48 students about saving money and financial products.

Milam and Lee Counties AA

During the evaluation period, bank officers and staff provided 272 community service hours to 13 organizations that provide CD services in this AA. Eligible activities included providing leadership and technical expertise through board and committee membership and providing financial education to LMI individuals. The qualifying organizations focus on providing essential service to LMI individuals and families. Examples of CD service in the AA during the evaluation period include:

- The Cameron Lions Club has an eyeglasses program that helps to provide eye exams and eyeglasses for qualified applicants. One bank employee provided 56 hours of service as a board member responsible for reviewing applicants for eligibility and for ensuring the Club budgeted enough funds to maintain the program. The eyeglasses program helped 48 LMI individuals during the evaluation period.
- The Rockdale Christmas Roundup is an organization that raises funds to provide food and blankets to LMI individuals within the Rockdale city limits during the holiday season. One bank employee provided 10 hours of service as Treasurer. Responsibilities included preparing grant requests, preparing the yearly budget, and managing funds. During the evaluation period the organization helped 400 LMI individuals.

Conclusions for Area Receiving a Limited Scope Review

Based on a limited-scope review, Citizens performance under the CD Test in the Falls County AA is weaker than the bank's overall performance under the CD Test in the full scope area(s). Citizens has no branches in this AA. During the evaluation period Citizens originated three CD loans totaling \$1.6 million in the AA. Citizens had no CD investments or services in the AA. Weaker performance in the limited-scope AA had a limited impact on the overall CD rating.

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 MSA(s) and non-MSA(s) 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: | 1/1/2018 to 12/31/2020 | |
| Bank Products Reviewed: | Home mortgage, small business loans Community development loans, qualified investments, community development services | |
| Affiliate(s) | Affiliate Relationship | Products Reviewed |
| None | Not applicable | Not applicable |
| List of Assessment Areas and Type of Examination | | |
| Rating and Assessment Areas | Type of Exam | Other Information |
| State of Texas | | |
| Williamson and Travis Counties AA | Full-Scope | Part of Austin-Round Rock-Georgetown MSA (12420). Includes all 89 census tracts in Williamson County and 5 census tracts (18.41, 18.54, 18.55, 18.58, 18.59) in Travis County |
| Milam and Lee Counties AA | Full-Scope | Non-MSA; includes all 7 census tracts in Milam County and all 4 census tracts in Lee County. |
| Falls County AA | Limited-Scope | Part of Waco MSA (47380). Includes one census tract (007.00) in Falls County; the city of Rosebud, Texas. |

Appendix B: Summary of MMSA and State Ratings

| RATINGS: Citizens National Bank | | | |
|--|-----------------------------|-----------------------|---|
| Overall Bank: | Lending Test Rating* | CD Test Rating | Overall Bank/State/Multistate Rating |
| Citizens National Bank | Satisfactory | Outstanding | Satisfactory |
| | | | |
| Texas | Satisfactory | Outstanding | Satisfactory |
| | | | |

(*) The Lending Test and Community Development Test carry equal weight in the overall rating.

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-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 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 S. Assessment Area Distribution of Loans to Farms by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents aggregate peer data for the years the data is available. Because aggregate small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table T. Assessment Area Distribution of Loans to Farms by Gross Annual Revenues** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$500 thousand) originated and purchased by the bank to farms with revenues of \$1 million or less to: 1) the percentage distribution of farms with revenues of greater than \$1 million; and, 2) the percentage distribution of farms for which revenues are not available. The table also presents aggregate peer small farm 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 2018 - 2019

| 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 | Aggregate | % of Owner-Occupied Housing Units | % Bank Loans | Aggregate | % of Owner-Occupied Housing Units | % Bank Loans | Aggregate | | | | |
| Full-Scope Reviews | | | | | | | | | | | | | | | | | |
| Milam & Lee Counties AA | 27 | 1,836 | 38.0 | 760 | 0.0 | 0.0 | 7.0 | 11.1 | 4.3 | 55.2 | 63.0 | 54.2 | 37.9 | 25.9 | 41.4 | 0.0 | 0.0 |
| Williamson & Travis Counties AA | 44 | 8,435 | 62.0 | 38,320 | 0.6 | 0.0 | 0.3 | 7.0 | 31.8 | 4.0 | 54.4 | 53.2 | 38.0 | 13.6 | 42.6 | 0.0 | 0.0 |
| Limited-Scope Review | | | | | | | | | | | | | | | | | |
| Falls County AA | 0 | 0 | 0 | 33 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 100.0 | 0.0 | 100.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total | 71 | 10,270 | 100.0 | 39,113 | 0.6 | 0.0 | 0.3 | 6.9 | 23.9 | 4.0 | 54.7 | 57.7 | 53.3 | 37.8 | 42.5 | 0.0 | 0.0 |

Source: 2015 ACS Census: 01/01/2018 - 12/31/2019 Bank Data, 2019 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 - 2019

| 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 | Aggregate | % Families | % Bank Loans | Aggregate | % Families | % Bank Loans | Aggregate | % Families | % Bank Loans | Aggregate | % Families | % Bank Loans | Aggregate |
| Full-Scope Review | | | | | | | | | | | | | | | | | | | |
| Milam & Lee Counties AA | 27 | 1,836 | 38.0 | 760 | 18.5 | 0.0 | 2.8 | 16.5 | 22.2 | 9.6 | 19.1 | 18.5 | 21.7 | 45.9 | 40.7 | 49.7 | 0.0 | 18.5 | 16.2 |
| Williamson & Travis Counties AA | 44 | 8,435 | 62.0 | 38,320 | 16.2 | 10.3 | 4.2 | 17.1 | 6.9 | 18.9 | 22.8 | 6.8 | 25.1 | 43.9 | 34.1 | 35.7 | 0.0 | 47.7 | 16.1 |
| Limited-Scope Review | | | | | | | | | | | | | | | | | | | |
| Falls County AA | 0 | 0 | 0.0 | 3.3 | 30.7 | 0.0 | 6.1 | 14.7 | 0.0 | 18.2 | 16.8 | 0.0 | 18.2 | 37.7 | 0.0 | 39.4 | 0.0 | 0.0 | 18.2 |
| Total | 71 | 10,270 | 100.0 | 39,113 | 16.5 | 6.8 | 4.1 | 17.0 | 11.3 | 18.7 | 22.5 | 11.3 | 25.0 | 44.0 | 36.6 | 36.0 | 0.0 | 36.6 | 16.3 |

Source: 2015 ACS Census: 01/01/2018 - 12/31/2019 Bank Data, 2019 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 - 2020

| 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 | % Businesses | % Bank Loans | Aggregate | % Businesses | % Bank Loans | Aggregate | % Businesses | % Bank Loans | Aggregate | % Businesses | % Bank Loans | Aggregate | % Businesses | % Bank Loans | Aggregate |
| Full-Scope Reviews | | | | | | | | | | | | | | | | | | |
| Milam & Lee Counties AA | 20 | 4,686 | 48.8 | 0.0 | 0.0 | 0.0 | 10.4 | 30.0 | 5.7 | 58.9 | 55.0 | 59.2 | 30.7 | 15.0 | 35.1 | 0.00 | 0.0 | 0.0 |
| Williamson & Travis Counties AA | 20 | 11,020 | 48.8 | 1.2 | 5.0 | 1.3 | 9.3 | 20.0 | 9.5 | 57.4 | 50.0 | 49.2 | 32.1 | 25.0 | 39.9 | 0.0 | 0.0 | 0.0 |
| Limited-Scope Review | | | | | | | | | | | | | | | | | | |
| Falls County AA | 1 | 17 | 2.4 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 100.0 | 100.0 | 100.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total | 41 | 15,723 | 100.0 | 1.2 | 2.4 | 1.3 | 9.3 | 24.4 | 9.4 | 57.6 | 53.6 | 49.7 | 31.9 | 19.6 | 39.7 | 0.0 | 0.0 | 0.0 |

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 - 2020**

| Assessment Area: | Total Loans to Small Businesses | | | Businesses with Revenues ≤ IMM | | | Businesses with Revenues > IMM | | | Businesses with Revenues Not Available | | |
|---------------------------------|---------------------------------|---------------|--------------|--------------------------------|--------------|-------------|--------------------------------|--------------|--------------|--|--------------|--------------|
| | # | \$ | % of Total | % Businesses | % Bank Loans | Aggregate | % Businesses | % Bank Loans | % Businesses | % Bank Loans | % Businesses | % Bank Loans |
| Full-Scope Reviews | | | | | | | | | | | | |
| Milam & Lee Counties AA | 20 | 4,686 | 48.8 | 84.4 | 50.0 | 33.0 | 4.2 | 35.0 | 11.4 | | | 15.0 |
| Williamson & Travis Counties AA | 20 | 11,020 | 48.8 | 91.9 | 55.0 | 49.2 | 2.2 | 40.0 | 6.0 | | | 5.0 |
| Limited-Scope Review | | | | | | | | | | | | |
| Falls County AA | 1 | 17 | 2.4 | 82.6 | 100.0 | 62.5 | 2.3 | 0.0 | 15.2 | | | 0.0 |
| Total | 41 | 15,723 | 100.0 | 91.5 | 53.7 | 48.5 | 2.3 | 36.6 | 6.2 | | | 9.7 |

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%