



PUBLIC DISCLOSURE

November 21, 2022

**COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION**

SouthTrust Bank, National Association
Charter Number: 14012
601 Guadalupe St
George West, Texas 78022

Office of the Comptroller of the Currency
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 (CD) test is rated: Outstanding

The major factors that support this rating include:

- The loan-to-deposit (LTD) ratio is reasonable
- A majority of the loans are inside its assessment areas (AA)
- The distribution of small business loans across geographies of different income levels is excellent
- The distribution of loans to businesses of different sizes is excellent.
- CD activities, particularly CD lending, demonstrates excellent responsiveness to AA needs
- There were no Fair Lending or CRA-related complaints during the evaluation period.

Loan-to-Deposit Ratio

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

SouthTrust Bank's (STB) quarterly average LTD ratio for the 12 quarters since the prior evaluation was 58 percent. Quarterly LTD ratios have ranged from a high of 66 percent as of December 31, 2020, to a low of 54 percent as of March 31, 2020. This represents a decline from the previous evaluation when the quarterly average LTD was 68 percent.

Our analysis compared STB to six similarly situated institutions (SSI) to assess performance. The quarterly LTD ratio for these institutions was 70 percent and has ranged from a low of 62 percent to a high of 77 percent.

There are several factors that have impacted the bank's LTD over the evaluation period. The bank eliminated purchases of out of market loan participations which reduced total loans. Additionally, over the evaluation period the bank's deposit growth significantly outpaced loan growth. Between 2019 and 2021, the bank's loan portfolio grew \$68 million compared to deposit growth of \$109 million. STB's deposit growth can be attributed to large public fund deposits as well as the Houston branches attracting large operating accounts from local businesses. The large volume of public funds can hinder a bank's ability to loan as those funds have pledging requirements. After adjusting for public funds, STB's quarterly average LTD ratio is 66 percent.

Lending in Assessment Area

A majority of the bank's loans are inside its AAs

The bank originated 59 percent of its total loans inside the AAs during the evaluation period. This analysis is performed at the bank level rather than the AAs level. The bank did not have any affiliate lending activities included in this assessment.

The majority of lending within the AAs is associated with commercial lending which accounted for 85

percent. Home mortgages only represented 33 percent of lending within the AAs. In early 2020, the bank began making second lien mortgages from state-wide brokers not targeting the bank's AAs. In early 2022, the bank recognized a need for first lien mortgages in South Texas. The bank hopes the introduction of this new loan product will generate quality loan growth while serving the mortgage needs within their AAs.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage	20	33.3	40	66.7	60	6,688	51.1	6,407	48.9	13,095
Commercial	51	85.0	9	15.0	60	30,540	76.6	9,350	23.4	39,890
Total	71	59.2	49	40.8	120	37,228	70.3	15,757	29.7	52,985

Description of Institution

STB is a full-service, single-state community bank headquartered in George West, Texas that was chartered in 1934. The bank is wholly owned by Live Oak Bancshares Corporation, a single bank holding company. There have not been any significant changes to STB's corporate structure, including merger or acquisition activities, since the last CRA performance evaluation. STB has a main office located in George West and six branches: one each in Three Rivers, Pleasanton, Floresville, San Antonio, and two in Houston, Texas. The bank has three AAs: Live Oak County AA, Harris County AA, and the Atascosa-Wilson-Bexar County (A-W-B) AA .

As of December 31, 2021, STB reported total assets of \$525 million. Tier 1 capital totaled \$48 million resulting in a Tier 1 leverage ratio of 17.3 percent. Net loans totaled \$258 million and represented 49 percent of total assets. STB's loan portfolio is composed of \$176 million or 67 percent commercial, \$77 million or 29 percent residential real estate/mortgages, \$8 million or 3 percent farmland and agriculture, and \$4 million or 1 percent consumer loans.

In response to the Coronavirus Aid, Relief, and Economic Security Act or CARES Act established in 2020, STB participated in the Small Business Administrations' Paycheck Protection Program (PPP). These loans were designed to provide a direct incentive for small businesses to keep their workers on payroll during the COVID pandemic. The bank originated 1,180 PPP loans totaling \$84 million, between 2020 and 2021.

Based on the bank's financial condition, size, product offerings, and branch network, there are no legal, financial, or other factors that inhibit STB's ability to help meet credit needs within its AA. The prior evaluation dated October 9, 2019, assigned an overall "Satisfactory" rating to STB's CRA performance.

Scope of the Evaluation

Evaluation Period/Products Evaluated

We evaluated STB utilizing the Intermediate Small Bank examination procedures which includes Lending and CD tests. The evaluation period covered loans originated from January 1, 2019, through December 31, 2021. We also evaluated CD loans, investments, and services, for the same period. For the geographic

and borrower distribution analysis, we compared lending performance data to updated 2015 American Community Survey census data effective January 2017. For analysis of small business loans, we compared STB's performance with 2021 data from Dunn & Bradstreet (D&B). We also considered 2020 aggregate HMDA and small business CRA loan data in our analysis.

Selection of Areas for Full-Scope Review

In each state where the bank has an office, one or more of AAs within that state was selected for a full-scope review. For purposes of this evaluation, bank delineated AAs located within the same metropolitan statistical area (MSA), multistate metropolitan statistical area (MMSA), or combined statistical area (CSA) are combined and evaluated as a single AA. Similarly, bank delineated non-MSA AAs within the same state are combined and evaluated as a single area. These combined AAs may be evaluated as full- or limited-scope.

STB has three AAs; however, during the current evaluation period, only the Harris County AA will receive a full-scope review. 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 based on performance in the state of Texas. When determining which primary lending products to include within our assessment, the bank's commercial lending was the dominant product. As of December 31, 2021, commercial loans accounted for 67 percent of the bank's loan portfolio followed by mortgage lending at 29 percent. As previously mentioned, the bank only began offering mortgage products in 2020. As a result, we will assign more weight to commercial loans for the lending test.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 CFR 25.28(c) in determining a national bank's 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 Consumer Financial Protection Bureau, as applicable.

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

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

State Rating

State of Texas

CRA rating for the State of Texas: Satisfactory

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Outstanding

The major factors that support this rating include:

- The loan-to-deposit (LTD) ratio is reasonable
- A majority of the loans are inside its AAs
- The distribution of small business loans across geographies of different income levels is excellent
- The distribution of loans to businesses of different sizes is excellent.
- CD activities, particularly CD lending, demonstrates excellent responsiveness to AAs needs
- There were no Fair Lending or CRA-related complaints during the evaluation period.

Description of Institution's Operations in Texas

The bank operates six branches throughout south-central Texas. The bank offers traditional products and services such as checking accounts, savings accounts, certificates of deposit, and consumer and commercial loans. The bank also offers a 24-hour telephone banking system, as well as internet and mobile banking with Bill Pay. Four branches have non-deposit taking ATMs, while the two branches in Houston do not have ATMs. Competition varies depending on geography, and ranges from small local businesses to large national financial institutions, including non-traditional financing companies.

Harris County AA

Harris County is a large county that includes much of the city of Houston and is located in the Houston-The Woodlands-Sugar Land MSA. The bank currently operates two branches within Harris County with the AA containing all census tracts within the county. There are 786 CTs in Harris County with 19 percent or 147 of those as low-income and 32 percent or 250 as moderate-income. The Harris County AA designation is reasonable and does not arbitrarily exclude low- or moderate-income CTs.

The June 30, 2022, FDIC Market Share report indicates 79 financial institutions operate in the AA with deposits totaling \$319 billion. STB ranks 60th in the deposit market share report and accounts for 0.03 percent of the market share with \$86 million in AA deposits. STB faces strong competition in the AA, which includes large, regional, and community banks.

According to Moody's Analytics August 2022, the economy in the MSA is strong and is significantly outpacing the nation with job growth nearly two percentage points higher over the past year. Despite rising interest rates, the fundamentals remain in place to keep home building strong. Although new permits for single-family homes have fluctuated in recent months, the pace roughly matches the peak during the last boom in 2005 which is ahead of the national average. However, due to the strong economy and above average employment growth in high-wage jobs, housing affordability has declined approximately 20 percent. The top employers within the MSA (2020) include Energy- 55,188 (Exxon, Mobile, Shell, Schlumberger, BP, Chevron, and Occidental Petroleum), Government- 27,343 (Fort

Bend/Spring/Lamar/Conroe ISDs and Fort Bend County), and Food/Entertainment- 22, 800 (Landry's, HAZA Foods, and Fiesta Mart).

Community Contact

We reviewed three community contacts in Harris County to determine credit and CD needs of the AA. Contacts included organizations involved with community development, children's advocacy, and small business lending. Primary needs identified by contacts include small business lending, financial education, and affordable housing. Contacts indicated the local institutions are meeting the demands of the community but would like to see more community involvement.

Table A – Demographic Information of the Assessment Area						
Assessment Area: Harris County AA 2021						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	786	18.7	31.8	21.2	27.5	0.8
Population by Geography	4,356,362	15.8	30.7	25.3	27.9	0.4
Housing Units by Geography	1,660,235	16.5	29.0	24.1	30.0	0.4
Owner-Occupied Units by Geography	823,646	7.5	25.8	27.9	38.8	0.1
Occupied Rental Units by Geography	675,882	25.1	32.4	21.0	20.9	0.7
Vacant Units by Geography	160,707	26.3	31.6	18.6	23.2	0.4
Businesses by Geography	421,699	12.7	21.2	21.3	44.5	0.2
Farms by Geography	5,304	8.0	18.3	24.8	48.8	0.1
Family Distribution by Income Level	1,024,967	27.7	17.1	17.0	38.1	0.0
Household Distribution by Income Level	1,499,528	27.2	16.9	17.0	38.9	0.0
Median Family Income MSA - 26420 Houston-The Woodlands-Sugar Land, TX MSA		\$69,373	Median Housing Value			\$171,147
			Median Gross Rent			\$954
			Families Below Poverty Level			14.9%
<i>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.</i>						

Scope of Evaluation in Texas

Our scope for the state of Texas (TX), included a full-scope review of the Harris County AA. The Harris County AA did not receive a full-scope review during the prior evaluation. The Live Oak County AA and A-W-B AA will receive limited-scope reviews.

Our analysis included a sample of 160 loans originated between January 1, 2019, and December 31, 2021. The lending sample includes 40 home mortgages (Harris County AA) and 120 commercial lending loans (40 per AA). Due to a limited volume of mortgage lending in the Live Oak County and the A-W-B AAs, a meaningful analysis could not be conducted.

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 a Full-Scope Review

Based on a full scope review the bank's lending performance in the state of Texas is reasonable.

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 and purchases.

The geographic distribution of the bank's home mortgage loans is poor. The bank did not originate or purchase any home mortgage loans in low-income geographies during the evaluation period. The percentage of bank loans in moderate-income geographies is significantly lower than both the percentage of owner-occupied housing units and aggregate lending in these areas.

Small Loans to Businesses

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

The geographic distribution of small loans to businesses is excellent. The percentage of bank loans in low-income geographies exceeds both the percentage of businesses and aggregate lending in these geographies. The percentages of bank loans in moderate-income geographies exceeds both the percentage of business and aggregate lending in these geographies.

Lending Gap Analysis

During our analysis, we did not identify any unexplained or conspicuous gaps in lending activity.

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.

The distribution of home mortgage loans to borrowers of different income levels is poor. The bank did not originate or purchase any home mortgages to low-or-moderate-income borrowers during the evaluation period.

Small Loans to Businesses

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

The distribution of small loans to businesses is excellent. The percentage of bank loans made to businesses with revenues less than or equal to \$1 million was below the percentage of small businesses in the AA but significantly exceed the aggregate percentage reported by other business lenders in the AA.

Responses to Complaints

During the evaluation period, the bank did not receive any complaints.

Conclusions for Areas Receiving Limited Scope Reviews

Based on limited-scope reviews, the bank's performance under the Lending Test in the Live Oak County and A-W-B AAs is consistent with the bank's overall performance under the Lending Test in the full scope area.

COMMUNITY DEVELOPMENT TEST

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

Conclusions for Area Receiving a Full-Scope Review

Based on a full scope review the bank exhibits excellent responsiveness to CD needs in the state of Texas 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 assessment area.

Due to the large volume of CD lending, more weight was allotted when considering the bank's responsiveness within their AA. The bank made a large volume of loans to help stabilize and revitalize communities during the recent pandemic as well as numerous loans which provide affordable housing within the bank's AA. Additionally, the bank made qualified investments within minority owned institutions, numerous donations, and service hours within their AA.

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				
Harris County AA	6	1.4	7,115	17.6
Harris County AA PPP Loans – 2020	4	0.9	6,622	16.4
Harris County AA PPP Loans - 2021	159	36.4	19,151	47.3
Limited-Scope				
Live Oak County AA	1	0.2	180	0.4
Live Oak AA PPP Loans – 2021	148	33.9	3,288	8.1
A-W-B AA PPP Loans – 2021	119	27.2	4,131	10.2
Total CD Loans	437	100	40,487	100

The bank's responsiveness to AAs needs through CD lending is excellent.

As reflected in the table above, STB originated six loans in their AA totaling \$7.1 million. Examples of the loans include:

- Four loans totaling \$4.3 million to purchase 134 affordable housing units in the Harris County AA
- One loan totaling \$2.7 million to revitalize a shopping center in a low-income CT in the Harris County AA
- One loan totaling \$150 thousand to the PeopleFund who provide funding to underserved businesses in the Harris County AA.

During the early stages of Covid-19 Pandemic in 2020, the bank made 400 PPP loans totaling \$37.6 million dollars within their AAs. Four of those loans in the Harris County AA also met the criteria for CD loans. The bank's PPP CD related loans to local businesses located in low-or-moderate income tracts, totaled \$6.6 million. These loans were particularly responsive to AA needs. They helped to stabilize the local economy, local businesses, and their employees. These loans supported jobs for over 500 employees. Also, during 2021, the bank made 426 additional CD related PPP Loans in the AA totaling \$26.6 million. These loans qualified as CD loans under the OCC's 2020 CRA rules. The table above includes all qualifying CD loans during the evaluation period.

Broader Statewide Area

STB also made four additional CD loans totaling \$2.5 million outside of the bank's AA, but within the Houston-The Woodlands-Sugarland MSA. Although these loans are outside the bank's AA, the loans support CD needs in an adjacent community. The four loans were for the purchase or construction of 40 affordable housing units. Further, during 2021, the bank made 148 PPP loans outside of their AA but inside the state of Texas totaling \$7.2 million.

Number and Amount of Qualified Investments

Qualified Investments								
Assessment Area	Prior Period*		Current Period		Total			
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$
Full-Scope								
Harris County AA Investments	2	50	1	2	3	30.0	52	81.3
Limited-Scope								
Live Oak County AA	0	0	6	10	6	60.0	10	15.6
A-W-B AA	0	0	1	2	1	10.0	2	3.1
Total	2	50	8	14	10	100.0	64	100.0

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

STB demonstrated adequate responsiveness to CD needs in the bank's AAs using qualified investments and donations. During the evaluation period, the bank continued to hold Certificates of Deposits at two minority owned financial institutions in the Harris County AA totaling \$50,000. Additionally, the bank provided a \$2,000 donation to the PeopleFund in Harris County. This donation helped the organization to assist their clients during the Covid-19 crisis.

Extent to Which the Bank Provides Community Development Services

STB's CD services reflect adequate responsiveness to CD needs in its AA during the evaluation period. During the evaluation period, four employees of the bank utilized their leadership and financial experience to provide services within their communities. Bank employees donated over 668 hours of service. Notable organizations include:

Harris County AA

- 505 Hours Board Member/Bookkeeper for the Northshore Rotary Club – an organization of professionals who provide worldwide humanitarian services
- 116 Hours Board Member of the Texas Bankers Association Foundation – the foundation provides financial literacy and promotes consumer education

Conclusions for Areas Receiving Limited Scope Reviews

Based on limited-scope reviews the bank's performance under the CD Test in the Live Oak County AA and A-W-B AA is consistent with the bank's overall performance under the CD Test in the full scope area.

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:	January 1, 2019 to December 31, 2021	
Bank Products Reviewed:	Home mortgage and small business loans. CD loans, qualified investments, and CD services.	
Affiliate(s)	Affiliate Relationship	Products Reviewed
N/A	N/A	N/A
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
State – TEXAS	Full Scope	
Harris County AA	Full Scope	The AA includes all of Harris County (Houston, Texas)
Live Oak County AA	Limited Scope	The AA includes all of Live Oak County
A-W-B AA	Limited Scope	The AA includes all of Atascosa, Wilson, and eight CTs in Bexar County (1513.01, 1513.02, 1514, 1516, 1517, 1922, 1519, and 1520)

Appendix B: Summary of MMSA and State Ratings

RATINGS First National Bank Bastrop			
Overall Bank:	Lending Test Rating*	CD Test Rating	Overall Bank/State/Multistate Rating
SouthTrust Bank, NA	Satisfactory	Outstanding	Satisfactory
State:			
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 U. Assessment Area Distribution of Consumer Loans by Income Category of the Geography - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households in those geographies.

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

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																				2019-21																																																																																																																														
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts																																																																																																																																	
	#	\$ (000's)	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate																																																																																																																															
Full-Scope																							Harris County AA	40	7,940	100.0	166,360	7.5	0.0	4.3	25.8	2.5	15.0	27.9	17.5	30.1	38.8	80.0	50.6	0.1	0.0	0.1	Limited-Scope																							Live Oak County AA	N/A	0	0.0	238	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	0.0	0.0	0.0	A-W-B AA	N/A	0	0.0	5,172	0.0	0.0	0.0	23.4	0.0	18.9	49.9	0.0	43.2	26.7	0.0	37.9	0.0	0.0	0.0	Total	40	7,940	100.0	171,770	7.5	0.0	4.3	25.6	2.5	15.1	28.9	17.5	30.6	38.2	80.0	50.1	0.1	0.0	0.1	Source: 2015 ACS; 01/01/2019 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%																			
Harris County AA	40	7,940	100.0	166,360	7.5	0.0	4.3	25.8	2.5	15.0	27.9	17.5	30.1	38.8	80.0	50.6	0.1	0.0	0.1																																																																																																																															
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Live Oak County AA	N/A	0	0.0	238	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	0.0	0.0	0.0																																																																																																																														
A-W-B AA	N/A	0	0.0	5,172	0.0	0.0	0.0	23.4	0.0	18.9	49.9	0.0	43.2	26.7	0.0	37.9	0.0	0.0	0.0																																																																																																																															
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Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																				2019-21																																																																																																																													
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers																																																																																																																																
	#	\$ (000s)	% 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																							Harris County AA	40	7,940	100.0	166,360	27.7	0.0	3.1	17.1	0.0	13.4	17.0	2.5	18.8	38.1	97.5	41.9	0.0	0.0	22.7	Limited-Scope																							Live Oak County AA	N/A	N/A	0.0	238	20.7	0.0	2.1	17.5	0.0	8.4	19.4	0.0	21.4	42.5	0.0	47.1	0.0	0.0	21.0	A-W-B AA	N/A	N/A	0.0	5,172	24.5	0.0	3.5	17.0	0.0	13.8	20.4	0.0	19.2	38.2	0.0	33.2	0.0	0.0	30.3	Total	40	7,940	100.0	171,770	27.6	0.0	3.1	17.1	0.0	13.4	17.1	2.5	18.9	38.1	97.5	41.7	0.0	0.0	23.0	Source: 2015 ACS; 01/01/2019 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%																			
Harris County AA	40	7,940	100.0	166,360	27.7	0.0	3.1	17.1	0.0	13.4	17.0	2.5	18.8	38.1	97.5	41.9	0.0	0.0	22.7																																																																																																																														
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Live Oak County AA	N/A	N/A	0.0	238	20.7	0.0	2.1	17.5	0.0	8.4	19.4	0.0	21.4	42.5	0.0	47.1	0.0	0.0	21.0																																																																																																																														
A-W-B AA	N/A	N/A	0.0	5,172	24.5	0.0	3.5	17.0	0.0	13.8	20.4	0.0	19.2	38.2	0.0	33.2	0.0	0.0	30.3																																																																																																																														
Total	40	7,940	100.0	171,770	27.6	0.0	3.1	17.1	0.0	13.4	17.1	2.5	18.9	38.1	97.5	41.7	0.0	0.0	23.0																																																																																																																														
Source: 2015 ACS; 01/01/2019 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%																																																																																																																																																	

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																			2019-21	
Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	\$ (000s)	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	
Full-Scope																				
Harris County AA	40	36,813	33.3	140,285	12.7	15.0	13.4	21.2	32.5	21.6	21.3	17.5	22.1	44.5	35.0	42.7	0.2	0.0	0.2	
Limited-Scope																				
Live Oak County AA	40	1,549	33.3	204	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	
A-W-B AA	40	2,470	33.3	1,697	0.0	0.0	0.0	24.7	20.0	23.9	45.3	47.5	47.8	30.0	32.5	28.3	0.0	0.0	0.0	
Total	120	40,732	100.0	142,186	12.7	5.0	13.4	21.2	17.5	21.6	21.8	55.0	22.5	44.2	22.5	42.5	0.2	0.0	0.2	
<i>Source: 2021 D&B Data; 01/01/2019 - 12/31/2021 Bank Data; 2020 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>																				

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues													2019-21	
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available				
	#	\$ (000s)	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans			
Full-Scope														
Harris County AA	40	36,813	33.3	140,285	87.0	67.5	36.7	5.1	32.5	7.9	0.0			
Limited-Scope														
Live Oak County AA	40	1,449	33.3	204	79.6	100.0	19.1	4.4	0.0	16.0	0.0			
A-W-B AA	40	2,470	33.3	1,697	83.7	90.0	36.0	3.5	10.0	12.8	0.0			
Total	120	40,732	100.0	142,186	86.9	85.8	36.7	5.1	14.2	8.0	0.0			
<i>Source: 2020 D&B Data; 01/01/2019 - 12/31/2021 Bank Data; 2020 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>														