



PUBLIC DISCLOSURE

June 5, 2023

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

First-Lockhart National Bank
Charter Number 13934

111 South Main Street
Lockhart, TX 78644

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 **Outstanding**.

The lending test is rated: Outstanding.

The major factors that support this rating include:

- The bank's loan to deposit (LTD) ratio is reasonable
- A substantial majority of the bank's loans are inside its assessment area (AA)
- The bank exhibits an excellent geographic distribution of loans
- The bank exhibits an excellent distribution of loans to individuals of different income levels and to businesses of different sizes

Loan-to-Deposit Ratio

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

The bank's quarterly average LTD ratio calculated on a bank-wide basis since the last evaluation was 63.2 percent. The bank's LTD ratio ranged from a low of 59.8 percent on September 30, 2021, to a high of 70.7 percent on March 31, 2020.

To assess the bank's performance, we compared its average quarterly LTD ratio to four similarly situated community banks in the local and surrounding areas with total assets ranging from \$345 million to \$645 million. The bank's quarterly average LTD ratio was in line with the quarterly average LTD ratio for the similarly situated institutions. The peer group average quarterly LTD ratio was 63.9 percent, ranging from a low of 40.2 percent to a high of 74.2 percent.

Lending in Assessment Area

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

The bank originated and purchased 80 percent of its total loans inside the bank's AAs during the evaluation period. This analysis is performed at the bank, rather than the AA, level. This percentage does not include extensions of credit by affiliates that may be considered under the other performance criteria.

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	15	75	5	25	20	3,094	77	919	23	4,013
Small Business	13	65	7	35	20	4,409	80	1,135	21	5,544
Consumer	20	100	0	0	20	208	100	0	0	208
Total	48	80	12	20	60	7,711	79	2,054	21	9,765

Description of Institution

First-Lockhart National Bank (FLNB) is a full-service intrastate community bank headquartered in Lockhart, Texas. FLNB was chartered in 1934 and is wholly owned by Lockhart Bankshares, Inc. (LBI), a one-bank holding company also headquartered in Lockhart, Texas. LBI reported \$30.4 million in total assets, as of December 31, 2022. The bank does not have any subsidiaries or related organizations and had no merger or acquisition activity during the evaluation period. As of March 31, 2023, the bank reported total assets of \$373 million, tier one capital of \$33.8 million and a tier one leverage ratio of 8.9 percent.

FLNB operates four locations, one drive-in facility, four deposit taking automated teller machines (ATMs), and two non-deposit taking ATMs within the cities of Lockhart, Kyle, Austin, and San Marcos. Over the evaluation period, FLNB had no new branch openings or closures. Refer to “Description of Institution’s Operations in Texas” in the State Rating section for additional information.

FLNB offers a variety of consumer, commercial, and deposit products for its customers. FLNB’s strategic mission is to provide a safe and secure depository institution and quality financial products and services which meet the needs of their customers. Consumer products include mortgage loans, auto loans, and secured and unsecured personal loans. Commercial products include construction loans, business term loans, lines of credit, and real estate loans. Deposit products include maintenance fee free checking accounts, interest earning checking accounts, saving accounts, and time deposits. The bank website provides detailed information on branch operating hours, account fees, and overdraft protection services. Online banking, mobile banking, telephonic banking, and virtual chat with video bankers are all available to support customers.

As of December 31, 2021, net loans totaled \$219 million and represented 56 percent of total assets. At the time, the loan portfolio was composed of commercial loans (68 percent), residential real estate loans (28 percent), agricultural loans (3 percent), and consumer loans (1 percent).

In response to the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) established in 2020, FLNB participated in the Small Business Administration’s (SBA) 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 33 loans totaling \$3.8 million during the evaluation period.

There are no legal, financial, or other factors impeding the bank’s ability to help meet the credit needs in its AAs. The prior performance evaluation dated May 11, 2020, assigned an overall “Satisfactory” rating to FLNB’s CRA performance.

Scope of the Evaluation

Evaluation Period/Products Evaluated

We completed a review of FLNB's CRA activities under the Small Bank examination procedures, which includes the Lending Test. The Lending Test evaluates the bank's record of meeting the credit needs of its AA through its lending activities. The evaluation period was January 1, 2020, through December 31, 2021. Qualifying lending activities performed in response to the Coronavirus pandemic during the evaluation period are included in this CRA evaluation.

To evaluate lending performance, analysis was completed on random samples of residential real estate, consumer, and commercial loans. Primary lending products for the bank were selected based on the dollar and number of loans originated and purchased over the evaluation period. Commercial, residential, and consumer loans were determined to be the bank's primary products during the evaluation period. Commercial loans represented 72 percent of loans by dollar amount and 45 percent by number of loans. Residential real estate loans represented 25 percent of loans by dollar amount and 22 percent by number of loans. Consumer loans represented 1 percent of loans by dollar amount and 29 percent by number of loans.

For the geographic and borrower distribution analyses, we compared lending performance data to updated 2015 American Community Survey (ACS) census data effective January 2017 and 2020 Dun and Bradstreet commercial business data.

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. 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. The state rating is based on the bank's sole AA in the state. Small business lending was weighted heavier when concluding on the lending test due to commercial lending representing a significant portion of the loan portfolio, the largest dollar volume of loans originated, and the largest number of loans originated 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) in determining a national bank's or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any AA by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Consumer Financial Protection Bureau, as applicable.

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

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

State Rating

State of Texas

CRA rating for the State of Texas: Outstanding

The Lending Test is rated: Outstanding

The major factors that support this rating include:

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

Description of Institution's Operations in Texas

FLNB has one AA in the state of Texas consisting of the entirety of Caldwell, Hays, and Travis Counties. Each of the counties are part of the Austin-Round Rock-Georgetown metropolitan statistical area (MSA), and all census tracts (CTs) are included for each county. The bank's head office is in Lockhart, TX, which is located within Caldwell County. The three counties form a contiguous banking region, meet the requirements of the regulation, and do not exclude any low- or moderate-income (LMI) geographies.

Caldwell-Hays-Travis Counties AA

Caldwell County

Caldwell County covers 547 square miles and is located in central Texas. Caldwell County is bordered by Travis, Bastrop, Fayette, Gonzales, Guadalupe, and Hays counties. The county consists of seven moderate-income and one middle-income CTs. There is one full-service branch located in the city of Lockhart within a middle-income CT. FLNB also has a drive-in facility located in a moderate-income CT in Lockhart which offers drive-thru services for customers. There are three ATMs within Caldwell County, two located in moderate-income CTs and one located in a middle-income CT.

Census data based on the 2017-2021 ACS reports show that Caldwell County had an estimated population of 45,000 and a median household income of \$63,380. The data reported a county-wide poverty rate of 13.3 percent, slightly below the state-wide poverty rate of 14 percent and above the national rate of 12.6 percent. The 5-year census data reports that 8.5 percent of households receive Supplemental Nutrition Assistance Program (SNAP) benefits, with an estimated 65 percent of households that received SNAP having children under the age of 18. The most recent third quarter 2022 data from the National Association of Realtors (NAR) reflects a median home value of \$190,640. The NAR also estimated that due to higher mortgage rates and home prices, the typical mortgage payment is higher by \$383 as compared to third quarter 2021.

The U.S. Bureau of Labor Statistics (BLS) identified the 2021 annual average unemployment rate for Caldwell County as 4.9 percent, comparing favorably to state and national unemployment rates of 5.6 and 5.3 percent, respectively. Caldwell County has a semi-competitive banking environment given its

relatively smaller geographic footprint and population size. Competition in the area include offices of four local and national deposit-taking financial institutions. The FDIC's Deposit Market Share Report as of June 30, 2022, shows FLNB holding the largest share of the deposit market at 49 percent. Sage Capital Bank holds the next largest market share at 24 percent. In addition to local, state, and national banks, the bank faces additional competition from credit unions.

Hays County

Hays County covers 680 square miles and is located in central Texas. The county is bordered by Travis, Caldwell, Guadalupe, Comal, and Blanco counties. The county consists of two low-income, six moderate-income, 12 middle-income, and five upper-income CTs. There are two full-service branches located in the county. One in the city of Kyle within a middle-income CT and one in the city of San Marcos within a low-income CT. There are two ATMs within Hays County, both located at the respective branch locations.

Census data based on the 2017-2021 ACS reports show that Hays County had an estimated population of 235,000 and a median household income of \$71,061. The data reported a county-wide poverty rate of 13.6 percent, slightly below the state-wide poverty rate of 14 percent and above the national rate of 12.6 percent. The 5-year census data reports that 6.5 percent of households receive SNAP benefits, with an estimated 61 percent of households that received SNAP having children under the age of 18. The most recent third quarter 2022 data from NAR reflects a median home value of \$404,815. The NAR also estimated that due to higher mortgage rates and home prices, the typical mortgage payment is higher by \$812 as compared to third quarter 2021.

The BLS identified the 2021 annual average unemployment rate for Hays County as 4.1 percent, comparing favorably to state and national unemployment rates of 5.6 and 5.3 percent, respectively. The county has a competitive banking environment, including offices of 21 local and national deposit-taking financial institutions. The FDIC's Deposit Market Share Report as of June 30, 2022, shows FLNB holding the tenth largest share of the deposit market at 1.6 percent. Wells Fargo Bank, National Association holds the largest market share at 26 percent and Frost Bank holds the second largest share at 19 percent. In addition to local, state, and national banks, the bank faces additional competition from credit unions.

Travis County

Travis County covers 1,023 square miles and is located in central Texas. It's county seat and largest city is Austin, the capital of Texas. The county is bordered by Bastrop, Blanco, Burnet, Caldwell, Hays, and Williamson counties. The county consists of 33 low-income, 47 moderate-income, 64 middle-income, and 68 upper-income CTs. There is one full-service branch and ATM located in the city of Austin within a middle-income CT.

Census data based on the 2017-2021 ACS reports show that Travis County had an estimated population of 1.3 million and a median household income of \$85,043. The data reported a county-wide poverty rate of 11.2 percent, well-below the state-wide poverty rate of 14 percent and the national rate of 12.6 percent. The 5-year census data reports that 6.3 percent of households receive SNAP benefits, with an estimated 57 percent of households that received SNAP having children under the age of 18. The most recent third quarter 2022 data from NAR reflects a median home value of \$530,732. The NAR also estimated that due to higher mortgage rates and home prices, the typical mortgage payment is higher by \$1,065 as compared to third quarter 2021.

The BLS identified the 2021 annual average unemployment rate for Travis County as 4.1 percent, comparing favorably to state and national unemployment rates of 5.6 and 5.3 percent, respectively. The county has a competitive banking environment, including offices of 53 local and national deposit-taking financial institutions. The FDIC's Deposit Market Share Report as of June 30, 2022, shows FLNB holding the 42nd largest share of the deposit market at 0.1 percent. JPMorgan Chase Bank holds the largest market share at 20 percent and Wells Fargo Bank holds the second largest share at 19 percent.

To help identify the needs and opportunities in the AA we completed a community contact with a local organization whose geographic footprint covers the bank's AA. The organization focuses on economic development, by assisting start-up businesses and promoting small business growth. The contact indicated one of the largest issues facing small business growth is lack of access to capital. Many financial institutions in the area require small businesses to have 20 to 30 percent equity into the projects yet new businesses typically don't have this equity position. The contact also indicated that housing affordability is a significant concern with prices continuing to rise due to the continued influx of out-of-state individuals moving into the counties' cities. The contact had generally favorable opinions on local financial institutions' involvement in the community and noted that several are working on developing specific funds to better provide access to lower cost capital. However, the contact noted that institutions have not developed a separate set of underwriting standards for these small-business focused capital programs, and this has led to some issues with securing funding for the intended recipients.

Table A – Demographic Information of the Assessment Area						
Assessment Area: Caldwell-Hays-Travis Counties						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	251	13.9	23.9	30.7	29.1	2.4
Population by Geography	1,338,554	13.8	24.9	30.4	29.4	1.5
Housing Units by Geography	545,524	13.5	21.9	32.2	31.2	1.2
Owner-Occupied Units by Geography	268,814	5.4	21.2	32.8	40.4	0.3
Occupied Rental Units by Geography	233,217	22.5	22.9	31.3	21.1	2.2
Vacant Units by Geography	43,493	15.4	21.4	32.4	28.8	2.0
Businesses by Geography	179,111	7.8	12.8	27.0	50.7	1.7
Farms by Geography	3,254	6.1	17.2	29.7	46.3	0.6
Family Distribution by Income Level	292,716	24.7	16.6	18.5	40.2	0.0
Household Distribution by Income Level	502,031	25.7	16.9	17.5	39.9	0.0
Median Family Income MSA – Austin-Round Rock-Georgetown, TX		\$78,997	Median Housing Value			\$250,762
			Median Gross Rent			\$1,070
			Families Below Poverty Level			11.1%

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

Scope of Evaluation in Texas

We selected the bank's only AA for a full scope review. The AA consists of the Caldwell, Hays, and Travis counties which form one contiguous area located in the Austin-Round Rock-Georgetown MSA. Small loans to businesses were given more weight in the overall conclusions due to the significant portion these loans represented by both by dollar volume and number of originations during the evaluation period. Small business lending was also identified as a critical need for the AA.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN TEXAS

LENDING TEST

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

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank's performance in the Caldwell-Hays-Travis Counties AA is excellent.

Distribution of Loans by Income Level of the Geography

The bank exhibits excellent geographic distribution of loans in the State of Texas.

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 home mortgage loans is excellent. The percentage of bank loans in low-income geographies was near to both the percentage of owner-occupied housing units within the geography and aggregate data from other mortgage lenders in the area. The percentage of bank loans in moderate-income geographies significantly exceeded both the percentage of owner-occupied housing units within the geography and aggregate data from other mortgage lenders in the area.

Small Loans to Businesses

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

The geographic distribution of the bank's small loans to businesses is excellent. The percentage of bank loans in low-income geographies exceeded both the percentage of businesses within the geography and aggregate data from other small business lenders in the area. The percentage of bank loans in moderate-income geographies significantly exceeded both the percentage of businesses within the geography and aggregate data from other small business lenders in the area.

Consumer Loans

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

The geographic distribution of the bank's consumer loans is excellent. The percentage of bank loans in low-income geographies is near-to the percentage of households within the geography. The percentage of bank loans in moderate-income geographies significantly exceeds the percentage of households within the geography.

Lending Gap Analysis

We reviewed geographic distribution reports for home mortgage loans, small loans to businesses, and consumer loans in the AAs and did not identify any unexplained conspicuous gaps in lending activity.

Distribution of Loans by Income Level of the Borrower

The bank exhibits an excellent distribution of loans to individuals of different income levels and businesses and farms 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 excellent. The percentage of bank loans to low-income borrowers exceeded the percentage of low-income families in the AA and significantly exceeded the aggregate percentage of loans reported by other mortgage lenders in the AA. The percentage of bank loans to moderate-income borrowers exceeded the percentage of moderate-income families in the AA and exceeded the aggregate percentage of loans reported by other mortgage lenders in the AA.

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 to businesses with annual revenues of \$1 million or less exceeds the reported percentage of small businesses in the AA and significantly exceeds the aggregate percentage reported by other business lenders in the AA.

Consumer Loans

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

The distribution of consumer loans to borrowers of different income levels is excellent. The percentage of bank loans to low-income borrowers exceeded the percentage of low-income households in the AA. The

percentage of bank loans to moderate-income borrowers exceeded the percentage of moderate-income households in the AA.

Responses to Complaints

There were no consumer complaints regarding the bank's CRA performance or complaints indicating illegal or discriminatory lending practices during the evaluation period.

Appendix A: Scope of Examination

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

Time Period Reviewed:	01/01/2020 to 12/31/2021	
Bank Products Reviewed:	Home mortgage, small business, and consumer loans	
Affiliate(s)	Affiliate Relationship	Products Reviewed
None	Not Applicable	Not Applicable
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
State of Texas		
Caldwell-Hays-Travis Counties AA	Full-Scope	Includes all 251 census tracts within the counties.

Appendix B: Summary of MMSA and State Ratings

RATINGS: First-Lockhart National Bank	
Overall Bank:	Lending Test Rating
First-Lockhart National Bank	Outstanding
State: Texas	Outstanding

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.

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.

- 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.

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																	2020-21		
Total Home Mortgage Loans			Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts				
	#	\$	% of Total	% 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	
Caldwell-Hays-Travis County AA	20	4,322	100	5.4	5.0	5.6	21.2	50.0	18.7	32.8	30.0	35.7	40.4	15.0	39.8	0.3	0.0	0.3	
Total	20	4,322	100	5.4	5.0	5.6	21.2	50.0	18.7	32.8	30.0	35.7	40.4	15.0	39.8	0.3	0.0	0.3	

*Source: 2015 ACS; 01/01/2020 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%*

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																	2020-21		
Total Home Mortgage Loans			Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers				
	#	\$	% of Total	% of Families	% Bank Loans	Aggregate	% of Families	% Bank Loans	Aggregate	% of Families	% Bank Loans	Aggregate	% of Families	% Bank Loans	Aggregate	% of Families	% Bank Loans	Aggregate	
Caldwell-Hays-Travis County AA	20	4,322	100	24.7	25.0	3.3	16.6	20.0	12.3	18.5	10.0	17.6	40.2	45.0	47.5	0.0	0.0	19.3	
Total	20	4,322	100	24.7	25.0	3.3	16.6	20.0	12.3	18.5	10.0	17.6	40.2	45.0	47.5	0.0	0.0	19.3	

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.

Source: 2015 ACS; 01/01/2020 - 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																2020-21		
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
Caldwell-Hays-Travis County AA	20	7,875	100	7.8	10.0	8.7	12.8	55.0	15.0	27.0	25.0	29.5	50.7	10.0	45.7	1.7	0.0	1.1
Total	20	7,875	100	7.8	10.0	8.7	12.8	55.0	15.0	27.0	25.0	29.5	50.7	10.0	45.7	1.7	0.0	1.1

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

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2020-21	
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans	
Caldwell-Hays-Travis County AA	20	7,875	100	54,109	89.1	90.0	45.1	3.4	10.0	7.5	0.0	
Total	20	7,875	100	54,109	89.1	90.0	45.1	3.4	10.0	7.5	0.0	

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

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.

Table U: Assessment Area Distribution of Consumer Loans by Income Category of the Geography												2020-21	
Assessment Area:	Total Consumer Loans			Low-Income Tracts		Moderate-Income Tracts		Middle-Income Tracts		Upper-Income Tracts		Not Available-Income Tracts	
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans
Caldwell-Hays-Travis County AA	20	208	100	13.3	10.0	22.0	55.0	32.1	30.0	31.4	5.0	1.1	0.0
<i>Source: 2015 ACS; 01/01/2020 - 12/31/2021 Bank Data. Due to rounding, totals may not equal 100.0%</i>													

Table V: Assessment Area Distribution of Consumer Loans by Income Category of the Borrower												2020-21	
Assessment Area:	Total Consumer Loans			Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Not Available-Income Borrowers	
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans
Caldwell-Hays-Travis County AA	20	208	100	25.7	30.0	16.9	35.0	17.5	15.0	39.9	15.0	0.0	5.0
Total	20	208	100	25.7	30.0	16.9	35.0	17.5	15.0	39.9	15.0	0.0	5.0
<i>Source: 2015 ACS; 01/01/2020 - 12/31/2021 Bank Data. Due to rounding, totals may not equal 100.0%</i>													

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.