



PUBLIC DISCLOSURE

November 13, 2017

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

The First National Bank of Hebronville
Charter Number 12995

305 N. Smith Street
Hebronville, TX 78361

Office of the Comptroller of the Currency

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

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, nor should it 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

The Lending Test is rated: Satisfactory

The First National Bank of Hebronville (FNBH) has a satisfactory record of meeting its community credit needs. This rating is based on the following:

- FNBH's quarterly average loan-to-deposit (LTD) ratio is reasonable, given the bank's asset size, financial condition, competitive environment, and lending opportunities inside its assessment area (AA). FNBH's large volume of small consumer loans, while meeting a primary credit need of the community, does not significantly increase the LTD ratio. External factors including a local economic downturn from slumping commodity prices, inaccessibility of the community, and lack of loan demand in the AA contribute to the overall average quarterly LTD since the last CRA evaluation of 26.68 percent.
- FNBH originated a majority its loans by number (80 percent) and dollar volume (71 percent) for residential real estate and consumer loans located within the AA.
- FNBH's loan portfolio reflects an overall reasonable penetration among residential real estate and consumer loans to households and individuals of different income levels within the AA.
- The geographic distribution of residential real estate and consumer loans reflects excellent dispersion given the bank's performance context, business strategy, and location.

Definitions and Common Abbreviations

The following terms and abbreviations are used throughout 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. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Aggregate Lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

Census Tract (CT): A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan areas. Census tracts generally have a population between 1,200 and 8,000 people, with an optimal size of 4,000 people. Their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community Development: 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; activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas; or loans, investments, and services that support, enable or facilitate projects or activities under HUD Neighborhood Stabilization Program criteria that benefit low-, moderate-, and middle-income individuals and geographies in the bank's assessment area(s) or outside the assessment area(s) provided the bank has adequately addressed the community development needs of its assessment area(s).

Community Reinvestment Act (CRA): the statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, 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, home equity 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 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, loan pricing, the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

Home Mortgage Loans: Such loans include home purchase, home improvement and refinancings, as defined in the HMDA regulation. These include loans for multifamily (five or more families) dwellings, manufactured housing and one-to-four family dwellings other than manufactured housing.

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 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 income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

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 MA/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. 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 it and half below it.

Metropolitan Area (MA): Any metropolitan statistical area or metropolitan division, as defined by the Office of Management and Budget, and any other area designated as such by the appropriate federal financial supervisory agency.

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.

Other Products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

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.

Rated Area: A rated area is a state or multi-state metropolitan 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 area, the institution will receive a rating for the multi-state metropolitan 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 One 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.

Description of Institution

FNBH is a privately owned, intrastate bank headquartered in the city of Hebbbronville, Texas, located 190 miles southwest of San Antonio, Texas. The bank is a wholly-owned subsidiary of Hebbbronville Regional Bancshares, Inc., a Texas-based bank holding company. There are no affiliates or subsidiaries of FNBH or the holding company that were reviewed in this Performance Evaluation.

FNBH has one main office in Hebbbronville, Texas, which includes an Automated Teller Machine (ATM) located on the premises. FNBH also has one drive-through facility adjacent to the main office. The bank has not opened any new branches since the previous evaluation.

As of June 30, 2017, FNBH reported total assets of \$111 million. Common Equity Tier 1 capital totaled \$15.7 million and the Tier 1 leverage ratio totaled 13.98 percent. Net loans totaled \$32.1 million and represented 28.90 percent of total assets. As of June 30, 2017, the bank's LTD ratio was 34.20 percent. Based on the bank's financial condition, size, product offerings, and branch network, there are not any legal, financial, or other factors that inhibit the bank's ability to help meet the credit needs in its AA.

FNBH's primary focus is the consumer sector, primarily residential real estate and installment consumer loans. FNBH offers a full-range of financial services. Credit services include commercial, commercial real estate, and agriculture loans. Residential real estate loans represent 41.59 percent of the total loan portfolio with consumer loans representing 29.64 percent. The remaining loan portfolio includes: commercial loans – 8.24 percent; commercial real estate loans – 10.93 percent; agriculture loans – 7.20 percent; other loans – 2.40 percent. A detailed composition of the loan portfolio is summarized in the following table.

LOAN PORTFOLIO SUMMARY BY PRODUCT		
JUNE 30, 2017		
Loan Category	Dollar Volume \$(000)	% of Outstanding Dollars
Commercial and Commercial Real Estate Loans	5,712	17.53%
Residential Real Estate Loans (1-4 Family)	11,341	34.81%
Residential Construction Loans	399	1.22%
Agriculture/Farm Related	2,341	7.18%
Other Construction Loans	536	1.65%
Multi-Family Loans	1,813	5.56%
Consumer Loans	9,659	29.64%
Obligations of States, Political Subdivisions	784	2.41%
Total Loan Portfolio	32,585	100%

Source: June 30, 2017 Call Report

The bank's largest market from both a loan and deposit perspective is the Jim Hogg County AA. FNBH ranked first in market share deposits in the Jim Hogg County AA with 74.38 percent of the total market share of deposits according to the FDIC's June 30, 2017 Deposit Market Share Report. FNBH faces regional competition from state banks located in the adjacent counties of Webb and Hidalgo Counties.

FNBH offers a variety of loan and deposit services and delivery channels. Their online and electronic delivery channels enable the bank to reasonably serve customers in the Jim Hogg County AA and beyond. The bank's Internet website (www.fnbhebb.com) offers basic account inquiry, internal transfers, and details of product offerings. The bank also offers telephone banking that can also facilitate internal account transfers and electronic delivery of monthly bank statements.

FNBH's main office location has lobby hours from 9:00 am – 2:30 pm Monday through Thursday. Lobby hours on Fridays are from 9:00 am – 5:00 pm. FNBH's main location has an adjacent drive-through facility that offers extended hours. In addition, the drive-through facility is open on Saturdays.

The prior CRA examination, dated February 13, 2012, assigned an overall "Satisfactory" rating to the performance of the bank.

Scope of the Evaluation

Evaluation Period/Products Evaluated

We evaluated FNBH under the small bank performance standards, which include five performance criteria: loan-to-deposit ratio, lending in the AA, lending to borrowers of different incomes, geographic distribution of loans, and responses to CRA-related complaints.

To evaluate FNBH's lending performance, a random sample of loans was selected based on the bank's primary loan types. Primary loan types are those products that have been originated at the highest percentage by number and/or dollar volume of loans. During this evaluation period, primary products consisted of residential real estate and consumer loans. To assess performance, we reviewed 30 residential real estate and 30 consumer loans originated between January 1, 2015 and June 30, 2017.

Selection of Areas for Full-Scope Review

OCC personnel selected the Jim Hogg County AA for a full-scope review. As the sole AA, a substantial majority of the bank's deposit and loan activity originated in this AA.

Ratings

The bank's overall rating is based primarily on the full-scope review of the Jim Hogg County AA, as a substantial majority of bank activity originates in this AA.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 CFR 25.28(c) or 195.28(c), respectively, in determining a national bank's or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any assessment area 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.

Conclusions with Respect to Performance Tests

LENDING TEST

FNBH's performance under the Lending Test is satisfactory. Lending volumes are reasonable given the bank's size, financial condition, and AA credit needs. A majority of the loans originated are located within the bank's AA. Borrower distribution is reasonable and geographic distribution is excellent.

Loan-to-Deposit Ratio

The bank's average quarterly LTD ratio is reasonable, given the bank's asset size, financial condition, competitive environment, and lending opportunities inside its AA.

Since the last CRA evaluation, FNBH's average quarterly LTD ratio has increased slightly from 22.3 percent to 26.7 percent. The average quarterly LTD ratio of five similarly situated banks operating in FNBH's market areas was higher at 54.5 percent. The table below compares FNBH average quarterly LTD ratio with the five peer institutions.

BANK NAME	CITY	STATE	TOTAL ASSETS (000s) (June 30, 2017)	Average LTD Ratio
The First National Bank of Hebbronville	Hebbronville	TX	111,260	26.68%
The First National Bank in Falfurrias	Falfurrias	TX	64,749	26.24%
First State Bank of San Diego	San Diego	TX	60,938	39.50%
Zapata National Bank	Zapata	TX	85,900	46.69%
Greater State Bank	McAllen	TX	72,742	77.86%
Bank of South Texas	McAllen	TX	133,055	82.23%

Source: Quarterly Call Report Data from March 31, 2012 through June 30, 2017

FNBH's large volume of small consumer loans, while meeting a primary credit need of the community, does not significantly increase the loan-to-deposit ratio.

Two institutions, Bank of South Texas and Greater South Texas Bank, have significantly higher LTD ratios. However, they have branches in several other geographic locations outside Jim Hogg County, including locations in the McAllen-Edinburg-Mission Metropolitan Statistical Area (MSA) in the Rio Grande Valley of Texas. Zapata National Bank's and the First State Bank of San Diego's LTD ratio benefit from their proximity and access to the regional communities of Laredo and Alice, Texas.

When considering similarly situated institutions facing comparable external factors of local economic conditions, inaccessibility of the community, and lack of loan demand, FNB Falfurrias must be taken into consideration. FNB Falfurrias is located 37 miles east of Hebbronville, Texas, in adjacent Brooks County. FNB Falfurrias has one main office and operates within an AA that is demographically and economically comparable to Jim Hogg County. Based on the external factors noted and limitations of operations of one office, FNBH's average quarterly LTD ratio is reasonably comparable to other similarly situated institutions, primarily to FNB Falfurrias.

Lending in Assessment Area

A majority of the FNBH's primary loan products were made inside the bank's AA. To assess performance, we sampled 30 residential loans and 30 consumer loans originated between January 1, 2015 and June 30, 2017. Our analysis determined that 80 percent of the number of loans and 71 percent of the dollar amount of loans in the sample originated within the bank's AA. Results by loan category are depicted in the following table.

Lending in Jim Hogg County AA										
Loan Type	Number of Loans					Dollars of Loans				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$000s	%	\$000s	%	
Purchase	16	64.00	9	36.00	25	1,245	65.85	646	34.15	1,891
Improvement	3	100.00	0	0.00	3	150	100.00	0	0	150
Refinance	2	100.00	0	0.00	2	182	100.00	0	0	182
Consumer	27	90.00	3	10.00	30	119	71.19	48	28.81	167
Totals	48	80.00	12	20.00	60	1,696	70.96	694	29.04	2,390

Source: Loan Sample

Lending to Borrowers of Different Incomes

The distribution of residential loans and consumer loans originated to individuals of different income levels reflects an overall reasonable penetration. The distribution of residential real estate loans reflects poor penetration. However, the distribution of loans to individuals reflects excellent penetration.

Jim Hogg County AA

Distribution of loans to residential customers of different income levels reflects poor penetration. The distribution of residential loans to both low- and moderate-income families is below AA demographics, with the exception of residential refinance loans. Due to the very low number of refinanced residential real estate loans in our sample, the analysis of this product is not meaningful. Approximately 18 percent of total households in the AA are below the poverty level, which creates challenges for very low-income borrowers to qualify for mortgages. The following table shows the distribution of loans.

Borrower Distribution of Residential Real Estate Loans in Jim Hogg County AA								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Purchase	27.47	0.00	19.37	12.50	17.50	31.25	35.65	56.25
Improvement	27.47	0.00	19.37	0.00	17.50	50.00	35.65	50.00
Refinance	27.47	33.33	19.37	0.00	17.50	33.33	35.65	33.33

Source: Loan sample, data collected by FNBH, US Census data

The distribution of consumer loans reflects an excellent penetration among borrowers of different income levels. FNBH originated 59 percent of consumer loans by number to low-income households and 22 percent to moderate-income households, far exceeding the AA demographics of 26 percent and 14 percent, respectively. The following table shows the distribution of loans.

Borrower Distribution of Consumer Loans in Jim Hogg County AA								
Borrower Income Level	Low		Moderate		Middle		Upper	
	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans
Consumer Loans	25.60	59.26	13.81	22.22	15.59	3.70	44.99	14.81

Source: Loan sample, data collected by FNBH, US Census data

Geographic Distribution of Loans

The geographic distribution of loans is excellent. Both residential real estate and consumer loans reflect excellent dispersion.

Jim Hogg County AA

The distribution of the residential loans by number originated in moderate-income tracts exceeds demographic data, reflecting excellent dispersion. 56 percent of home purchase loans and 67 percent of home refinance loans were originated in moderate-income CTs, which exceeded the percent of the AA owner occupied housing units.

Geographic Distribution of Residential Real Estate Loans in Jim Hogg County AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan type	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans
Purchase	0.00	0.00	49.20	56.25	50.80	43.75	0.00	0.00
Improvement	0.00	0.00	49.20	0.00	50.80	100.00	0.00	0.00
Refinance	0.00	0.00	49.20	66.67	50.80	33.33	0.00	0.00

Source: Loan sample; US Census data

The percentage of FNBH consumer loans by number originated in moderate-income tracts exceeds the ratio of AA households in moderate-income tracts, reflecting an excellent dispersion. 48 percent of consumer loans are located in moderate-income tracts, compared to 43 percent of households located in moderate-income tracts.

Geographic Distribution of Consumer Loans in Jim Hogg County AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans
Consumer Loans	0.00	0.00	42.64	48.15	57.36	51.85	0.00	0.00

Source: Loan sample; US Census data

Responses to Complaints

Neither the bank nor the OCC have received any CRA-related complaints during the evaluation period. This has a neutral effect on FNBH’s CRA performance.

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 metropolitan and nonmetropolitan areas 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	Lending Test: (01/01/15 to 06/30/17)	
Financial Institution		Products Reviewed
The First National Bank of Hebbbronville (FNBH) Hebbbronville, Texas		Residential Loans Consumer Loans
Affiliate(s)	Affiliate Relationship	Products Reviewed
Not Applicable		
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Jim Hogg County AA	Full Scope	

Appendix B: Community Profiles for Full-Scope Areas

Jim Hogg County AA

Demographic Information for Full-Scope Area: Jim Hogg County AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	2	0	50	50	0	0
Population by Geography	5,300	0	42.70	57.30	0	0
Owner-Occupied Housing by Geography	1,252	0	49.20	50.80	0	0
Businesses by Geography	219	0	29.22	70.78	0	0
Farms by Geography	19	0	26.32	73.68	0	0
Family Distribution by Income Level	1,394	27.47	19.37	17.50	35.65	0
Distribution of Moderate-Income Families throughout AA Geographies	581	21.51	33.05	16.35	29.09	0
Census Median Family Income	\$47,817	Median Housing Value				\$59,815
FFIEC Adjusted Median Family Income 2016	\$52,400	Unemployment Rate:				8.86%
Households Below Poverty Level	17.72%					

(*) The NA category consists of geographies that have not been assigned an income classification.
 Source: 2010 U.S. Census, and 2016 FFEIC updated MFI, May 2017 U.S. Bureau of Labor Statistics.

Jim Hogg County AA

The Jim Hogg County AA is the bank's primary and only AA. Hebbbronville is the largest city and the county seat of Jim Hogg County. The AA consists of whole geographies and does not arbitrarily exclude any low- or moderate-income geographies. According to the 2010 Census, the AA includes 2 CTs, one of which is moderate-income and one is middle-income. There are no low-income CTs in the AA. The City Hebbbronville is divided by the two CTs. The main office is located in the moderate-income CT of Hebbbronville, Texas.

Based on the 2010 Census Data, the AA has a total population of 5,300. 27 percent of families in the AA are low-income. Moderate-income families approximate 19 percent, while middle- and upper-income families make up the remaining 54 percent. The median housing value is \$59,815 with the median age of housing stock at 40 years. About 18 percent of households are below the poverty level.

As of June 30, 2017, the unemployment rate in Jim Hogg County was 8.86 percent; both slightly above the State of Texas and the United States unemployment rates at 4.7 percent, and 4.4 percent, respectively. The AA's economy is centered in agriculture, ranching, hunting, and government entities. The agriculture industry is driven primarily by cattle. Ranching and hunting specializes in whitetail deer hunting and other indigenous game. Government entities include Customs and Border Protection and Immigration and Customs Enforcement. Other primary employers include the local school district and local governments.

Banking competition within the AA is strong. There are three other banks and two consumer loan agencies operating within the AA. As of June 30, 2017, FNBH's deposit market share in the Jim Hogg County was 74 percent, ranking well above the other three banks.

We conducted a community contact for the purpose of determining a community profile, identifying opportunities for participation by local financial institutions, and determining the performance of local financial institutions. The contact indicated the local economy is currently stable. Although oil and gas production is not prominent in Jim Hogg County, neighboring counties have high levels of production. Many residents of Hebbronville work for businesses related to oil and gas and servicing companies. Many of these residents lost high paying energy related jobs due to depressed energy prices, which negatively impacted the overall local economy. The contact indicate a potential opportunity for the construction of an energy complex in the adjacent Duval County (less than 10 miles from the City of Hebbronville) by Raven Petroleum. The complex plans to refine fuels, diesel, and jet fuel to supply to Mexico. Mexico has a significant shortage of fuels given the increased demand. The energy complex remains in the planning stages awaiting environmental studies and final approval from various government agencies. The contact indicate the local financial institutions are involved in meeting the community's credit needs.