



PUBLIC DISCLOSURE

September 12, 2022

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Incommons Bank, National Association
Charter Number: 12190

301 East Commerce
Mexia, TX 76667

Office of the Comptroller of the Currency

225 E. John Carpenter Freeway, Suite 900
Irving, TX 75062

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 major factors that support this rating include:

- The Lending Test rating is based on performance in the bank's assessment areas (AAs).
- The Loan-To-Deposit (LTD) ratio is reasonable.
- A majority of the bank's loans are inside its AAs.
- The geographic distribution of loans across geographies of different income levels is reasonable.
- The borrower distribution of loans to borrowers of different income levels and businesses of different sizes is reasonable.

Loan-to-Deposit Ratio

Considering the bank's size, financial condition, and credit needs of the AA(s), the bank's loan-to-deposit ratio is **reasonable**. The LTD ratio is calculated on a bank-wide basis. The bank's quarterly average LTD ratio during the evaluation period was 78.3 percent. We compared the bank's LTD ratio to similarly situated institutions operating in the area. The average LTD ratio for the peer banks was 66 percent.

Lending in Assessment Area

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

The bank originated and purchased 78.7 percent of its total loans inside the bank's AAs during the evaluation period. The Lending Test included a review of the bank's home mortgage loans and loans to small businesses; therefore, other loan categories are not included in the table. The findings from this analysis factored into the overall analysis of the geographic distribution of lending by income level of the geography.

Table D - 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										
2019-2021	235	78.9	63	21.1	298	32,406	74.8	10,929	25.2	43,335
Small Business										
2019-2021	47	78.3	13	21.7	60	4,845	83.9	928	16.1	5,774
Total	282	78.7	76	21.3	358	37,251	75.9	11,857	24.1	49,109

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

Description of Institution

Incommons Bank, N.A. (Incommons or the bank) is a small community bank that is headquartered in Mexia, Texas, in Limestone County. The bank was founded in 1922 and is a wholly owned subsidiary of the one-bank holding company Bi-Stone Bancshares, Inc. The bank operates only in the state of Texas and has six branches in the contiguous counties of McLennan, Falls, Limestone, and Freestone. The bank operates in two assessment areas which are evaluated separately. The Waco AA includes McLennan County and Falls County, and the Limestone-Freestone (Non-MSA) AA includes Limestone County and Freestone County. The AAs meet the requirements of the CRA regulation and do not arbitrarily exclude any LMI geographies. The bank does not have any affiliates or subsidiaries to be considered in this review. There have been no merger activities or changes to branch locations over the review period. Below are the bank's branch locations and geographies:

- 301 East Commerce St, Mexia, TX 76667 – Limestone County (Headquarters). CT 9705, moderate-income.
- 123 Bell St, Coolidge, TX 76635 – Limestone County. CT 9701, middle-income.
- 415 West Commerce St, Fairfield, TX 75840 – Freestone County. CT 3, middle income.
- 5400 Crosslake Pkwy, Legends Crossing, Waco, TX 76712 – McLennan County. CT 37.06, upper income.
- 714 E. Texas Ave, Mart, TX 76664 – McLennan County. CT 36.01, middle income.
- 338 E. Main, Rosebud, TX 76570 – Falls County. CT 7, middle-income.

With the exception of the Coolidge branch, all branch locations offer drive-thru service. The Mexia, Fairfield, and Waco locations have ATMs, while the Coolidge, Mart, and Rosebud locations do not due to space limitations and machine costs. Branch hours are sufficient to meet the needs of the community. Most branch lobbies are open from 9am to 3pm Monday through Thursday and 9am to 5:30pm on Fridays, with slight variances for the Mart and Rosebud locations.

The bank offers a full range of traditional banking products and services. The bank offers loan and deposit accounts for personal and business use. Deposit accounts include checking, savings, certificates of deposit (CDs), and individual retirement accounts (IRAs). Loans include home mortgages, commercial real estate, commercial and industrial loans, agriculture loans, and consumer loans. Other products and services include debit cards, safe deposit boxes, wire transfers, and internet and mobile banking. Generally, all products and services are offered at all branches. The bank does not have plans to make any significant changes to product and service offerings.

The bank has a lending focus in residential, commercial real estate, commercial, and agricultural loans. As of December 31, 2021, the bank's asset size was \$219.6 million. Total liabilities were \$201.4 million and total equity was \$18.3 million. The tier 1 leverage capital ratio as of December 31, 2021, was 8.5 percent. The loan portfolio totaled \$138.7 million, representing 63.2 percent of total assets. The portfolio consists of 34.4 percent residential real estate loans, 26.6 percent commercial real estate loans, 32.1

percent commercial loans, 12.7 percent agricultural, and 7 percent consumer loans. The investment portfolio totaled \$64.3 million.

The prior CRA examination of the bank was dated March 12, 2018, with a satisfactory rating. The bank has not had any legal, financial, or other factors that would impede its ability to help meet the credit needs in its AA during the evaluation period.

Scope of the Evaluation

Evaluation Period/Products Evaluated

Incommons is subject to the Small Bank CRA evaluation procedures. As such, this Performance Evaluation (PE) assesses the bank's performance under the Lending Test. In evaluating the bank's lending performance, we reviewed home mortgage loans subject to filing under the Home Mortgage Disclosure Act (HMDA) for 2019-2021 and a sample of 120 small business loans for the bank's two AAs. The evaluation period for the Lending Test is January 1, 2019, through December 31, 2021.

For geographic and borrower distribution analyses, loans are compared to the 2015 American Community Survey (ACS) Census data for residential mortgages and the 2020 Dun & Bradstreet (D&B) Data for loans to small businesses.

Selection of Areas for Full-Scope Review

We selected the Limestone-Freestone AA for a full-scope review and the Waco AA for a limited scope review. Refer to the "Scope" section under the State Rating for details regarding how full-scope AAs were selected. Refer to appendix A, Scope of Examination, for a list of full-scope AAs.

Ratings

The bank's overall rating is based on the performance in the state of Texas. The state rating is based on performance in all bank AAs with the most weight placed on the Limestone-Freestone AA. For the geographic and borrower distribution of loans under the Lending Test, consideration was given to the number of loans and dollar volume of loans originated in each category. Lending to small businesses received the most weight and then home mortgage loans were considered. Refer to the "Scope" section under the State Rating section for details regarding how the areas were weighted in arriving at the respective ratings.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 CFR 25.28(c) or 195.28(c), respectively, in determining a national bank's or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any AA by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Bureau of Consumer Financial Protection, as applicable.

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

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

State Rating

State of Texas

CRA rating for the State of Texas: Satisfactory

The Lending Test is rated: Satisfactory

The major factors that support this rating include:

- The geographic distribution of loans across geographies of different income levels is reasonable.
- The borrower distribution of loans to borrowers of different income levels and businesses of different sizes is reasonable.

Description of Institution's Operations in Texas

The bank operates in two AAs in the State of Texas as described in the "Description of the Institution" and the "Scope of Evaluation" sections of this PE. The bank's primary focus based on overall dollar amounts held in each loan portfolio is business loans and home mortgage loans.

Competitors include other local community banks and some of the United States' largest banks that have a nationwide footprint as well as credit unions and nonbank financial entities that compete for residential, business, farm, and consumer loans. Community credit needs in the full-scope AAs were determined by reviewing recent housing and demographic information, CRA PEs from other banks operating in the bank's AAs, and a review of community contacts with organizations that provide services within the full-scope AA.

Limestone-Freestone AA

The Limestone-Freestone AA includes large banks and many other community banks, mortgage companies, and credit unions. According to the peer market share report, Incommons has a lending market share of 6.9 percent and ranks third from 212 lenders. Based on the deposit market share report, in this AA, the bank has a market share of 15.8 percent and ranks third from 12 institutions. The bank has three branches out of 19 total bank branches in the AA.

Based on the FDIC Summary of Deposits, the bank had \$183.8 million in total deposits and six branches as of June 30, 2021. The Limestone-Freestone AA accounts for \$132.69 million in deposits, consisting

of \$94.1 million in the Mexia branch, \$13.2 million in the Coolidge branch, and \$25.4 million in the Fairfield branch. Deposits in this AA represent 72.2 percent of the bank's total deposits.

The Limestone-Freestone AA consists of 15 contiguous census tracts and not located within a Metropolitan Statistical Area (MSA). Four are moderate-income, nine are middle-income, and two are upper-income. This AA does not have any low-income CTs and three of the census tracts are considered distressed or underserved. Only 26.7 percent of the CTs are moderate-income. The population of the Limestone-Freestone AA consists of 43,040 people and 15,490 households. The median family income is \$52,198 and 13.9 percent of families are below the poverty level. The median housing value is \$83,640 and the median gross rent is \$659. Major employers in the area include the Mexia State Supported Living Center, Wal-Mart, and various companies in the city's industrial park.

The AA contains 11,624 owner-occupied housing units, 3,866 occupied rental units, and 4,347 vacant units. There are 2,466 businesses in the AA. Of these businesses, 81.5 percent reported gross annual revenues of less than or equal to \$1 million and 4.1 percent reported gross annual revenue greater than \$1 million. Because reporting is voluntary, 14.4 percent of the businesses did not report revenues.

To help identify the needs in the bank's Limestone-Freestone AA, we conducted a community contact to understand lending opportunities in the AA. The organization we contacted is a non-profit corporation whose purpose is to assist in the growth and development of the City of Mexia and surrounding counties. The contact stated that Mexia is a retail, commerce, and service hub whose biggest challenge is the development of affordable housing. There is the potential for redevelopment in multiple areas inside the city of Mexia, but the primary impediment is a lack of willing capital investment for demolition of existing homes to build-back affordable residences. There are three major apartment complexes in the city. Two of the apartment complexes provide reduced rent for qualifying applicants under various programs. The contact indicated financial institutions are involved in the community through sponsoring local events.

Waco AA

According to the peer market share report, in this AA, Incommons has a market share of 0.3 percent and ranks 73rd out of 457 lenders. Based on the deposit market share report, the bank has a market share of 3.7 percent and ranks 24th out of 40 institutions. The bank has three branches out of 82 branches in the AA. Based on the FDIC Summary of Deposits, the Waco AA accounts for \$51.1 million of the bank's total deposits, which represents 27.8 percent.

The Waco AA encompasses all of the Waco MSA and consists of 57 contiguous census tracts. Low-income CTs represent 12.3 percent, moderate-income CTs represent 29.8 percent, middle-income CTs represent 28.1 percent, and upper-income CTs represent 26.3 percent. The Waco AA does not have any distressed or underserved CTs. The median family income is \$54,026 and 14.8 percent of families are the below poverty level. The median housing value is \$108,453 and the median gross rent is \$770.

The AA contains 54,820 owner-occupied housing units, 37,367 occupied rental units, and 12,473 vacant units. There are 18,905 businesses in the AA. Of these businesses, 83.7 percent reported gross annual revenues of less than or equal to \$1 million and 4.8 percent reported gross annual revenue greater than \$1 million. Because reporting is voluntary, 11.5 percent of the businesses did not report revenues.

A community contact was not completed for the Waco AA as this is a limited-scope AA.

The following table depicts the demographic information for the one full-scope AAs in Texas.

Limestone-Freestone Non MSA AA

Table A – Demographic Information of the Assessment Area						
Assessment Area: Limestone-Freestone AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	15	0.0	26.7	60.0	13.3	0.0
Population by Geography	43,040	0.0	18.9	68.1	13.0	0.0
Housing Units by Geography	19,837	0.0	18.2	69.6	12.2	0.0
Owner-Occupied Units by Geography	11,624	0.0	15.9	70.0	14.1	0.0
Occupied Rental Units by Geography	3,866	0.0	21.5	68.2	10.4	0.0
Vacant Units by Geography	4,347	0.0	21.3	69.8	8.9	0.0
Businesses by Geography	2,466	0.0	19.3	68.0	12.7	0.0
Farms by Geography	172	0.0	10.5	74.4	15.1	0.0
Family Distribution by Income Level	10,897	23.0	18.2	17.8	41.0	0.0
Household Distribution by Income Level	15,490	25.1	17.3	16.3	41.2	0.0
Median Family Income Non-MSAs – TX		\$52,198	Median Housing Value			\$83,640
			Median Gross Rent			\$659
			Families Below Poverty Level			13.9%
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.						

Scope of Evaluation in Texas

As discussed earlier, the bank's Limestone-Freestone AA was selected for a full-scope review while the Waco AA was selected for a limited-scope review. Refer to the table in Appendix A for a list of all AAs under review.

Lending Test

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

Conclusions for Area Receiving a Full-Scope Review

Based on a **full-scope review**, the bank's performance in the Limestone-Freestone AA is **good**.

Distribution of Loans by Income Level of the Geography

The bank exhibits **reasonable** geographic distribution of loans in the State.

Home Mortgage Loans

The geographic distribution of home mortgage loans is **adequate**. 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.

In 2019-2021 the bank's home mortgage loans to households in moderate-income geographies was somewhat lower than the percentage of households in moderate-income geographies and the aggregate lending. There are no low-income geographies in the Limestone-Freeman AA. Limestone County has three CTs that are distressed or underserved.

The Limestone-Freestone AA only has four moderate-income CTs, of those, three are in downtown Mexia and there is no new development in those tracts. The fourth moderate-income CT is located in the south of the Mexia/Teague area and east of Groesbeck. The bank's market share in that area is not significant; this tract is primarily serviced by Teague and Groesbeck banks.

Small Loans to Businesses

The geographic distribution of small business loans is **adequate**. 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.

In 2019-2021, the bank's loans to small businesses in moderate-income geographies was somewhat lower than the percentage of businesses located in moderate-income geographies and the aggregate lending. There are no low-income geographies in the Limestone-Freeman AA. Limestone County has three CTs that are distressed or underserved. Most of the moderate-income CTs are located in downtown Mexia, which has not experienced much development in recent years.

Lending Gap Analysis

We evaluated the lending distribution in the bank's AAs to determine if any unexplained conspicuous gaps existed. There were no unexplained conspicuous gaps identified after reviewing performance context.

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

The distribution of loans to low- and moderate-income individuals is **adequate** considering performance context. 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.

In 2019-2021, the bank's mortgage lending to low-income borrowers was significantly lower than the percentage of families identified as low-income and lower than the aggregate lending to low-income borrowers. For moderate-income families, the bank's mortgage lending was near the percentage of families identified as moderate-income and exceeded the aggregate lending to moderate-income borrowers.

In reference to the low percentage of lending to low-income families, house affordability is becoming a challenge not only in this AA, but in the state of Texas. The median family income in the Limestone-Freestone AA is \$52,198. This area has 13.9 percent of families below the poverty level, and low-income families make less than \$26,099 per year. With the median housing value being \$83,640 and increasing, it is difficult for low-income borrowers to obtain affordable housing. Rising mortgage rates are now making affordable housing more challenging for low- and moderate-income borrowers.

The AA contains 11,624 owner-occupied housing units, 3,866 occupied rental units, and 4,347 vacant units. There is the potential for redevelopment in multiple areas inside the city of Mexia, but the primary impediment is a lack of willing capital investment for demolition of existing homes to build-back affordable residences. There are three major apartment complexes in the city. Two of the apartment complexes provide reduced rent for qualifying applicants under various programs. In addition, the bank does not offer a 30-year mortgage product as its competitors offer, which is a more desirable product for low- and moderate-income borrowers.

Small Loans to Businesses

The distribution of loans to small businesses in the AA is **excellent**. 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.

In 2019-2021, the bank's loans to businesses with revenues less than or equal to \$1 million exceeded the percentage of businesses identified as having revenues less than or equal to \$1 million and the aggregate lending to these businesses.

Responses to Complaints

There were no complaints related to the institution's CRA performance within the State of Texas during the review period.

Conclusions for Area Receiving a Limited Scope Review

Based on a **limited-scope review**, the bank's performance under the Lending Test in the **Waco AA** is **consistent with** the bank's overall performance under the Lending 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 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:	1/1/2019 to 12/31/2021	
Bank Products Reviewed:	Home mortgage and small business loans	
Affiliate(s)	Affiliate Relationship	Products Reviewed
None		
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
Texas		
Limestone-Freestone AA	Full-scope	Limestone and Freestone Counties are Non MSA areas and are combined. The entire AA has 17 CTs. Freestone County has 8 CTs, of which seven are middle-income CTs and one is upper-income CT. There are no distressed or underserved CTs in Freestone County. Limestone County has 9 CTs of which four are moderate-income CTs, four are middle-income CTs, and one is an upper-income CT. Limestone county has three CTs that are distressed or underserved.
Waco AA	Limited-scope	The Waco AA is comprised of two counties and 58 CTs. Falls County has 7 CTs, of which two are moderate-income, four are middle-income, and one is upper-income, there are no low-income CTs and there are no distressed or underserved CTs. McLennan County has 51 CTs of which seven are low-income, 15 are moderate-income, 13 are middle-income, 14 are upper-income CTs, and two are unknown. McLennan County does not have distressed or underserved CTs. The Waco AA encompasses all of the Waco MSA.

Appendix B: Summary of State Rating

RATINGS (Incommons Bank, National Association)	
Overall Bank:	Lending Test Rating
Incommons Bank, National Association	Satisfactory
State:	
Texas	Satisfactory

Appendix C: Definitions and Common Abbreviations

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

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

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

Census Tract (CT): A small, relatively permanent statistical subdivision of a county delineated by a local committee of census data users for the purpose of presenting data. Census tracts nest within counties, and their boundaries normally follow visible features, but may follow legal geography boundaries and other non-visible features in some instances, Census tracts ideally contain about 4,000 people and 1,600 housing units.

Combined Statistical Area (CSA): A geographic entity consisting of two or more adjacent Core Based Statistical Areas with employment interchange measures of at least 15. An employment interchange measure is a measure of ties between two adjacent entities. The employment interchange measure is the sum of the percentage of workers living in the smaller entity who work in the larger entity and the percentage of employment in the smaller entity that is accounted for by workers who reside in the larger entity.

Community Development (CD): Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; or activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas.

Community Reinvestment Act (CRA): The statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its entire community, including LMI areas, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

Consumer Loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, other secured consumer loans, and other unsecured consumer loans.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into 'male householder' (a family with a male householder and no wife present) or 'female householder' (a family with a female householder and no husband present).

Full-Scope Review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that conduct business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants, the amount of loan requested, the disposition of the application (e.g., approved, denied, and withdrawn), the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

Home Mortgage Loans: A closed-end mortgage loan or an open-end line of credit as these terms are defined under 12 CFR 1003.2, and that is not an excluded transaction under 12 CFR 1003.3(c)(1) through (c)(10) and (c)(13).

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Limited-Scope Review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

Low-Income Individual: Individual income that is less than 50 percent of the area median income.

Low Income Geography: A census tract with a median family income that is less than 50 percent.

Market Share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. The median is the point at which half of the families have income above, and half below, a range of incomes. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above, and half below, a range of incomes.

Metropolitan Division: As defined by Office of Management and Budget, a county or group of counties within a Core Based Statistical Area that contains an urbanized population of at least 2.5 million. A Metropolitan Division consists of one or more main/secondary counties that represent an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area: An area, defined by the Office of Management and Budget, as a core based statistical area associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

Middle-Income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of a geography.

Moderate-Income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of a geography.

Multifamily: Refers to a residential structure that contains five or more units.

Owner-Occupied Units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Qualified Investment: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rating Area: A rated area is a state or multi-state metropolitan statistical area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multi-state metropolitan statistical area, the institution will receive a rating for the multi-state metropolitan statistical area.

Small Loan(s) to Business(es): A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans.

Small Loan(s) to Farm(s): A loan included in 'loans to small farms' as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

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

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

Appendix D: Tables of Performance Data

Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan statistical areas, if applicable, are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: (1) purchased are treated as originations; and (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all HMDA or CRA-reporting lenders in the MMSA/assessment area. Deposit data are compiled by the FDIC and are available as of June 30th of each year. Tables without data are not included in this PE.

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

- Table O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents aggregate peer data for the years the data is available.
- Table P. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MMSA/assessment area. The table also presents aggregate peer data for the years the data is available.
- Table Q. Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses that were originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) in those geographies. Because aggregate small business data are not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank’s assessment area.
- Table R. Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenue** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to: 1) the percentage distribution of businesses with revenues of greater than \$1 million; and, 2) the percentage distribution of businesses for which revenues are not available. The table also presents aggregate peer small business data for the years the data is available.

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

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography

2019-21

Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
Limestone-Freeman AA	173	20,142	73.6	896	0.0	0.0	0.0	15.9	9.8	15.7	70.0	69.9	68.4	14.1	20.2	15.8	0.0	0.0	0.0
Waco AA	62	12,263	33.3	10,128	4.2	1.6	4.6	22.5	21.0	15.5	29.1	48.4	20.8	44.2	29.0	59.0	0.0	0.0	0.0
Total	235	32,406	100.0	11,024	3.4	0.4	4.3	21.4	12.8	15.6	36.3	64.3	24.7	38.9	22.6	55.5	0.0	0.0	0.0

Source: 2015 ACS; 01/01/2019 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data.
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		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
Limestone-Freeman AA	60	3,632	100	522	0.0	0.0	0.0	19.3	13.3	17.4	68.0	65.0	67.1	12.7	18.3	15.5	0.0	0.0	0.0
Waco AA	60	14,466	100	3,802	4.8	5.0	4.3	30.5	18.3	28.7	26.2	45.0	27.8	37.9	31.7	38.7	0.5	0.0	0.5
Total	120	18,098	100	4,324	4.3	2.5	3.8	29.2	15.8	27.3	31.0	55.0	32.6	35.0	25.0	35.9	0.5	0.0	0.4

Source: 2021 D&B Data; 01/01/2019 - 12/31/2021 Bank Data.
Due to rounding, totals may not equal 100.0%

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		
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Limestone-Freeman AA	173	20,142	73.6	896	23.0	0.6	1.6	18.2	14.5	12.1	17.8	14.5	16.9	41.0	66.5	47.7	0.0	4.0	21.9
Waco AA	62	12,263	29.2	10,128	22.6	0.0	1.8	17.8	6.5	9.4	18.0	11.3	18.2	41.5	64.5	46.7	0.0	17.7	23.9
Total	235	32,406	100.0	11,024	22.7	0.4	1.8	17.9	12.3	9.7	18.0	13.6	18.1	41.4	66.0	46.8	0.0	7.7	23.7

Source: 2015 ACS ; 01/01/2019 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data.
Due to rounding, totals may not equal 100.0%

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			
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans	% Businesses	% Bank Loans	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Limestone-Freeman Non AA	60	3,632	100.0	522	81.5	96.7	38.1	4.1	3.3	14.4	0.0						
Waco AA	60	14,466	100.0	3,802	83.7	85.0	32.7	4.8	15.0	11.5	0.0						
Total	120	18,098	100.0	4,324	83.5	90.8	33.4	4.7	9.1	11.8	0.0						

Source: 2020 D&B Data; 01/01/2019 - 12/31/2021 Bank Data; 2020 CRA Aggregate Data.
Due to rounding, totals may not equal 100.0%