

PUBLIC DISCLOSURE

October 30, 2023

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

City Bank
Certificate Number: 25103

5219 City Bank Parkway
Lubbock, Texas 79407

Federal Deposit Insurance Corporation
Division of Depositor and Consumer Protection
Dallas Regional Office

600 North Pearl Street, Suite 700
Dallas, Texas 75201

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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INSTITUTION RATING

INSTITUTION’S CRA RATING: This institution is rated **Satisfactory**.

An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

PERFORMANCE LEVELS	PERFORMANCE TESTS		
	Lending Test*	Investment Test	Service Test
Outstanding	-	-	-
High Satisfactory	-	-	-
Low Satisfactory	X	X	X
Needs to Improve	-	-	-
Substantial Noncompliance	-	-	-
* The Lending Test is weighted more heavily than the Investment and Service Tests when arriving at an overall rating.			

The Lending Test is rated Low Satisfactory.

- Lending levels reflect excellent responsiveness to assessment area credit needs.
- An adequate percentage of loans are made in the institution’s assessment areas.
- The geographic distribution of loans reflects adequate penetration throughout the assessment areas.
- The distribution of borrowers reflects adequate penetration among retail customers of different income levels and business customers of different sizes.
- The institution is a leader in making community development loans.
- The institution uses innovative and/or flexible lending practices in order to serve assessment area credit needs.

The Investment Test is rated Low Satisfactory.

- The institution has an adequate level of qualified community development investments and grants, although rarely in a leadership position, particularly those that are not routinely provided by private investors.
- The institution exhibits adequate responsiveness to credit and community development economic needs.
- The institution does not use innovative and/or complex investments to support community

development initiatives.

The Service Test is Low Satisfactory.

- Delivery systems are reasonably accessible to essentially all portions of the institution’s assessment areas.
- No branches have been opened or closed since the last evaluation. As such, there have been no changes in branching structure that adversely affected the accessibility of the bank’s delivery systems, particularly in low- and moderate-income geographies and to low- and moderate-income individuals.
- Services (including, where appropriate, business hours) do not vary in a way that inconveniences portions of the assessment areas, particularly low- and moderate-income geographies and/or individuals.
- The institution provides an adequate level of community development services.

DESCRIPTION OF INSTITUTION

City Bank is a full-service interstate financial institution headquartered in Lubbock, Texas. One-bank holding company South Plains Financial, Inc., Lubbock, Texas, wholly owns City Bank, as well as Ruidoso Retail Inc., Lubbock, Texas; and South Plains Financial Capital Trusts III, IV, and V, all in Wilmington, Delaware. No affiliates or subsidiaries exist relevant to this CRA evaluation since the institution did not ask for consideration of the activities from such. The bank received a “Satisfactory” rating at its previous Federal Deposit Insurance Corporation (FDIC) Community Reinvestment Act (CRA) Evaluation dated May 10, 2021, using Large Bank Examination Procedures.

City Bank currently operates 25 full-service offices throughout Texas and New Mexico. The bank also operates 8 loan production offices (LPOs) in the State of Texas, 4 of which are located within the designated assessment areas. Since the prior evaluation, the bank closed 8 LPOs in the State of Texas. Aside from the aforementioned changes, no other changes, such as merger or acquisition activities, have occurred.

The bank offers a variety of credit products, including commercial, agricultural, home mortgage, and consumer loans. The bank offers these loans in all of the assessment areas; however, the lending focus varies slightly in some markets. While commercial and home mortgage loans continue to represent the bank’s overall primary business focus, agricultural lending is the focus in some nonmetropolitan areas. Additionally, the institution offers a full line of traditional deposit services, including checking and savings accounts and certificates of deposit. Alternative banking services include internet and mobile banking, telephone banking, mobile check deposit, Zelle, and 30 automated teller machines (ATMs).

As of September 30, 2023, the institution reported total assets of nearly \$4.2 billion, total loans of \$3.0 billion, and total deposits of \$3.7 billion. Since the previous evaluation, total assets grew by 13.5 percent, total loans grew by 30.4 percent, and total deposits grew by 15.6 percent. Examiners did not identify any impediments that affect the bank’s ability to meet the credit needs of its assessment areas. The following table illustrates the bank’s loan portfolio.

Loan Portfolio Distribution as of 9/30/2023		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	418,364	13.9
Secured by Farmland	84,539	2.8
Secured by 1-4 Family Residential Properties	554,784	18.4
Secured by Multifamily (5 or more) Residential Properties	222,069	7.4
Secured by Nonfarm Nonresidential Properties	876,050	29.0
Total Real Estate Loans	2,155,806	71.5
Commercial and Industrial Loans	329,063	10.9
Agricultural Production and Other Loans to Farmers	92,060	3.1
Consumer Loans	403,961	13.4
Obligations of State and Political Subdivisions in the U.S.	6,884	0.2
Other Loans	26,063	0.9
Lease Financing Receivable (net of unearned income)	0	0.0
Less: Unearned Income	0	0.0
Total Loans	3,013,837	100.0
<i>Source: Reports of Condition and Income</i>		

Based on the information discussed in this section as well as other regulatory data, the institution's financial condition, size, product offerings, prior performance, and status of any legal impediments did not affect its ability to meet the credit needs of the assessment areas.

DESCRIPTION OF ASSESSMENT AREAS

As more fully described under Description of Institution for each rated area, City Bank operates in two rated areas, the States of Texas and New Mexico. The bank continues to designate eight assessment areas in the State of Texas and one in the State of New Mexico. Please refer to the rated areas and individual assessment areas for additional information.

The bank has not made changes to the assessment areas since the previous evaluation; however, minor changes to census tract boundaries within the assessment areas occurred due to the 2020 U.S. Census. The 2020 update in census information covers lending analyzed for 2022; whereas, the 2010 U.S. Census information, with 2015 American Community Survey (ACS) update, covers lending analyzed for 2021.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the previous evaluation dated May 10, 2021, to the current evaluation dated October 30, 2023. To assess performance, examiners applied the Federal Financial Institutions Examination Council (FFIEC) Large Institution CRA Examination Procedures, which include the Lending, Investment, and Service Tests. The Appendix lists the applicable tests' criteria.

Examiners applied full-scope procedures to the following assessment areas in the State of Texas: the Lubbock Metropolitan Statistical Area (Lubbock MSA) assessment area and the College Station-Bryan MSA (College Station MSA) assessment area. In accordance with outstanding procedures, examiners also randomly selected the College Station MSA assessment area for full-scope review since this area had not been reviewed using full-scope procedures during the previous two evaluations. Examiners placed greater weight on the bank’s performance in the Lubbock MSA assessment area since the majority of the bank’s loans, deposits, and offices are located in this assessment area. Examiners applied limited-scope procedures to the remaining assessment areas within the State of Texas. For the State of New Mexico, examiners applied full-scope procedures to the sole assessment area, the New Mexico nonmetropolitan MSA (NM Non-MSA) assessment area. Please refer to the rated area sections for additional details.

The following table shows that the bank originated a majority of its loans, held a majority of its deposits, and operated a majority of its branches in the State of Texas. Consequently, examiners weighed records in the State of Texas heavier when arriving at applicable conclusions and ratings.

Rated Area Breakdown of Loans, Deposits, and Branches						
Rated Area	Loans		Deposits		Branches	
	\$(000s)	%	\$(000s)	%	#	%
Texas	608,079	95.7	3,491,905	95.1	23	92.0
New Mexico	27,530	4.3	180,226	4.9	2	8.0
Total	635,609	100.0	3,672,131	100.0	25	100.0

Source: 2022 HMDA and CRA Data; FDIC Summary of Deposits (6/30/2023)

Activities Reviewed

For the Lending Test, CRA Large Bank procedures require examiners to consider a bank’s reported home mortgage, small business, and small farm loans since the previous evaluation, as well as all reported community development loans originated since the previous evaluation. Consequently, this evaluation considers total loans reported (inside and outside of the assessment areas) either according to the Home Mortgage Disclosure Act (HMDA) or CRA data collection reporting requirements:

Home Mortgage Loans (total inside and outside of the assessment area)

- 2021 – 5,402 loans totaling \$1,694,864,000
- 2022 – 2,622 loans totaling \$988,489,000

Small Business Loans (total inside and outside of the assessment area)

- 2021 – 2,266 loans totaling \$272,771,000
- 2022 – 997 loans totaling \$167,877,000

Small Farm Loans (total inside and outside of the assessment area)

- 2021 – 572 loans totaling \$63,954,000
- 2022 – 273 loans totaling \$41,263,000

Community Development Loans

- May 10, 2021 – October 30, 2023: 100 loans totaling \$234,358,000

Examiners determined that the bank's primary product lines include commercial and home mortgage lending, followed by agricultural lending. This conclusion considered Consolidated Reports of Condition and Income data, the number and dollar volume of reported loans during the evaluation period, and the bank's business strategy.

None of the bank's subsidiaries offers credit products; therefore, this evaluation does not consider any affiliate lending. Based on the data above, small farm loans only account for 4.3 percent of the dollar volume of the total HMDA and CRA loans in 2022. Therefore, other than for the Assessment Area Concentration performance factor, examiners did not analyze small farm loans since conclusions regarding them would not materially affect any conclusions or ratings.

CRA aggregate lending data for 2021, as well as D&B data for 2021 and 2022 provided a standard of comparison for the small business loans reviewed. HMDA aggregate lending data for 2021 and 2022, as well as 2015 ACS and 2020 U.S. Census data, provided a standard of comparison for the home mortgage loans reviewed. Examiners placed more weight on the comparisons to the aggregate lending data since it is typically a better indicator of market conditions and loan demand. In general, examiners did not identify any trends between the two years of CRA and HMDA data that materially affected conclusions. Therefore, examiners only presented 2021 small business data and 2022 home mortgage data for Geographic Distribution and Borrower Profile, as these are the most recent years with available aggregate data.

For the Lending Test, examiners analyzed the institution's lending activity, assessment area concentration, geographic distribution of loans, and borrowers' profile. Additionally, examiners reviewed community development lending activities as well as product innovation. Home mortgage lending represents the largest loan product by dollar volume and by number based on CRA reported data. Further, commercial lending represents the largest loan product by dollar volume based on the most recent Consolidated Reports of Condition and Income data. As a result, examiners placed equal weight among the products when drawing conclusions. However, loan product weighting varied slightly by assessment area and rated area. Please refer to the Scope of Evaluation section for additional details on each rated area. Finally, examiners did not evaluate consumer loans since they did not represent a significant percentage (13.6 percent of the overall loan portfolio by dollar volume) and the bank opted to forego collecting data on these loans.

The scopes for the Investment and Service Tests consider applicable current period community development activities, including qualified investments and community development services. The Investment Test's scope further encompasses all prior period qualified investments. Prior period qualified investments involve those purchased prior to the previous evaluation but still outstanding as of this evaluation's date. Examiners use the book value as of the current evaluation date for all prior period qualified investments.

For the Service Test, examiners reviewed the delivery systems for providing retail banking services, including branches and alternative delivery systems, and the impact of any branch openings or

closings during the evaluation period. The review further evaluated retail banking products and services targeted toward low- and moderate-income individuals or small businesses or tailored to meet specific needs within the assessment areas.

Given the institution's method and compilation of community development data, examiners reviewed all community development loans, qualified investments, and community development services from the previous evaluation to October 30, 2023.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

City Bank demonstrated a low satisfactory record for the bank as a whole regarding the Lending Test. Adequate records regarding geographic loan distribution, borrower profile, and assessment area concentration primarily support this conclusion. The bank also demonstrated excellent lending levels, leader level of community development loans, and use of innovative and flexible lending practices. The Lending Test performance is consistent in both rated areas. Refer to each rated area's Lending Test section for details.

For the CRA Large Bank Lending Test, typically, examiners will first determine whether the presence of any weaker lending activity or assessment area concentration performance warrants downgrading the overall Lending Test rating. Absent any such warranted downgrading, examiners will then place more weight on the bank's geographic distribution and borrower profile, as well as on its community development loans, when arriving at the overall Lending Test rating.

Lending Activity

Lending levels reflect excellent responsiveness to assessment area credit needs. Excellent records regarding home mortgage and small business lending support this conclusion. Examiners considered the bank's size, business strategy, and capacity relative to the assessment area credit needs when arriving at this conclusion.

Home Mortgage Loans

Home mortgage lending levels reflect excellent responsiveness to assessment area credit needs. Excellent performance in both rated areas supports this conclusion. For 2022, City Bank captured a 0.7 percent market share of the total number of home mortgage loans and a 0.6 percent market share of the total dollar volume of loans. This volume of activity ranks the bank 33rd out of 1,097 total lenders in the bank's assessment areas. This ranking lands the bank in the top 3.0 percent of lenders reporting such loans in the bank's assessment areas. The ranking considers the total number and dollar amount of loans made by each institution.

Small Business Loans

Small business lending levels reflect excellent responsiveness to assessment area credit needs. Excellent performance in both rated areas supports this conclusion. For 2021, City Bank captured a 0.7 percent market share of the total number of small business loans and a 1.8 percent market share of the total dollar volume of loans. This volume of activity ranks the bank 23rd out of 383 total lenders in the bank's assessment areas. This ranking lands the bank in the top 6.0 percent of lenders

reporting such loans in the bank’s assessment areas. The ranking considers the total number and dollar amount of loans made by each institution.

Assessment Area Concentration

An adequate percentage of loans are made in the institution’s assessment areas. Majorities of home mortgage, small business, and small farm loans originated in the assessment areas support this conclusion. Examiners considered the bank’s asset size and office structure, as well as the loan categories reviewed relative to the areas’ combined size and economy, when arriving at this conclusion.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollars Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2021	2,974	55.1	2,428	44.9	5,402	922,220	54.4	772,645	45.6	1,694,864
2022	1,457	55.6	1,165	44.4	2,622	456,616	46.2	531,873	53.8	988,489
Subtotal	4,431	55.2	3,593	44.8	8,024	1,378,836	51.4	1,304,518	48.6	2,683,353
Small Business										
2021	1,972	87.0	294	13.0	2,266	223,942	82.1	48,829	17.9	272,771
2022	878	88.1	119	11.9	997	144,204	85.9	23,673	14.1	167,877
Subtotal	2,850	87.3	413	12.7	3,263	368,146	83.5	72,502	16.5	440,648
Small Farm										
2021	499	87.2	73	12.8	572	55,888	87.4	8,066	12.6	63,954
2022	230	84.2	43	15.8	273	34,788	84.3	6,475	15.7	41,263
Subtotal	729	86.3	116	13.7	845	90,676	86.2	14,541	13.8	105,217

Source: HMDA Reported Data; CRA Reported Data

Geographic Distribution

The geographic distribution of loans reflects adequate penetration throughout the assessment areas. Performance in the States of Texas and New Mexico proved consistent with the overall conclusion. Examiners focused on the percentage by number of loans in low- and moderate-income census tracts when arriving at conclusions for this performance factor. Examiners reviewed only those loans granted within the assessment areas to perform this analysis. Refer to the rated area and assessment area sections for a complete discussion.

Borrower Profile

The distribution of borrowers reflects adequate penetration among retail customers of different income levels and business customers of different sizes. Performance in the States of Texas and New Mexico demonstrated consistent performance with the overall conclusion. Examiners focused on the percentage by number of loans to low- and moderate-income borrowers and to businesses with gross annual revenue of \$1 million or less when arriving at conclusions for this performance

factor. Examiners reviewed only those loans granted within the assessment areas to perform this analysis. Refer to the rated area and assessment area sections for a complete discussion.

Innovative or Flexible Lending Practices

The institution uses innovative and/or flexible lending practices in order to serve assessment area credit needs. During the evaluation period, the bank offered flexible programs institution-wide, including government guaranteed loans offered through several government-sponsored agencies. The government guaranteed loans have involved those administered through the Federal Housing Administration (FHA), Veterans Administration (VA), and the United States Department of Agriculture’s Rural Housing Service (RHS) and Farm Service Agency (FSA) loan programs. All of these types of loans require extra effort by bank personnel compared to conventional loans, and these loans help borrowers who might not otherwise qualify for credit. The bank had no innovative lending programs during the review period.

Besides their extent, the flexible loans reflect adequate responsiveness to the bank’s CD needs. The following table contains the bank’s total number and dollar volume of loans originated under each program during the evaluation period.

Innovative or Flexible Lending Programs								
Institution								
Type of Program	2021		2022		YTD 2023		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
FHA	234	47,293	119	28,145	87	22,700	440	98,138
VA	121	37,356	90	29,269	66	21,826	277	88,451
USDA	6	811	2	306	1	190	9	1,307
Texas Department of Housing and Community Affairs	43	7,094	8	1,418	3	494	54	9,006
Texas State Affordable Housing Corporation	6	1,333	5	1,310	4	1,065	15	3,708
Texas Veterans Land Board	21	5,146	43	13,953	26	8,161	90	27,260
Totals	431	99,033	267	74,401	187	54,436	885	227,870

Source: Bank Data, "--" data not available

The following table further shows the flexible lending activities by rated area.

Innovative or Flexible Loans								
Institution								
Rated Area	FHA		USDA/VA		State Housing Loans		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
State of New Mexico	8	2,043	9	2,567	0	0	17	4,610
State of Texas	432	96,094	277	87,193	159	39,973	868	223,260
Total	440	98,137	286	89,760	159	39,973	885	227,870
<i>Source: Bank records.</i>								

The following are notable flexible lending practices employed during the evaluation period.

- **Texas Department of Housing and Community Affairs** – This state agency offers programs with lower down payments or with closing costs assistance. The mission is to administer its assigned programs efficiently, transparently, and lawfully and to invest its resources strategically and develop high quality affordable housing.
- **Texas Veterans Land Board** – This state program allows eligible veterans and military members to purchase a home with a competitive, low-interest loan with little or no down payment.

Additionally, the bank has been an active originator of loans through Small Business Administration (SBA) programs, including the Paycheck Protection Program (PPP), which involved flexible underwriting due to unique financial strains on businesses and their employees as a result of the COVID-19 pandemic. These loans are SBA-backed loans designed to keep businesses and their workforce employed during the COVID-19 pandemic. There are no fees charged to small businesses by the government or lenders, and loan forgiveness is available if the business meets specific employee retention criteria. During the evaluation period, the bank originated 952 PPP loans totaling approximately \$67.3 million.

Community Development Loans

The institution is a leader in making community development loans. Performance is consistent in the State of Texas, which examiners weighed most heavily. The bank demonstrated inconsistent performance in the State of New Mexico, where performance fell significantly below the overall institution level.

Since the previous evaluation, the bank granted 100 community development loans totaling \$234.4 million. The dollar figure equates to 5.9 percent of average total assets of \$3,967,360,000 since the previous evaluation and 8.7 percent of average total loans of \$2,683,899,000 for the same period, thereby reflecting leadership levels. This ratio declined significantly since the previous evaluation, when community development loans represented 22.0 percent of average total assets and 32.1 average total loans. Furthermore, performance evaluations generally cover a three-year period or longer; however, the current evaluation covered a shorter period. Examiners considered this difference in assessing the bank’s community development activities compared to the prior evaluation.

In addition to reflecting a leadership level of lending, the community development loans reflect good responsiveness to the assessment areas’ community development needs. The following tables

reflect the bank’s responsiveness to community development lending opportunities by assessment area and by year. A substantial majority of the dollar volume of loans promoted revitalization and stabilization efforts, which demonstrates responsiveness to needs throughout most of the assessment areas. Revitalizing or stabilizing qualifying geographies represents a community development need throughout the bank’s assessment areas. In addition, a majority of the community development loans benefitted the bank’s primary service area, the Lubbock MSA assessment area.

Community Development Loans By Rated Area Institution										
Rated Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
State of Texas	1	3,632	0	0	34	29,516	65	201,210	100	234,358
State of New Mexico	0	0	0	0	0	0	0	0	0	0
Total	1	3,632	0	0	34	29,516	65	201,210	100	234,358

Source: Bank Data

The following table further shows the community development loans by year and purpose.

Community Development Lending by Year Institution										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2021 (partial year)	1	3,632	0	0	2	2,160	10	46,939	13	52,731
2022	0	0	0	0	21	18,396	30	95,257	51	113,653
YTD 2023	0	0	0	0	11	8,960	25	59,014	36	67,974
Total	1	3,632	0	0	34	29,516	65	201,210	100	234,358

Source: Bank Data

INVESTMENT TEST

City Bank demonstrated a low satisfactory record for the bank as a whole regarding the Investment Test. The adequate level of qualified investments and responsiveness to community development needs outweighed the lack of complex qualified investments to support this conclusion. Conclusions regarding the institution’s overall Investment Test performance proved consistent in the State of Texas, which examiners weighed most heavily. The bank demonstrated inconsistent performance in the State of New Mexico, where performance fell below the overall institution level. Refer to each rated area’s Investment Test section for details.

Investment and Grant Activity

The institution has an adequate level of qualified community development investments and grants, although rarely in a leadership position, particularly those that are not routinely provided by private investors. The bank made or retained 206 qualified investments totaling \$17.6 million, which includes 199 donations totaling \$927,385. Of these, seven investments totaling \$16.7 million are

from the prior evaluation period that remain outstanding, and the bank did not purchase any new investments during the current evaluation period.

The total dollar amount of qualified investments equates to 0.4 percent of average total assets of \$3,967,360,000 since the previous evaluation and 2.5 percent of average securities of \$713,679,000 for the same period, thereby reflecting an adequate level. These levels reflect decreases over the 2.0 percent of average total assets and 12.2 percent of average securities reported in the prior evaluation. Furthermore, performance evaluations generally cover a three-year period or longer; however, the current evaluation covered a shorter period. Examiners considered this difference in assessing the bank’s community development activities compared to the prior evaluation.

In June 2023, the bank sold \$52.8 million in bonds at a loss of \$3.4 million to strategically reinvest low yielding bonds into higher yielding loans, rather than for liquidity needs. Overall, the bank’s total securities portfolio decreased by 44.0 percent (by dollar volume) since the last evaluation, whereas qualified community development investment activity has decreased 29.2 percent by number and 71.1 percent, by dollar volume.

Qualified Investments By Rated Area Institution										
Rated Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
State of Texas	0	0	197	16,719	0	0	2	856	199	17,575
State of New Mexico	0	0	7	3	0	0	0	0	7	3
Total	0	0	204	16,722	0	0	2	856	206	17,578

Source: Bank Data

The following table further shows the qualified investments by year and purpose.

Qualified Investments by Year Institution										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	0	0	5	15,795	0	0	2	856	7	16,651
2021 (partial)	0	0	0	0	0	0	0	0	0	0
2022	0	0	0	0	0	0	0	0	0	0
YTD 2023	0	0	0	0	0	0	0	0	0	0
Subtotal	0	0	5	15,795	0	0	2	856	7	16,651
Qualified Grants & Donations	0	0	199	927	0	0	0	0	199	927
Total	0	0	204	16,722	0	0	2	856	206	17,578

Source: Bank Data

Responsiveness to Credit and Community Development Needs

City Bank exhibits adequate responsiveness to credit and community economic development needs. The prior tables show responsiveness through the bank’s investments by dollar amount in community services and revitalization and/or stabilizations activities, which are primary needs throughout the assessment areas. Refer to the individual assessment areas’ sections for details.

Community Development Initiatives

The institution does not use innovative and/or complex investments to support community development initiatives. The bank did not purchase any new investments during the evaluation period. In addition, the prior period investments are routinely provided by private investors and do not evidence innovation or complexity.

SERVICE TEST

City Bank demonstrated a low satisfactory performance for the bank as a whole regarding the Service Test. Reasonably accessible delivery systems, reasonableness of business hours and services, and an adequate level of community development services support this conclusion. The bank did not open or close any branches in the assessment areas. The Service Test performance is consistent in both rated areas. Refer to each rated area’s Service Test section for details.

Accessibility of Delivery Systems

Delivery systems are reasonably accessible to essentially all portions of the institution’s assessment areas. The bank’s branch distribution in low- and moderate-income census tracts falls 6.4 and 1.2 percentage points below the population found in these same tracts, reflecting adequate performance.

Branch and ATM Distribution by Geography Income Level Institution								
Tract Income Level	Census Tracts		Population		Branches		ATMs	
	#	%	#	%	#	%	#	%
Low	204	11.2	781,602	10.4	1	4.0	1	3.3
Moderate	469	25.8	1,890,643	25.2	6	24.0	7	23.3
Middle	525	28.9	2,185,159	29.1	12	48.0	16	53.3
Upper	575	31.6	2,544,213	33.9	6	24.0	6	20.0
NA	45	2.5	105,032	1.4	0	0.0	0	0.0
Total	1,818	100.0	7,506,649	100.0	25	100.0	30	100.0

*Source: 2020 U.S. Census & Bank Data
Due to rounding, totals may not equal 100.0%*

The bank makes its alternative delivery systems reasonably accessible to essentially all portions of the bank’s assessment areas for the bank as a whole. The preceding table shows the bank’s ATM distribution in low- and moderate-income census tracts falls 7.1 and 1.9 percentage points below the population found in these same tracts, reflecting adequate performance.

The bank offers deposit accounts that are accessible online, through debit cards, at ATMs,

telephones, and through a mobile banking application for smart phones. The mobile banking application gives the user the ability to make mobile deposits. Additionally, mobile banking allows customers access to view balances, view transaction history, pay bills, and make transfers. Furthermore, online services include the ability to complete bill pay, transfer funds, view account balances, and review transaction histories.

Changes in Branch Locations

During the evaluation period, City Bank did not open or close any branches in the assessment areas. Therefore, this criterion did not affect the overall Service Test rating for the institution as a whole.

Reasonableness of Business Hours and Services

Services (including, where appropriate, business hours) do not vary in a way that inconveniences portions of the assessment areas, particularly low- and moderate-income geographies and/or individuals. The bank offers service hours, as well as loan and deposit products, that are substantially similar throughout the rated areas.

City Bank maintains hours and services typical for the areas served and the industry. Most locations maintain lobby hours from 8:30 AM to 4:00 PM, Monday through Friday. In addition, several branches located in low- and moderate-income census tracts operate drive-thru facilities, with 3.3 percent of the 30 drive-thru locations being located in low-income census tracts and 26.7 percent located in moderate-income census tracts.

The bank offers an array of deposit accounts that benefit all portions of the assessment areas, including low- and moderate-income individuals. The bank offers various checking accounts, including Rewards Checking, as well as different types of savings accounts. The Rewards Checking, Simple Checking, and Interest Checking accounts do not include a maintenance fee if the customer enrolls in electronic statements; however, customers must meet certain requirements before they can receive a majority of the monetary benefits like increased interest earned. Credit-related products offered for consumer and commercial entities include non-residential loans, home mortgage loans, home equity loans, and various commercial-purpose loan products.

Community Development Services

The institution provides an adequate level of community development services. The following table shows that the bank provided 79 community development services since the previous evaluation. This number equates to an average of 1.5 community development services per office per year since the previous evaluation period. The bank maintained 25 full-service offices for the 2.1 years since the previous evaluation. The following tables display the community development services by activity type, year, and rated area for the institution as a whole.

Community Development Services Institution					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2021	3	24	0	2	29
2022	2	12	0	2	16
YTD 2023	2	30	0	2	34
Total	7	66	0	6	79
<i>Source: Bank Data</i>					

Community Development Services by Rated Area Institution					
Rated Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
Texas	7	64	0	6	77
New Mexico	0	2	0	0	2
Total	7	66	0	6	79
<i>Source: Bank Data</i>					

The services primarily involve bank personnel’s use of their technical expertise to benefit organizations or projects with a primary purpose of community development, as defined by CRA regulations. Although not particularly innovative, the community development services reflect adequate responsiveness to available opportunities as illustrated by their level of addressing identified community development needs in the bank’s assessment areas.

Service activities demonstrate the responsiveness to community needs primarily for community services to low- and moderate-income individuals. As noted in the tables above, 83.5 percent of the bank’s CD services benefitted projects or organizations that provide community services targeted to low- and moderate-income individuals. As noted in the rated area sections of this evaluation, such services represent community development needs for the bank’s assessment areas.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

The bank’s compliance with the laws relating to discrimination and other illegal credit practices was reviewed, including the Fair Housing Act and the Equal Credit Opportunity Act. Examiners did not identify any discriminatory or other illegal credit practices.

TEXAS

CRA RATING FOR TEXAS: SATISFACTORY

The Lending Test is rated: Low Satisfactory

The Investment Test is rated: Low Satisfactory

The Service Test is rated: Low Satisfactory

DESCRIPTION OF INSTITUTION'S OPERATIONS IN TEXAS

City Bank designated nine assessment areas within the State of Texas. However, consistent with outstanding guidance, examiners combined the two noncontiguous Texas nonmetropolitan areas (TX Non-MSA assessment areas) for presentation purposes since examiners identified no anomalies when analyzing the two areas separately. Therefore, this evaluation presents discussion on eight assessment areas. The TX Non-MSA assessment areas include: 1) West TX Rural Non-MSA and 2) Permian Basin Non-MSA. Refer to subsequent sections for details regarding the individual assessment areas.

Description of Texas Assessment Areas			
Assessment Area	Counties in Assessment Area	# of CTs	# of Branches
College Station MSA	Brazos	63	1
Dallas MD	Collin, Dallas, Denton, Kaufman, Rockwall	1,114	3
El Paso MSA	El Paso	188	2
Houston MSA	Harris	216	1
Lubbock MSA	Crosby, Lubbock, Lynn	112	8
Midland MSA	Midland	37	1
Odessa MSA	Ector	33	2
TX Non-MSA	Pecos, Ward, Winkler, Bailey, Cochran, Floyd, Gaines, Hale, Hockley, Lamb, Terry, Yoakum	46	5

Source: Bank Records; 2020 U.S. Census Data

SCOPE OF EVALUATION – TEXAS

Of the assessment areas in Texas, examiners applied full-scope procedures to the Lubbock MSA assessment area since it generated the largest percentage of the bank's loans, deposits, and offices in this rated area. In addition, in accordance with outstanding procedures, examiners also randomly selected the College Station MSA assessment area for full-scope review since this area had not been reviewed using full-scope procedures during the previous two evaluations. Examiners applied limited-scope procedures to the other Texas assessment areas.

Examiners considered the following loans granted inside the bank's Texas assessment areas as reported according to either the HMDA or CRA data collection reporting requirements:

Home Mortgage Loans:

- 2021: 2,853 loans totaling \$893,740,000
- 2022: 1,370 loans totaling \$435,782,000

Small Business Loans:

- 2021: 1,851 loans totaling \$211,920,000
- 2022: 828 loans totaling \$137,834,000

Small Farm Loans:

- 2021: 494 loans totaling \$55,805,000
- 2022: 228 loans totaling \$34,462,000

The weightings for the specific loan categories is consistent for each of the assessment areas. As suggested by the above figures, home mortgage loans generally received the heaviest weighting followed by small business loans when arriving at applicable conclusions due to the higher number of home mortgage loan originations compared to small business loan originations.

The following table shows that the Lubbock MSA AA generated the largest percentage of the bank’s Texas loans, deposits, and branches. Consequently, examiners weighed records in the Lubbock MSA AA heaviest when arriving at applicable conclusions and ratings. Examiners weighed performance in each area consistent with that area’s lending level as reflected in the following table.

Assessment Area Breakdown of Loans, Deposits, and Branches State of Texas						
Assessment Area	Loans		Deposits		Branches	
	\$(000s)	%	\$(000s)	%	#	%
College Station MSA	62,689	10.3	61,741	1.8	1	4.4
Dallas MD	180,724	29.7	425,614	12.2	3	13.0
El Paso MSA	70,468	11.6	210,645	6.0	2	8.7
Houston MSA	9,268	1.5	53,030	1.5	1	4.3
Lubbock MSA	192,495	31.7	2,133,644	61.1	8	34.8
Midland MSA	29,560	4.9	49,470	1.4	1	4.4
Odessa MSA	12,129	2.0	156,007	4.5	2	8.7
TX Non-MSA	50,746	8.3	401,754	11.5	5	21.7
Total	608,079	100.0	3,491,905	100.0	23	100.0

Source: 2022 HMDA and CRA Data; FDIC Summary of Deposits (6/30/2023)

CONCLUSIONS ON PERFORMANCE CRITERIA IN TEXAS

LENDING TEST

City Bank demonstrated a low satisfactory record in the State of Texas regarding the Lending Test. Adequate geographic loan distribution and borrower profile loan distribution outweighed excellent lending levels and a leader level in community development loans to support this conclusion. The

institution further uses innovative or flexible lending practices. Conclusions regarding the institution's performance in the State of Texas were consistent with the conclusions for all of the assessment areas within the rated area.

Lending Activity

Lending levels reflect excellent responsiveness to assessment area credit needs in the State of Texas. Excellent performance regarding home mortgage and small business loans support this conclusion. Examiners considered the bank's size, business strategy, and capacity in this state relative to its credit needs when arriving at this conclusion.

Home Mortgage Loans

Home mortgage lending levels reflect excellent responsiveness to assessment area credit needs. For 2022, City Bank captured a 0.7 percent market share of the total number of home mortgage loans and a 0.5 percent market share of the total dollar volume of loans. This volume of activity ranks the bank 36th out of 1,093 total lenders in the bank's assessment areas. This ranking lands the bank in the top 3.3 percent of lenders reporting such loans in the bank's assessment areas. The ranking considers the total number and dollar amount of loans made by each institution.

Small Business Loans

Small business lending levels reflect excellent responsiveness to assessment area credit needs. For 2021, City Bank captured a 0.6 percent market share of the total number of small business loans and a 1.8 percent market share of the total dollar volume of loans. This volume of activity ranks the bank 23rd out of 383 total lenders in the bank's assessment areas. This ranking lands the bank in the top 6.0 percent of lenders reporting such loans in the bank's assessment areas. The ranking considers the total number and dollar amount of loans made by each institution.

Geographic Distribution

The geographic distribution of loans reflects adequate penetration throughout the assessment areas within the State of Texas. The bank demonstrated consistent performance in the Dallas Metropolitan Division (MD), El Paso MSA, Midland MSA, Odessa MSA, and TX Non-MSA assessment areas within this rated area. However, the bank demonstrated inconsistent performance in the Houston MSA assessment area. Examiners placed most weight on the bank's performance in the Dallas MD and Lubbock MSA assessment areas.

Borrower Profile

The distribution of borrowers reflects, given the product lines offered by the institution, adequate penetration among retail customers of different income levels and business customers of different sizes throughout the State of Texas. The bank demonstrated consistent performance in the Dallas MD, El Paso MSA, Midland MSA, Odessa MSA, and TX Non-MSA assessment areas within this rated area. However, the bank demonstrated inconsistent performance in the Houston MSA assessment area. Examiners placed most weight on the bank's performance in the Dallas MD and Lubbock MSA assessment areas.

Innovative or Flexible Lending Practices

The institution uses innovative and/or flexible lending practices in order to serve assessment area credit needs in the State of Texas. The number and dollar volume of innovative loan products and flexible lending practices supports this conclusion. Examiners considered the dollar volume relative to the institution’s capacity and the credit needs of its assessment areas when arriving at this conclusion. The appendices list the criteria considered under this performance factor.

Since the previous evaluation, the bank originated 868 innovative or flexible loans totaling approximately \$223.3 million in the State of Texas. This dollar figure equates to 98.0 percent of the bank’s total innovative or flexible loans. Given the bank’s capacity and the needs in the rated area, the institution uses innovative and flexible loans in the State of Texas.

Community Development Loans

The institution is a leader in making community development loans in the State of Texas. The El Paso MSA, Lubbock MSA, Midland MSA, Odessa MSA, and TX Non-MSA assessment areas demonstrated consistent performance with that noted for the State of Texas. The College Station MSA, Dallas, MD, and Houston MSA assessment areas demonstrated inconsistent performance, falling below the level noted for the State of Texas.

The following table shows that, since the previous evaluation, the bank granted 100 community development loans totaling approximately \$234.4 million in this state. The dollar amount equates to 100.0 percent of the bank’s overall leadership level of community development loans as compared to the 95.7 percent of overall HMDA and CRA loans attributed to this state. The current level reflects a decline from that noted at the last evaluation, where the bank originated 356 loans totaling \$664.5 million in the State of Texas.

Community Development Lending by Assessment Area State of Texas										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
College Station MSA	0	0	0	0	0	0	1	3,240	1	3,240
Dallas MD	0	0	0	0	2	2,553	12	28,165	14	30,718
El Paso MSA	0	0	0	0	1	2,000	10	55,148	11	57,148
Houston MSA	0	0	0	0	0	0	0	0	0	0
Lubbock MSA	1	3,632	0	0	7	5,112	18	62,012	26	70,756
Midland MSA	0	0	0	0	0	0	2	11,110	2	11,110
Odessa MSA	0	0	0	0	0	0	2	6,102	2	6,102
TX Non-MSA	0	0	0	0	24	19,851	20	35,433	44	55,284
Total	1	3,632	0	0	34	29,516	65	201,210	100	234,358
<i>Source: Bank Data</i>										

In addition to reflecting a leadership level of lending, the community development loans reflect the bank’s responsiveness to community development lending opportunities. A substantial majority of

the dollar volume of loans promoted revitalization and stabilization efforts, which demonstrates responsiveness to needs throughout most of the rated area. Revitalizing or stabilizing qualifying geographies represents a community development need throughout the State of Texas.

INVESTMENT TEST

City Bank demonstrated a low satisfactory record in the State of Texas regarding the Investment Test. The adequate level of qualified investments and responsiveness to community development needs outweighed the lack of complex qualified investments to support this conclusion. The Dallas MD, Houston MSA, Lubbock MSA, Midland MSA, and Odessa MSA assessment areas demonstrated performance consistent with that of the rated area. The College Station MSA, Houston MSA, and TX Non-MSA assessment areas demonstrated inconsistent performance, falling below that noted for the State of Texas. Further, the El Paso MSA exceeded performance of that noted for the State of Texas.

Investment and Grant Activity

The bank has an adequate level of qualified community development investments and grants in the State of Texas, although rarely in a leadership position, particularly those that are not routinely provided by private investors. The table below shows that the bank made 199 qualified investments totaling approximately \$17.6 million in the State of Texas. By dollar volume, this equates to nearly 100.0 percent of the bank’s total adequate level of qualified investments as compared to 95.1 percent of total deposits in this rated area. These levels represent decreases from the 282 qualified investments totaling \$60.9 million reported at the previous evaluation.

Qualified Investments by Assessment Area State of Texas										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
College Station MSA	0	0	4	5	0	0	0	0	4	5
Dallas MD	0	0	15	66	0	0	0	0	15	66
El Paso MSA	0	0	15	11,109	0	0	1	649	16	11,758
Houston MSA	0	0	3	18	0	0	0	0	3	18
Lubbock MSA	0	0	86	5,371	0	0	1	207	87	5,578
Midland MSA	0	0	18	33	0	0	0	0	18	33
Odessa MSA	0	0	13	20	0	0	0	0	13	20
TX Non-MSA	0	0	43	97	0	0	0	0	43	97
Total	0	0	197	16,719	0	0	2	856	199	17,575

Source: Bank records

Responsiveness to Credit and Community Development Needs

City Bank exhibits adequate responsiveness to credit and community economic development needs in the State of Texas. The above table shows the bank demonstrates responsiveness with 95.1 percent of the dollar volume addressing community service needs, supporting an identified community development need in the assessment areas.

Community Development Initiatives

City Bank does not use innovative and/or complex investments to support community development initiatives in the State of Texas.

SERVICE TEST

City Bank demonstrated a low satisfactory record for the State of Texas regarding the Service Test. Reasonably accessible delivery systems, reasonableness of business hours and services, and an adequate level of community development services support this conclusion. The bank’s performance is consistent in all of the Texas assessment areas, with the exception of the TX Non-MSA assessment area that reflects lower performance; however, it did not change the overall conclusion.

Accessibility of Delivery Systems

Delivery systems are reasonably accessible to essentially all portions of the institution’s assessment areas within this rated area. The bank’s branch distribution in low-income census tracts falls 6.1 percentage points below the population, and moderate-income census tracts slightly exceeds 0.9 percentage points above the population in these same tracts, reflecting adequate performance. The branch distribution in the State of Texas proved consistent with that noted for the bank as a whole.

Branch and ATM Distribution by Geography Income Level State of Texas								
Tract Income Level	Census Tracts		Population		Branches		ATMs	
	#	%	#	%	#	%	#	%
Low	204	11.3	781,602	10.4	1	4.3	1	3.6
Moderate	468	25.9	1,888,337	25.2	6	26.1	7	25.0
Middle	519	28.7	2,170,539	29.0	10	43.5	14	50.0
Upper	574	31.7	2,542,031	34.0	6	26.1	6	21.4
NA	44	2.4	103,871	1.4	0	0.0	0	0.0
Total	1,809	100.0	7,486,380	100.0	23	100.0	28	100.00

*Source: 2020 U.S. Census & Bank Data
Due to rounding, totals may not equal 100.0%*

The bank makes its alternative delivery systems reasonably accessible to essentially all portions of the bank’s assessment areas in the State of Texas. The preceding table shows the bank’s ATM distribution in low- and moderate-income census tracts falls 6.8 and 0.2 percentage points below the population found in these same tracts, reflecting adequate levels. In addition to ATM access, the bank’s deposit accounts are accessible online, through debit cards, telephones, and through a mobile banking application for smart phones. Refer to the institution-level Service Test section for specific details of retail banking services available through alternative delivery systems.

Changes in Branch Locations

During the evaluation period, City Bank did not open or close any branches in the assessment areas. Therefore, this criterion did not affect the overall Service Test rating for the State of Texas.

Reasonableness of Business Hours and Services

City Bank’s services, including business hours, do not vary in a way that inconvenience portions of the assessment areas, particularly low- and moderate-income geographies and/or individuals. The State of Texas reflects product offerings, services, and branch hours consistent with the discussion at the institution level.

Community Development Services

City Bank provides an adequate level of community development services for the State of Texas. Bank employees provided 77 community development services since the previous evaluation. The number equates to an average of 1.4 community development services per office per year since the previous evaluation, thereby reflecting an adequate level. This level reflects a decrease from the previous evaluation when the bank provided an average of 2.9 services per branch per year.

Community Development Services by Assessment Area State of Texas					
Assessment Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
Lubbock MSA	4	40	0	6	50
Houston MSA	0	2	0	0	2
Dallas MSA	0	3	0	0	3
El Paso MSA	0	4	0	0	4
TX Non-MSA	0	2	0	0	2
College Station MSA	0	2	0	0	2
Midland MSA	0	0	0	0	0
Odessa MSA	0	0	0	0	0
Regional	3	11	0	0	14
Total	7	64	0	6	77

Source: Bank Data

The bank made 14 community development services within a broader statewide or regional area that includes or benefits the assessment areas. The following are examples of the bank’s community development services in the broader statewide or regional area in the State of Texas:

- **Affordable Housing** – From 2021 through 2023, a bank representative served as a voting member for an organization that provides low-income housing tax credit programs for financing the development of affordable housing, and used their expertise in reviewing proposed projects.

- **Community Services** – From 2021 through 2023, a bank employee served on the Board of an organization that provides services and supports predominantly economically disadvantaged school districts in the South Plains, and used their expertise to oversee budget items and funding policies.

LUBBOCK MSA ASSESSMENT AREA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN LUBBOCK MSA ASSESSMENT AREA

The Lubbock MSA assessment area located in central west Texas includes all 112 census tracts (2020 U.S. Census) that make up Crosby, Lubbock, and Lynn Counties. The assessment area boundaries have not changed since the prior evaluation; however, census tract income levels changed between the 2020 U.S. Census year. According to 2015 ACS data, the assessment area consists of 6 low-, 20 moderate-, 25 middle-, 22 upper-income census tracts, and 1 census tract with no income designation. U.S. Census data from 2020 reflects the area as having 8 low-, 24 moderate-, 47 middle, 26 upper-income geographies, and 7 census tracts with no income designation. The bank currently operates eight offices in the assessment area

Economic and Demographic Data

The following table illustrates select demographic characteristics of the Lubbock MSA assessment area.

Demographic Information of the Assessment Area Lubbock MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	112	7.1	21.4	42.0	23.2	6.3
Population by Geography	321,368	6.6	20.6	41.7	27.1	4.0
Housing Units by Geography	134,602	8.0	23.5	41.5	24.4	2.7
Owner-Occupied Units by Geography	67,854	4.4	18.2	41.9	34.5	1.1
Occupied Rental Units by Geography	52,987	11.6	28.7	41.3	13.9	4.5
Vacant Units by Geography	13,761	11.4	29.9	39.7	15.1	4.0
Businesses by Geography	37,464	4.2	16.7	36.7	40.4	2.1
Farms by Geography	1,745	1.8	14.3	41.8	41.4	0.7
Family Distribution by Income Level	73,302	23.0	16.4	19.4	41.1	0.0
Household Distribution by Income Level	120,841	25.3	15.2	16.7	42.7	0.0
Median Family Income MSA - 31180 Lubbock, TX MSA		\$70,036	Median Housing Value			\$143,224
			Median Gross Rent			\$967
			Families Below Poverty Level			11.4%

Source: 2020 U.S. Census and 2022 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.*

Moody’s Analytics, Precip U.S. Metro from October 2023, describes the area’s economy as steady. Retail, state government, and leisure/hospitality industries have seen a decline while healthcare has quickly expanded. The area’s major employers include Texas Tech University, Covenant Healthcare System Inc., and United Supermarkets. Weakness in this area include limited private sector investments. The Bureau of Labor Statistics reflects a September 2023 unemployment rate of 3.4 percent for the Lubbock MSA, which is lower than the 4.1 percent State of Texas rate and the 3.8 percent national rate for the same time period.

The analysis of small business loans under the borrower profile criterion compared the distribution of businesses by gross annual revenue (GAR) level. For businesses located in the Lubbock MSA assessment area, approximately 88.7 percent reported GARs of \$1 million or less, 2.7 percent reported GAR of more than \$1 million, and 8.6 percent reported no GAR information.

The following table denotes the income ranges for the low-, moderate-, middle- and upper-income designations based on the Federal Financial Institutions Examination Council (FFIEC)-estimated median family incomes.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2021 (\$72,800)	<\$36,400	\$36,400 to <\$58,240	\$58,240 to <\$87,360	≥\$87,360
2022 (\$80,500)	<\$40,250	\$40,250 to <\$64,400	\$64,400 to <\$96,600	≥\$96,600
<i>Source: FFIEC</i>				

Competition

The area contains a moderate level of competition from other chartered banks based on its population, with each of the 27 institutions with 111 offices serving about 2,895 people on average. City Bank ranks 1st in market share by capturing 18.0 percent of the area’s deposits based on the June 30, 2023, FDIC Market Share Report. However, non-banks heighten the competition level with many offering the remote delivery of products through digital devices. These non-banks include fintech companies, credit unions, mortgage companies, and finance companies. Overall, the competition level allows for lending opportunities.

Community Contact

Examiners interviewed a community member who is knowledgeable of the area’s economic, demographic, and housing environment to help assess the area’s current economic conditions, community credit needs, and potential opportunities for bank involvement in the area. The contact represents an organization that promotes economic development within the area.

The contact noted that there has been significant home growth in the past three years and a slight increase in the cost of homes during the inflationary period. In 2023, the area experienced a slight decrease in the growth of homes, but the area still experienced a record high compared to other years. There has also been an increase in the availability of apartments within the area due to the local university and population growth. The organization identified the areas’ primary credit needs

include small business lending to allow for small businesses to grow or to allow the area to bring in new businesses with the expanding economy. The contact also noted a heightened need to reach and provide general banking services for unbanked individuals and small businesses.

Credit and Community Development Needs and Opportunities

Considering information obtained from the community contact, bank management, and demographic and economic data, examiners determined that the area's primary credit needs include small business and home mortgage lending.

With respect to the area's community development needs, 2020 U.S. Census demographic data shows that a 39.4 percent of the area's families reported low or moderate incomes, with 11.4 percent living below the poverty level. This signifies a continued need for activities that promote community development services. Demographic data also shows that 28.5 percent of the area's census tracts received low- or moderate-income designations, suggesting a need for activities that promote revitalization and stabilization.

CONCLUSIONS ON PERFORMANCE CRITERIA IN LUBBOCK MSA ASSESSMENT AREA

LENDING TEST

City Bank demonstrated low satisfactory performance under the Lending Test in this assessment area. Adequate performance records regarding geographic distribution and borrower profile outweighed excellent lending levels and a leader level in making community development loans to support this conclusion.

Lending Activity

Lending levels reflect excellent responsiveness to assessment area credit needs in the Lubbock MSA assessment area. Excellent performance regarding home mortgage and small business loans support this conclusion. Examiners considered the bank's size, business strategy, and capacity in this assessment area relative to its credit needs when arriving at this conclusion.

Home Mortgage Loans

Home mortgage lending levels reflect excellent responsiveness to assessment area credit needs. For 2022, City Bank captured a 4.9 percent market share of the total number of home mortgage loans and a 4.1 percent market share of the total dollar volume of loans. This volume of activity ranks the bank 5th out of 417 total lenders in this area. This ranking lands the bank in the top 1.2 percent of lenders reporting such loans in the Lubbock MSA assessment area. The ranking considers the total number and dollar amount of loans made by each institution.

Small Business Loans

Small business lending levels reflect excellent responsiveness to assessment area credit needs. For 2021, City Bank captured a 12.7 percent market share of the total number of small business loans and a 21.6 percent market share of the total dollar volume of loans. This volume of activity ranks

the bank 2nd out of 101 total lenders in this area. This ranking lands the bank in the top 2.0 percent of lenders reporting such loans in the Lubbock MSA assessment area. The ranking considers the total number and dollar amount of loans made by each institution.

Geographic Distribution

The geographic distribution of loans reflects adequate penetration throughout the Lubbock MSA assessment area. Adequate performance regarding home mortgage and small business loans supports this conclusion.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects adequate performance in the Lubbock MSA assessment area. Adequate performance in both low- and moderate-income geographies supports this conclusion.

As seen in the table below, the bank’s lending in low-income census tracts lands slightly below the aggregate data by 1.6 percentage points, reflective of adequate performance. The table further shows that, in moderate-income census tracts, the bank’s lending level falls 4.0 percentage points below the aggregate data, also reflecting an adequate level.

Geographic Distribution of Home Mortgage Loans Lubbock MSA Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	4.4	2.6	5	1.0	806	0.7
Moderate	18.2	12.9	46	8.9	8,165	6.9
Middle	41.9	43.1	236	45.9	50,259	42.7
Upper	34.5	40.2	224	43.6	58,071	49.4
Not Available	1.1	1.2	3	0.6	323	0.3
Totals	100.0	100.0	514	100.0	117,624	100.0

Source: 2020 U.S. Census; 2022 HMDA Data, 2022 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0%.

Small Business Loans

The geographic distribution of small business loans reflects adequate performance in the Lubbock MSA assessment area. Adequate performance in both low- and moderate-income geographies supports this conclusion.

As seen in the table below, the bank’s lending in low-income census tracts lands slightly below the aggregate data by 0.9 percentage points, reflective of adequate performance. The table further shows that, in moderate-income census tracts, the bank’s lending level falls 2.0 percentage points below the aggregate data, also reflecting an adequate level.

Geographic Distribution of Small Business Loans Lubbock MSA Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low	3.4	2.7	16	1.8	1,497	1.6
Moderate	16.4	14.2	111	12.2	18,128	19.1
Middle	35.7	36.0	297	32.6	32,831	34.6
Upper	44.5	47.1	488	53.5	42,502	44.8
Not Available	0.1	0.0	0	0.0	0	0.0
Totals	100.0	100.0	912	100.0	94,958	100.0

Source: 2021 D&B Data; 2021 CRA Data; 2021 CRA Aggregate Data. Due to rounding, totals may not equal 100.0%.

Borrower Profile

The distribution of borrowers reflects, given the product lines offered by the institution, adequate penetration among retail customers of different income levels and business customers of different sizes in the Lubbock MSA assessment area. Adequate performance regarding home mortgage and small business loans supports this conclusion.

Home Mortgage Loans

The distribution of home mortgage loans based on the borrowers' profiles reflects adequate performance in the Lubbock MSA assessment area. Adequate performance to both low- and moderate-income borrowers supports this conclusion.

As seen in the table below, the bank's lending to low-income borrowers compares to the aggregate data with a slight 0.2 percentage point difference, reflective of adequate performance. The table further shows that, to moderate-income borrowers, the bank's lending level falls 2.7 percentage points below the aggregate data, also reflecting an adequate level.

Distribution of Home Mortgage Loans by Borrower Income Level Lubbock MSA Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	23.0	4.1	22	4.3	2,669	2.3
Moderate	16.5	11.6	46	8.9	6,958	5.9
Middle	19.4	16.9	90	17.5	16,745	14.2
Upper	41.1	37.9	239	46.5	63,776	54.2
Not Available	0.0	29.6	117	22.8	27,476	23.4
Totals	100.0	100.0	514	100.0	117,624	100.0

Source: 2020 U.S. Census; 2022 HMDA Data, 2022 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0%.

Small Business Loans

The distribution of small business loans based on the borrowers’ profiles reflects adequate performance in the Lubbock MSA assessment area. An adequate performance to businesses with gross annual revenues of \$1 million or less supports this conclusion. The following table illustrates the distribution of lending by borrower revenue levels within the assessment area.

Distribution of Loans to Small Businesses by Gross Annual Revenues Lubbock MSA Assessment Area											
	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
Assessment Area	#	\$(000s)	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Lubbock MSA 2021	912	94,958	45.6	7,959	85.9	25.7	40.9	3.7	18.1	10.5	56.3
<i>Source: 2021 D&B Data; 2021 CRA Data; 2021 CRA Aggregate Data. Due to rounding, totals may not equal 100.0%.</i>											

PPP lending affected the bank’s small business lending percentages in 2021 to businesses with gross annual revenues of \$1 million or less, as the bank was not required to collect revenue data from the borrower. In 2021, the bank originated 329 PPP loans in this assessment area, and 83.6 percent of these loans are within the loan size category of \$100,000 or less, which shows the bank is helping to meet the needs of the smallest business borrowers. The bank’s concentration of PPP-related lending in 2021 denotes significant responsiveness to small business credit needs in the assessment area. In consideration of these factors, the bank’s level of small business lending is adequate.

Innovative or Flexible Lending Practices

The institution uses innovative or flexible lending practices in the Lubbock MSA AA in order to serve assessment area credit needs. The number and dollar volume of flexible lending practices supports this conclusion. Examiners considered the dollar volume relative to the institution’s capacity and the credit needs of the assessment area when arriving at this conclusion. Since the prior evaluation, the bank originated 166 FHA loans totaling \$32.1 million; 37 VA loans totaling \$9.6 million; 1 USDA loan totaling \$190,000; and 39 state housing loans totaling \$6.2 million in the Lubbock MSA assessment area. This represents 21.5 percent of all flexible lending activities in the State of Texas.

Community Development Loans

The institution is a leader in making community development loans in the Lubbock MSA assessment area. Its extent, or dollar volume, of community development loans and the community development loans’ responsiveness support this conclusion.

As noted under the rated area level, the bank originated 26 community development loans totaling \$70.8 million in the Lubbock MSA assessment area. By dollar volume, this equates to 30.2 percent of the bank’s community development loans in the State of Texas as compared to 31.7 percent of

the bank's HMDA and CRA loans in this assessment area. These levels reflect decreases from the 62 community development loan totaling \$139.0 million reported at the prior evaluation. The following points discuss the bank's community development loans in the Lubbock MSA assessment area.

- ***Affordable Housing*** – In 2021, the bank originated a loan totaling \$3.6 million to construct and build 38 houses with the intent to rent or lease. The rents for these units target low- and moderate-income individuals and families.
- ***Revitalize or Stabilize*** – From 2021 through 2023, the bank originated and refinanced five loans totaling \$30.5 million for a business located in a moderate-income census tract. Thus, the activity revitalizes and stabilizes a qualifying geography by helping to attract new, or retain existing, businesses or residents.

In addition, the community development loans reflect good responsiveness to the community development needs of the assessment area. Approximately 87.6 percent of the dollar volume of the assessment area's community development loans help to revitalize and stabilize low- and moderate-income geographies, 7.2 percent promote economic development, and 5.1 percent promote affordable housing.

INVESTMENT TEST

City Bank demonstrated a low satisfactory record in the Lubbock MSA assessment area regarding the Investment Test. The adequate level of qualified community development investments and adequate responsiveness to community development needs offset the lack of use of complex and innovative investments to support this conclusion.

Investment and Grant Activity

The bank has an adequate level of qualified community development investments and grants, although rarely in a leadership position, particularly those that are not routinely provided by private investors in the Lubbock MSA assessment area. As seen in the table for the State of Texas, the bank made 87 qualified investments totaling nearly \$5.6 million in the Lubbock MSA assessment area. By dollar volume, this equates to 31.7 percent of the bank's overall level of qualified investments in the State of Texas. These levels represent decreases from the 146 qualified investments totaling \$6.2 million reported at the previous evaluation. The following are notable examples of the bank's qualified investments in the Lubbock MSA assessment area.

- ***Revitalize or Stabilize*** – One prior period investment remains outstanding, which financed a general obligation-refunding bond of approximately \$207,039 to a previously designated distressed area within the Lubbock MSA assessment area.
- ***Community Service*** – From 2021 through 2023, the bank donated \$436,025 to a non-profit children's healthcare organization. This is the region's only non-profit children's hospital that provides emergency medical care to those in financial need within the assessment area. As a result, this activity primarily supports low- and moderate-income individuals.

Responsiveness to Credit and Community Development Needs

City Bank exhibits adequate responsiveness to credit and community economic development needs in the Lubbock MSA assessment area. As noted in the qualified investment table for the State of Texas, the Lubbock MSA assessment area shows responsiveness to community development needs by the dollar amount to two of the four community development purpose categories, community services and revitalize or stabilize. These donations and prior period investments support identified community development needs in this area.

Community Development Initiatives

City Bank does not use innovative and/or complex investments to support community development initiatives in this area.

SERVICE TEST

City Bank demonstrated a low satisfactory record in the Lubbock MSA assessment area regarding the Service Test. The adequate level regarding the bank’s community development services, no changes to branch locations, reasonableness of business hours and services, and delivery systems reasonably available to essentially all portions of the assessment area supports this conclusion.

Accessibility of Delivery Systems

Delivery systems are reasonably accessible to essentially all portions of the Lubbock MSA assessment area. The bank does not have any branches in low-income census tracts; however, the bank’s level in moderate-income census tracts rises 4.4 percentage points above the population found in these same tracts, reflecting adequate performance. The branch distribution performance in the Lubbock MSA assessment area proved consistent with that noted for the rated area.

Branch and ATM Distribution by Geography Income Level Lubbock MSA Assessment Area								
Tract Income Level	Census Tracts		Population		Branches		ATMs	
	#	%	#	%	#	%	#	%
Low	8	7.1	21,178	6.6	0	0.0	0	0.0
Moderate	24	21.4	66,146	20.6	2	25.0	3	21.4
Middle	47	42.0	134,014	41.7	4	50.0	8	57.1
Upper	26	23.2	87,197	27.1	2	25.0	3	21.4
NA	7	6.3	12,833	4.0	0	0.0	0	0.0
Total	112	100.0	321,368	100.0	8	100.0	14	100.0

*Source: 2020 U.S. Census & Bank Data
Due to rounding, totals may not equal 100.0%*

The bank makes its alternative delivery systems reasonably accessible to essentially all portions of the bank’s assessment area. The preceding table shows the bank lacks ATM distribution in low-income census tracts; however, the bank’s ATMs in moderate-income census tracts rises 0.8 percentage points above the population found in these same tracts, reflecting adequate performance.

In addition to ATM access, the bank’s deposit accounts are accessible online, through debit cards, telephones, and through a mobile banking application for smart phones. Refer to the institution-level Service Test section for specific details of retail banking services available through alternative delivery systems.

Changes in Branch Locations

During the evaluation period, City Bank did not open or close any branches in the assessment area. Therefore, this criterion did not affect the Service Test rating for the Lubbock MSA assessment area.

Reasonableness of Business Hours and Services

City Bank’s services (including, where appropriate, business hours) do not vary in a way that inconvenience portions of the Lubbock MSA assessment area, particularly low- and moderate-income geographies and/or individuals. The Lubbock MSA assessment area reflects product offerings, services, and branch hours consistent with the discussion at the institution level.

Community Development Services

The institution provides an adequate level of community development services in the Lubbock MSA assessment area. As seen in the table for the State of Texas, the bank provided 50 community development services since the previous evaluation in the Lubbock MSA assessment area.

Based on the time since the last evaluation and an average of 8 branches for 2.4 years, the bank provided an average of 2.6 services per branch per year. These levels represent decreases from the 114 community development services, or 4.1 services per branch per year reported at the previous evaluation. The following are notable examples of community development services specific to the Lubbock MSA assessment area.

- ***Affordable Housing*** – In 2021, a bank representative served on the Board for a housing organization in the area that facilitates, in partnership with the private sector, the availability of affordable housing for low- and moderate-income individuals. The bank representative used their expertise to help individuals with financial literacy, down payment assistance, and monitor housing tax development for low- and moderate-income families.
- ***Revitalize and Stabilize*** – From 2021 through 2023, a bank employee served on the Board of an organization taking actions to revitalize and stabilize low- and moderate-income areas in the Lubbock Business Park Tax Increment Financing Reinvestment Zone. The bank representative used their expertise to oversee financial planning.

COLLEGE STATION MSA ASSESSMENT AREA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN COLLEGE STATION MSA ASSESSMENT AREA

The College Station MSA assessment area, located in central east Texas, includes all 63 census tracts (2020 U.S. Census) that make up Brazos County. The assessment area boundaries have not changed since the prior evaluation; however, census tract income levels changed during the 2020 U.S. Census. According to 2015 ACS data, the assessment area consists of 5 low-, 13 moderate-, 10 middle-, 12 upper-income census tracts and 2 census tracts with no income designation. U.S. Census data from 2020 reflects the area as having 8 low-, 17 moderate-, 13 middle, 20 upper-income geographies and 5 census tracts with no income designation. The bank currently operates one office in the assessment area.

Economic and Demographic Data

The following table illustrates select demographic characteristics of the College Station MSA assessment area.

Demographic Information of the Assessment Area College Station MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	63	12.7	27.0	20.6	31.7	7.9
Population by Geography	233,849	14.2	23.1	23.0	32.6	7.1
Housing Units by Geography	91,831	9.3	28.0	25.7	31.8	5.2
Owner-Occupied Units by Geography	38,290	4.2	15.7	29.4	50.4	0.3
Occupied Rental Units by Geography	43,224	13.3	37.9	23.6	16.7	8.5
Vacant Units by Geography	10,317	11.2	32.2	20.7	26.1	9.8
Businesses by Geography	20,649	8.0	19.5	25.4	45.2	1.9
Farms by Geography	656	4.0	9.0	29.6	56.6	0.9
Family Distribution by Income Level	46,221	23.6	16.6	17.3	42.5	0.0
Household Distribution by Income Level	81,514	28.3	13.8	15.8	42.2	0.0
Median Family Income MSA - 17780 College Station-Bryan, TX MSA		\$71,727	Median Housing Value			\$195,486
			Median Gross Rent			\$990
			Families Below Poverty Level			13.2%

Source: 2020 U.S. Census and 2022 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.*

According to Moody’s Analytics, Precis U.S. Metro from July 2023, the College Station MSA economy remains strong after a slight slowdown in growth after rapid growth in 2022. Job growth has fallen behind the Texas average but is still above the national average. The area’s top

employers include Texas A&M University, Texas A&M Health Science Center, and Reynolds & Reynolds. Weakness in this area includes low per capita income relative to the state. The Bureau of Labor Statistics reflects a September 2023 unemployment rate of 3.1 percent for the College Station MSA, which is lower than the 4.1 percent State of Texas rate and the 3.8 percent national rate for the same period.

According to the 2022 D&B data, the College Station MSA assessment area includes 20,649 businesses. The analysis of small business loans under the borrower profile criterion compared the distribution of businesses by GAR level. For businesses located in the College Station MSA assessment area, approximately 87.3 percent reported GAR of \$1 million or less, 2.7 percent reported GAR of more than \$1 million, and 10.0 percent reported no GAR information.

The following table denotes the income ranges, for the College Station MSA, for the low-, moderate-, middle- and upper-income designations based on the FFIEC-estimated median family incomes.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2021 (\$75,600)	<\$37,800	\$37,800 to <\$60,480	\$60,480 to <\$90,720	≥\$90,720
2022 (\$83,000)	<\$41,500	\$41,500 to <\$66,400	\$66,400 to <\$99,600	≥\$99,600
<i>Source: FFIEC</i>				

Competition

The area contains a high level of competition from other chartered banks based on its population, with each of the 24 institutions with 59 offices serving about 3,964 people on average. City Bank ranks 16th in the market share by capturing 0.9 percent of the area’s deposits based on the June 30, 2023, FDIC Deposit Market Share Report. However, non-banks heighten the competition level with many offering the remote delivery of products through digital devices. These non-banks include fintech companies, credit unions, mortgage companies, and finance companies. Overall, the competition level allows for lending opportunities.

Community Contact

Examiners reviewed a recent community contact to help assess the current economic conditions, credit needs, and potential opportunities for bank involvement in the assessment area. The contact represents an organization that focuses on affordable housing and economic planning for the area.

The contact stated that the area’s economy is robust, and businesses are searching for stable employees. The contacted indicated that the local economy continues to grow due to the continued growth of Texas A&M University and Blinn College. One of the biggest challenges, per the contact, includes satisfying affordable housing needs. The contact stated that land and construction prices keep escalating; however, the contact shared that some of the benefits of the increase in pricing is the resulting push of individuals to rural areas where local banks can capitalize on financing homes and encouraging economic development. Opportunities for financial institution

participation include small business, commercial, and home mortgage loans, according to the contact. The contact indicated that local financial institutions are responsive to the area's credit needs and strongly participate in meeting the credit needs of the community.

Credit and Community Development Needs and Opportunities

Considering information obtained from the community contact, bank management, and demographic and economic data, examiners determined that the area's primary credit needs consist of home mortgage loans, including affordable housing, and small business lending.

With respect to the area's community development needs, 2020 U.S. Census demographic data shows that 39.7 percent of the area's census tracts received low- or moderate- designations suggest a need a need for activities that revitalize or stabilize qualifying geographies. Demographic data also shows that 40.2 percent of the area's families reported low or moderate incomes, with 13.2 percent of families living below the poverty level, suggesting a need for activities that benefit projects or organizations that provide community development services targeted to these families. The community contact identified affordable housing as an additional community development need.

CONCLUSIONS ON PERFORMANCE CRITERIA IN COLLEGE STATION MSA ASSESSMENT AREA

LENDING TEST

City Bank demonstrated low satisfactory performance under the Lending Test in this assessment area. Adequate performance records regarding geographic distribution and borrower profile, as well as an adequate level of community development loans and use of innovative or flexible lending activities, outweighed excellent lending levels to support this conclusion.

Lending Activity

Lending levels reflect excellent responsiveness to assessment area credit needs in the Lubbock MSA assessment area. Although the small business performance is good, the bank's excellent home mortgage lending performance primarily supports this conclusion. Examiners considered the bank's size, business strategy, and capacity in this assessment area relative to its credit needs when arriving at this conclusion.

Home Mortgage Loans

Home mortgage lending levels reflect excellent responsiveness to assessment area credit needs. For 2022, City Bank captured a 2.6 percent market share of the total number of home mortgage loans and a 3.2 percent market share of the total dollar volume of loans. This volume of activity ranks the bank 11th out of 390 total lenders in this area. This ranking lands the bank in the top 2.8 percent of lenders reporting such loans in the College Station MSA assessment area. The ranking considers the total number and dollar amount of loans made by each institution.

Small Business Loans

Small business lending levels reflect good responsiveness to assessment area credit needs. For 2021, City Bank captured a 0.8 percent market share of the total number of small business loans and a 1.8 percent market share of the total dollar volume of loans. This volume of activity ranks the bank 25th out of 113 total lenders in this area. This ranking lands the bank in the top 22.1 percent of lenders reporting such loans in the College Station MSA assessment area. The ranking considers the total number and dollar amount of loans made by each institution.

Geographic Distribution

The geographic distribution of loans reflects adequate penetration throughout the College Station MSA assessment area. Adequate performance regarding home mortgage and small business loans supports this conclusion.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects adequate performance in the College Station MSA assessment area. Adequate performance in both low- and moderate-income geographies supports this conclusion.

As seen in the table below, the bank's home mortgage lending in low-income census tracts lands below the aggregate data by 2.3 percentage points, reflective of adequate performance. The table further shows that, in moderate-income census tracts, the bank's lending level rises 2.4 percentage points above the aggregate data, also reflecting an adequate level.

Geographic Distribution of Home Mortgage Loans College Station MSA Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	4.2	4.4	3	2.1	577	1.0
Moderate	15.7	13.7	23	16.1	4,713	7.9
Middle	29.4	26.9	37	25.9	27,418	46.0
Upper	50.4	53.8	75	52.4	25,726	43.2
Not Available	0.3	1.3	5	3.5	1,137	1.9
Totals	100.0	100.0	143	100.0	59,571	100.0

Source: 2020 U.S. Census; 2022 HMDA Data, 2022 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0%.

Small Business Loans

The geographic distribution of small business loans reflects adequate performance in the College Station MSA assessment area. Adequate performance in moderate-income geographies outweighed good performance in low-income geographies to support this conclusion. Examiners afforded more weight to the performance regarding moderate-income geographies compared to low-income geographies, given the relative lending opportunities illustrated by the corresponding demographic and aggregate data.

As seen in the table below, the bank's lending in low-income census tracts rises above the aggregate

data by 9.0 percentage points, reflective of good performance. The table further shows that, in moderate-income census tracts, the bank’s lending level rises 5.4 percentage points above the aggregate data, reflecting an adequate level.

Geographic Distribution of Small Business Loans College Station MSA Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low	7.4	4.6	6	13.6	378	8.0
Moderate	25.4	26.4	14	31.8	1,469	31.2
Middle	25.2	25.3	10	22.7	350	7.4
Upper	41.6	43.7	14	31.8	2,505	53.3
Not Available	0.3	0.1	0	0.0	0	0.0
Totals	100.0	100.0	44	100.0	4,702	100.0

Source: 2021 D&B Data; 2021 CRA Data; 2021 CRA Aggregate Data. Due to rounding, totals may not equal 100.0%.

Borrower Profile

The distribution of borrowers reflects, given the product lines offered by the institution, adequate penetration among retail customers of different income levels and business customers of different sizes in the College Station MSA assessment area. Although small business performance is poor, the bank’s adequate home mortgage lending performance primarily supports this conclusion. Examiners placed more weight on the bank’s home mortgage loans than small business loans.

Home Mortgage Loans

The distribution of home mortgage loans based on the borrowers’ profiles reflects adequate performance in the College Station MSA assessment area. Adequate performance to both low- and moderate-income borrowers supports this conclusion.

As seen in the table below, the bank’s lending to low-income borrowers rises 1.6 percentage points above the aggregate data, reflective of adequate performance. The table further shows that, to moderate-income borrowers, the bank’s lending level rises 2.6 percentage points above the aggregate data, also reflecting an adequate level.

Distribution of Home Mortgage Loans by Borrower Income Level College Station MSA Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	23.6	2.6	6	4.2	901	1.5
Moderate	16.6	10.7	19	13.3	3,819	6.4
Middle	17.3	17.9	37	25.9	9,503	16.0
Upper	42.5	47.7	74	51.7	23,951	40.2
Not Available	0.0	21.0	7	4.9	21,397	35.9
Totals	100.0	100.0	143	100.0	59,571	100.0

Source: 2020 U.S. Census; 2022 HMDA Data, 2022 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0%.

Small Business Loans

The distribution of small business loans based on the borrowers' profiles reflects poor performance in the College Station MSA assessment area. Poor performance to businesses with gross annual revenues of \$1 million or less supports this conclusion. The following table illustrates the distribution of lending by borrower revenue levels within the assessment area.

Distribution of Loans to Small Businesses by Gross Annual Revenues College Station MSA Assessment Area											
Assessment Area	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$(000s)	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
College Station MSA 2021	44	4,702	2.2	5,218	83.5	25.0	46.8	3.8	6.8	12.7	68.2
College Station MSA 2022	14	3,119	1.6	--	87.3	21.4	--	2.7	71.4	10.0	7.1

Source: 2021-2022 D&B Data; 2021-2022 CRA Data; 2021 CRA Aggregate Data. Due to rounding, totals may not equal 100.0.

The preceding table shows that the bank's lending to businesses with less than or equal to \$1.0 million falls 21.8 percentage points below aggregate data, reflective of poor performance. The table also shows that a majority of the bank's 2021 small business loans were to businesses that did not have gross annual revenue data. This is primarily due to the level of PPP loans originated in 2021 within this assessment area where the bank was not required to collect revenue data from the borrower. In 2021, the bank originated 29 PPP loans in this assessment area. Excluding the loans where the bank did not collect the revenue data on these PPP loans, the bank originated 73.3 percent of its 2021 small business loans to businesses with revenues of \$1.0 million or less. This is similar to the lending levels at the prior evaluation where examiners noted adequate performance. However, these levels reflect poor performance when considering trend.

The bank's 2022 data is more indicative of the bank's lending when PPP loans are not a factor. The bank's 2022 performance still shows the same notable lag as compared to demographic data and reflects poor performance. Considering both years in the review period, the distribution of small

business lending reflects poor performance in the College Station MSA assessment area.

Innovative or Flexible Lending Practices

The institution uses innovative or flexible lending practices in the College Station MSA assessment area in order to serve assessment area credit needs. The number and dollar volume of flexible lending practices supports this conclusion. Examiners considered the dollar volume relative to the institution's capacity and the credit needs of the assessment area when arriving at this conclusion. Since the prior evaluation, the bank originated 40 FHA loans totaling \$9.6 million and 17 VA loans totaling \$6.4 million in the College Station MSA assessment area. This represents 7.2 percent of all flexible lending activities in the State of Texas.

Community Development Loans

City Bank made an adequate level of community development loans in the College Station MSA assessment area. Its extent, or dollar volume, of community development loans and the community development loans' responsiveness support this conclusion.

As noted under the rated area level, the bank originated one community development loan totaling \$3.2 million in the College Station MSA assessment area. The bank originated this loan in 2021 to construct 14 townhomes located in a moderate-income census tract. By dollar volume, this equates to 1.4 percent of the bank's community development loans in the State of Texas as compared to 10.3 percent of the bank's HMDA and CRA loans in this assessment area. These levels compare to the one community development loan totaling \$1.2 million reported at the prior evaluation.

In addition, the community development loan reflects adequate responsiveness to the community development needs of the assessment area. Examiners noted that the assessment area's community development loan helps to revitalize and stabilize low- and moderate-income geographies.

INVESTMENT TEST

City Bank demonstrated needs to improve performance in the College Station MSA assessment area regarding the Investment Test. The poor level of qualified investments and very poor level of innovative or complex community development initiatives outweighed the adequate responsiveness to community development needs to support this conclusion.

Investment and Grant Activity

The bank has a poor level of qualified community development investments and grants, but not in a leadership position, particularly those that are not routinely provided by private investors in the College Station MSA assessment area. As seen in the table for the State of Texas, the bank made 4 qualified investments totaling \$4,500 in the form of donations in the College Station MSA assessment area. By dollar volume, this equates to 0.03 percent of the bank's overall level of qualified investments in the State of Texas. These levels represent slight increases from the 2 qualified investments totaling \$3,575 reported at the previous evaluation.

The following are notable examples of the bank’s qualified investments in the College Station MSA assessment area.

- **Community Service** – In 2021 and 2022, the bank donated \$2,000 to a local, non-profit organization that provides food to low-income individuals and families.
- **Community Service** – In 2021, the bank donated \$500 to an economically disadvantage school district foundation to elevate student achievement and support education across the district.

Responsiveness to Credit and Community Development Needs

City Bank exhibits adequate responsiveness through use of qualified investments that directly address identified needs in the College Station MSA assessment area. As noted in the qualified investment table for the State of Texas, the College Station MSA assessment area shows responsiveness to community development needs by the dollar amount to one of the four community development purpose categories, community services. These donations support identified community development needs in this area.

Community Development Initiatives

City Bank does not use innovative and/or complex investments to support community development initiatives in this area.

SERVICE TEST

City Bank demonstrated a low satisfactory record in the College Station MSA assessment area regarding the Service Test. The adequate level regarding the bank’s community development services, no changes to branch locations, reasonableness of business hours and services, and delivery systems reasonably accessible to essentially all portions of the assessment area support this conclusion.

Accessibility of Delivery Systems

Delivery systems are reasonably accessible to essentially all portions of the College Station MSA assessment area. As noted in the table below, the bank’s performance in low-income census tracts rises 85.8 percentage points above the population percentage in these same tracts, reflecting excellent performance. However, the bank’s level falls 23.1 percent below the population percentage in the moderate-income census tracts, reflecting a poor level. Considering both levels and the fact that the bank operates only one location within the College Station MSA assessment area, the bank makes its full-service office reasonably accessible to essentially all portions of the assessment area.

Branch and ATM Distribution by Geography Income Level College Station MSA Assessment Area								
Tract Income Level	Census Tracts		Population		Branches		ATMs	
	#	%	#	%	#	%	#	%
Low	8	12.7	33,253	14.2	1	100.0	1	100.0
Moderate	17	27.0	53,984	23.1	0	0.0	0	0.0
Middle	13	20.6	53,792	23.0	0	0.0	0	0.0
Upper	20	31.7	76,184	32.6	0	0.0	0	0.0
NA	5	7.9	16,636	7.1	0	0.0	0	0.0
Total	63	100.0	233,849	100.0	1	100.0	1	100.0
<i>Source: 2020 U.S. Census & Bank Data Due to rounding, totals may not equal 100.0%</i>								

The bank makes its alternative delivery systems reasonably accessible to essentially all portions of the bank’s assessment area. As noted in the preceding table, the bank’s performance in low-income census tracts rises 85.8 percentage points above the population percentage in these same tracts, reflecting excellent performance. However, the bank’s level falls 23.1 percent below the population percentage in the moderate-income census tracts, reflecting a poor level. In addition to ATM access, the bank’s deposit accounts are accessible online, through debit cards, telephones, and through a mobile banking application for smart phones. Considering both levels and the fact that the bank operates only one ATM within the College Station MSA assessment area, the bank makes its ATM reasonably accessible to essentially all portions of the assessment area. The branch and ATM distribution performance in the College Station MSA assessment area proved consistent with that noted for the rated area. Refer to the institution-level Service Test section for specific details of retail banking services available through delivery systems.

Changes in Branch Locations

During the evaluation period, City Bank did not open or close any branches in the assessment area. Therefore, this criterion did not affect the Service Test rating for the College Station MSA assessment area.

Reasonableness of Business Hours and Services

Services (including, where appropriate, business hours) do not vary in a way that inconveniences portions of the College Station MSA assessment area, particularly low- and moderate-income geographies and/or individuals. The College Station MSA assessment area reflects product offerings, services, and branch hours consistent with those discussed at the rated area level.

Community Development Services

The institution provides an adequate level of community development services in the College Station MSA assessment area. As seen in the table for the State of Texas, the bank provided two community development services since the previous evaluation in the College Station MSA assessment area with the purpose of community service. In 2021, bank representatives served on the Board and on the Finance Committee of a local food bank and used their expertise to oversee the financial affairs.

Based on the time since the last evaluation and an average of one branch for 2.4 years, the bank provided an average of 0.8 services per branch per year in the College Station MSA assessment area. These levels are comparable to the four community development services, or 0.6 per branch per year reported at the previous evaluation.

OTHER ASSESSMENT AREAS – Limited-Scope Review

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE LIMITED-SCOPE ASSESSMENT AREAS

The following table summarizes the conclusions for the Dallas MD, El Paso MSA, Houston MSA, Midland MSA, and Odessa MSA, and TX Non-MSA assessment areas. Examiners drew conclusions regarding the institution’s CRA performance from reviewing available facts and data, including performance figures, aggregate lending data comparisons, and demographic information. The conclusions from the limited-scope review did not alter the bank’s overall CRA performance rating.

Assessment Area	Lending Test	Investment Test	Service Test
Dallas MD	Consistent	Below	Consistent
El Paso MSA	Consistent	Exceeds	Consistent
Houston MSA	Below	Consistent	Consistent
Midland MSA	Consistent	Consistent	Below
Odessa MSA	Consistent	Consistent	Below
TX Non-MSA	Consistent	Below	Below

Facts and data supporting conclusions for each limited-scope assessment area follow, including a summary of the institution’s operations and activities, followed by geographic distribution and borrower profile tables by loan type. Demographic data and deposit market share information for the limited-scope areas are included in the Appendices of this Performance Evaluation.

Dallas MD Assessment Area

The Dallas MD assessment area consists of Collin, Dallas, Denton, Kaufman, and Rockwall Counties. The bank operates three full-service branches with two located in middle-income census tracts and one located in an upper-income census tract within this assessment area. Branch locations did not change during the review period. This distribution of branches proved consistent with the rated area conclusion. The availability of alternative delivery systems also demonstrated consistent performance with the rated area conclusion. Finally, the product offerings, services, and branch hours do not vary in a way that inconveniences certain individuals or areas.

Activity	#	\$(000)
Home Mortgage Loans	1,443	643,073
Small Business Loans	374	55,574
Community Development Loans	14	30,718
Qualified Investments	15	66
Community Development Services	3	-
<i>Source: 2021-2022 HMDA and CRA Data; Bank Data 5/10/2021 – 10/30/2023</i>		

El Paso MSA Assessment Area

The El Paso MSA assessment area consists of El Paso County. The bank operates two full-service branches located in moderate-income census tracts within this assessment area. Branch locations did not change during the review period. This distribution of branches proved consistent with the rated area conclusion. The availability of alternative delivery systems also demonstrated consistent performance with the rated area conclusion. Finally, the product offerings, services, and branch hours do not vary in a way that inconveniences certain individuals or areas.

Activity	#	\$(000)
Home Mortgage Loans	528	128,718
Small Business Loans	231	47,102
Community Development Loans	11	57,148
Qualified Investments	16	11,758
Community Development Services	4	-
<i>Source: 2021-2022 HMDA and CRA Data; Bank Data 5/10/2021 – 10/30/2023</i>		

Houston MSA Assessment Area

The Houston MSA assessment area consists of a portion of Harris County. The bank operates one full-service branch located in an upper-income census tract within this assessment area. Branch locations did not change during the review period. This distribution of branches proved consistent with the rated area conclusion. The availability of alternative delivery systems also demonstrated consistent performance with the rated area conclusion. Finally, the product offerings, services, and branch hours do not vary in a way that inconveniences certain individuals or areas.

Activity	#	\$(000)
Home Mortgage Loans	31	15,595
Small Business Loans	13	5,003
Community Development Loans	0	0
Qualified Investments	3	18
Community Development Services	2	-
<i>Source: 2021-2022 HMDA and CRA Data; Bank Data 5/10/2021 – 10/30/2023</i>		

Midland MSA Assessment Area

The Midland MSA assessment area consists of Midland County. The bank operates one full-service branch located in a moderate-income census tract within this assessment area. Branch locations did not change during the review period. This distribution of branches proved consistent with the rated area conclusion. The availability of alternative delivery systems also demonstrated consistent

performance with the rated area conclusion. Finally, the product offerings, services, and branch hours do not vary in a way that inconveniences certain individuals or areas.

Activity	#	\$(000)
Home Mortgage Loans	76	31,726
Small Business Loans	81	18,883
Community Development Loans	2	11,110
Qualified Investments	18	33
Community Development Services	0	-
<i>Source: 2021-2022 HMDA and CRA Data; Bank Data 5/10/2021 – 10/30/2023</i>		

Odessa MSA Assessment Area

The Odessa MSA assessment area consists of Ector County. The bank operates two full-service branches located in middle-income census tracts within this assessment area. Branch locations did not change during the review period. This distribution of branches proved consistent with the rated area conclusion. The availability of alternative delivery systems also demonstrated consistent performance with the rated area conclusion. Finally, the product offerings, services, and branch hours do not vary in a way that inconveniences certain individuals or areas.

Activity	#	\$(000)
Home Mortgage Loans	33	7,216
Small Business Loans	139	20,764
Community Development Loans	2	6,102
Qualified Investments	13	20
Community Development Services	0	-
<i>Source: 2021-2022 HMDA and CRA Data; Bank Data 5/10/2021 – 10/30/2023</i>		

TX Non-MSA Assessment Area

The TX Non-MSA assessment area consists of Pecos, Ward, Winkler, Bailey, Cochran, Floyd, Gaines, Hale, Hockley, Lamb, Terry, and Yoakum Counties. The bank operates five full-service branches with one located in a moderate-income census tract, two in middle-income census tracts, and two located in an upper-income census tract within this assessment area. Branch locations did not change during the review period. This distribution of branches proved consistent with the rated area conclusion. The availability of alternative delivery systems also demonstrated consistent performance with the rated area conclusion. Finally, the product offerings, services, and branch hours do not vary in a way that inconveniences certain individuals or areas.

Activity	#	\$(000)
Home Mortgage Loans	242	40,357
Small Business Loans	455	35,963
Community Development Loans	44	55,284
Qualified Investments	43	97
Community Development Services	2	-
<i>Source: 2021-2022 HMDA and CRA Data; Bank Data 5/10/2021 – 10/30/2023</i>		

Geographic Distribution

Home Mortgage Loans

Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2022
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
Dallas MD	353	156,935	22.6	153,809	5.3	4.8	4.2	19.8	21.0	14.0	29.3	30.9	32.6	45.3	42.2	48.7	0.4	1.1	0.5
El Paso MSA	189	52,452	12.1	17,301	1.3	0.0	0.8	25.3	19.0	17.1	32.0	22.8	25.9	41.4	58.2	56.2	0.0	0.0	0.0
Houston MSA	11	6,870	0.7	9,131	8.2	18.2	8.0	27.8	9.1	22.8	21.7	18.2	19.1	40.5	54.5	48.3	1.9	0.0	1.9
Midland MSA	41	21,633	2.6	6,218	5.2	0.0	2.2	16.4	7.3	8.8	42.1	41.5	51.7	35.7	51.2	36.4	0.7	0.0	0.9
Odessa MSA	13	2,982	0.8	4,496	0.0	0.0	0.0	25.2	0.0	10.7	44.7	30.8	39.6	30.1	69.2	49.8	0.0	0.0	0.0
TX Non-MSA	12	3,030	0.3	4,019	0.0	0.0	0.0	0.0	0.0	0.0	36.6	25.0	32.8	63.4	75.0	67.2	0.0	0.0	0.0

Source: 2020 U.S. Census; 01/01/2022 - 12/31/2022 Bank Data, 2022 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0%.

Small Business Loans

Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																			2021
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	% Business	% Bank Loans	Aggregate	% Business	% Bank Loans	Aggregate	% Business	% Bank Loans	Aggregate	% Business	% Bank Loans	Aggregate	% Business	% Bank Loans	Aggregate
Dallas MD	273	32,025	14.7	163,520	7.1	4.4	7.2	17.4	10.6	18.3	25.8	31.1	24.7	48.9	53.1	48.9	0.9	0.7	0.9
El Paso MSA	160	29,086	8.6	16,663	6.6	6.9	6.1	26.2	21.9	27.4	29.8	36.3	28.9	36.6	32.5	37.2	0.7	2.5	0.4
Houston MSA	8	2,903	0.4	32,794	23.2	25.0	25.3	19.3	37.5	21.8	11.0	12.5	12.5	45.7	25.0	39.5	0.8	0.0	0.8
Midland MSA	47	11,536	2.5	6,341	1.5	2.1	2.3	22.1	17.0	17.5	35.6	44.7	37.5	40.3	34.0	42.3	0.6	2.1	0.4
Odessa MSA	84	11,617	4.5	4,615	1.4	4.8	1.3	21.1	15.5	21.2	32.9	52.4	36.4	44.5	27.4	41.2	0.0	0.0	0.0
TX Non-MSA	323	25,093	17.5	4,056	0.0	0.0	0.0	8.4	2.5	6.5	59.1	61.3	54.2	32.4	36.2	39.3	0.0	0.0	0.0

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

Borrower Profile

Home Mortgage Loans

Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2022
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
Dallas MD	353	156,935	22.6	153,809	22.5	4.5	3.5	17.1	13.6	12.0	18.6	17.8	19.1	41.8	56.9	45.2	0.0	7.1	20.3
El Paso MSA	189	52,452	12.1	17,301	21.9	0.5	1.7	17.8	5.3	7.8	18.5	18.0	21.1	41.7	73.0	47.6	0.0	3.2	21.8
Houston MSA	11	6,870	0.7	9,131	34.8	0.0	5.9	18.0	0.0	14.6	15.5	9.1	14.2	31.7	36.4	48.3	0.0	54.5	17.0
Midland MSA	41	21,633	2.6	6,218	21.6	0.0	7.6	17.3	26.8	19.7	19.2	22.0	21.8	41.9	34.1	24.5	0.0	17.1	26.3
Odessa MSA	13	2,982	0.8	4,496	22.9	0.0	5.2	18.2	15.4	21.0	17.1	23.1	22.5	41.7	23.1	20.4	0.0	38.5	30.9
TX Non-MSA	106	17,717	6.8	2,264	20.3	7.5	3.7	18.0	11.3	13.2	19.2	15.1	20.9	42.5	50.0	37.7	0.0	16.0	24.6

Source: 2020 U.S. Census; 01/01/2022 - 12/31/2022 Bank Data, 2022 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0%.

Small Business Loans

Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2021
	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
Assessment Area:	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Dallas MD	273	32,025	13.6	163,520	88.6	13.9	43.1	3.6	15.0	7.7	71.1
El Paso MSA	160	29,086	8.0	16,663	84.9	22.5	42.4	3.9	19.4	11.1	58.1
Houston MSA	8	2,903	0.4	32,794	88.1	25.0	40.6	4.7	12.5	7.2	62.5
Midland MSA	47	11,536	2.3	6,341	84.7	14.9	38.3	5.0	21.3	10.3	63.8
Odessa MSA	84	11,617	4.2	4,615	82.6	15.5	33.4	5.4	10.7	12.0	73.8
TX Non-MSA	323	25,093	100.0	4,056	78.2	29.7	44.0	4.7	12.4	17.1	57.9

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

NEW MEXICO

CRA RATING FOR NEW MEXICO: NEEDS TO IMPROVE

The Lending Test is rated: Low Satisfactory

The Investment Test is rated: Needs to Improve

The Service Test is rated: Low Satisfactory

DESCRIPTION OF INSTITUTION’S OPERATIONS IN NEW MEXICO

City Bank continues to delineate one assessment area in New Mexico that remains unchanged since the previous evaluation – all of Lincoln County. However, the assessment area did experience changes to census tract income levels between the two most recent census years. According to 2015 ACS data, the assessment area consists of five census tracts, which are all middle-income designations. U.S. Census data from 2020 reflects the area as having 1 moderate-, 6 middle-, and 1 upper-income geography, as well as 1 census tract with no income level designation. The institution currently operates two branches in the assessment area.

Economic and Demographic Data

During April 5, 2022, to July 23, 2022, FEMA declared Lincoln County as a disaster area due to wildfires, flooding, mudflows, and straight-line winds. The following table illustrates select demographic characteristics of the NM Non-MSA assessment area.

Demographic Information of the Assessment Area NM Non-MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	9	0.0	11.1	66.7	11.1	11.1
Population by Geography	20,269	0.0	11.4	72.1	10.8	5.7
Housing Units by Geography	18,262	0.0	7.8	71.0	14.8	6.5
Owner-Occupied Units by Geography	6,406	0.0	9.0	71.3	12.0	7.7
Occupied Rental Units by Geography	2,072	0.0	17.3	74.3	3.6	4.8
Vacant Units by Geography	9,784	0.0	4.9	70.0	19.0	6.0
Businesses by Geography	2,365	0.0	5.2	75.3	13.9	5.6
Farms by Geography	114	0.0	12.3	70.2	7.9	9.6
Family Distribution by Income Level	5,356	19.9	16.8	23.7	39.5	0.0
Household Distribution by Income Level	8,478	25.7	15.7	16.8	41.7	0.0
Median Family Income Non-MSAs - NM	\$57,380	Median Housing Value			\$196,987	
Median Gross Rent	\$586	Families Below Poverty Level			8.0%	

Source: 2020 U.S. Census and 2022 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.*

The Bureau of Labor Statistics reflects a September 2023 unemployment rate of 3.3 percent for the NM Non-MSA, which is lower than the 3.7 percent State of New Mexico rate and the 3.8 percent national rate for the same period. According to the 2021 U.S. Census American Community Survey, the area’s major industries include educational and health services, arts and entertainment, and construction.

According to 2022 D&B data, the NM Non-MSA assessment area includes 2,365 businesses. The analysis of small business loans under the borrower profile criterion compares the distribution of businesses by GAR level. For businesses located in the NM Non-MSA assessment area, approximately 86.5 percent reported GAR of \$1 million or less, 2.2 percent reported GAR of more than \$1 million, and 11.2 percent report no GAR information.

The following table denotes the income ranges for the low-, moderate-, middle- and upper-income designations based on the FFIEC-estimated median family incomes in the NM Non-MSA.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2021 (\$54,600)	<\$27,300	\$27,300 to <\$43,680	\$43,680 to <\$65,520	≥\$65,520
2022 (\$63,800)	<\$34,400	\$34,400 to <\$55,040	\$55,040 to <\$82,560	≥\$82,560
<i>Source: FFIEC</i>				

Competition

The area contains a moderate level of competition from other chartered banks based on its population, with each of the 7 institutions with 8 offices serving about 2,534 people on average. City Bank ranks 1st in market share by capturing 29.3 percent of the area’s deposits based on the June 30, 2023, FDIC Deposit Market Share Report. However, non-banks heighten the competition level with many offering the remote delivery of products through digital devices. These non-banks include fintech companies, credit unions, mortgage companies, and finance companies. Overall, the competition level allows for lending opportunities.

Community Contact

Examiners interviewed a community member who is knowledgeable of the area’s economic, demographic, and housing environment to help assess the area’s current economic conditions, community credit needs, and potential opportunities for bank involvement in the area. The contact represents an organization that promotes economic development within the area.

The community contact noted the area is experiencing a lot of growth due to new small businesses, new residents, more job opportunities, and more tourism due to the adjacent resort area. The contact noted a need for more small business lending programs and financial literacy programs. The contact feels that banks do a good job of supporting the area’s needs but also identified a need for additional banking services for unbanked individuals and small businesses.

Credit and Community Development Needs and Opportunities

Considering information obtained from the community contact, bank management, and demographic and economic data, examiners determined the area's primary credit needs include small business lending and home mortgage lending.

With respect to the area's community development needs, the 2020 U.S. Census demographic data shows that 11.1 percent of the area's census tracts received low- or moderate-income designations; along with the federal disaster designation, this suggests a need for activities that revitalize and stabilize qualifying geographies. Demographic data also shows that 36.7 percent of the area's families reported low or moderate incomes, suggesting a need for activities that benefit projects or organizations that provide community development services targeted to these families.

SCOPE OF EVALUATION – NEW MEXICO

Examiners evaluated the bank's CRA performance for the State of New Mexico through a full-scope review of the sole assessment area, the NM Non-MSA assessment area. Lending in this assessment area represents 4.3 percent of the bank's overall lending; therefore, this rated area received significantly less weight relative to the State of Texas. Refer to the Scope section for the overall institution for additional details.

Examiners considered the following loans granted inside the bank's NM Non-MSA assessment area as reported according to either the HMDA or CRA data collection reporting requirements:

Home Mortgage Loans:

- 2021: 121 loans totaling \$28,479,000
- 2022: 87 loans totaling \$20,834,000

Small Business Loans:

- 2021: 121 loans totaling \$12,022,000
- 2022: 50 loans totaling \$6,370,000

Small Farm Loans:

- 2021: 5 loans totaling \$83,000
- 2022: 2 loans totaling \$326,000

Based on the above figures, considering both number and dollar volume, examiners placed slightly more weight on home mortgage loans for this rated area.

CONCLUSIONS ON PERFORMANCE CRITERIA IN NEW MEXICO

LENDING TEST

City Bank demonstrated a low satisfactory record in the State of New Mexico regarding the Lending Test. Adequate geographic loan distribution and borrower profile loan distribution outweighed

excellent lending levels and a lack of community development loans to support this conclusion. The institution further uses innovative or flexible lending practices.

Lending Activity

Lending levels reflect excellent responsiveness to assessment area credit needs in the State of New Mexico. Excellent performance regarding home mortgage and small business loans supports this conclusion. Examiners considered the bank's size, business strategy, and capacity in this state relative to its credit needs when arriving at this conclusion.

Home Mortgage Loans

Home mortgage lending levels reflect excellent responsiveness to assessment area credit needs. For 2022, City Bank captured 11.9 percent market share of the total number of home mortgage loans and a 10.9 percent market share of the total dollar volume of loans. This volume of activity ranks the bank 1st out of 168 total lenders in this area. This ranking lands the bank in the top 0.6 percent of lenders reporting such loans in the bank's New Mexico rated area. The ranking considers the total number and dollar amount of loans made by each institution.

Small Business Loans

Small business lending levels reflect excellent responsiveness to assessment area credit needs. For 2021, City Bank captured a 22.2 percent market share of the total number of small business loans and a 52.6 percent market share of the total dollar volume of loans. This volume of activity ranks the bank 1st out of 42 total lenders in this area. This ranking lands the bank in the top 2.4 percent of lenders reporting such loans in the bank's New Mexico rated area. The ranking considers the total number and dollar amount of loans made by each institution.

Geographic Distribution

The geographic distribution of loans reflects adequate penetration throughout the NM Non-MSA assessment area. Adequate performance regarding home mortgage and small business loans supports this conclusion.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects adequate performance throughout the NM Non-MSA assessment area. Adequate performance in moderate-income geographies supports this conclusion. As seen in the table below, the bank's lending in moderate-income census tracts lands below the aggregate data by 2.3 percentage points, reflective of adequate performance.

Geographic Distribution of Home Mortgage Loans NM Non-MSA Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	0.0	0.0	0	0.0	0	0.0
Moderate	9.0	3.4	1	1.1	295	1.4
Middle	71.3	72.2	64	73.6	15,293	73.4
Upper	12.0	19.0	16	18.4	4,010	19.3
Not Available	7.7	5.3	6	6.9	1,236	5.9
Totals	100.0	100.0	87	100.0	20,834	100.0

Source: 2020 U.S. Census; 2022 HMDA Data, 2022 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0%.

Small Business Loans

The geographic distribution of small business loans reflects adequate performance throughout the NM Non-MSA assessment area. As previously noted, the NM Non-MSA assessment area consists of five middle-income census tracts per 2015 ACS data as relates to 2021 small business loans. Because the bank’s 2021 assessment area does not include any low- or moderate-income geographies, review of the geographic distribution criterion for 2021 small business loans would not result in meaningful conclusions.

However, this area now includes moderate-income geographies per the 2020 U.S Census. Although no aggregate data is available for 2022, the bank made 4 loans (8.0 percent) totaling \$442,000 (6.9 percent) in the moderate-income geographies in this area. The bank’s lending in moderate-income census tracts rises 2.8 percentage points above the demographic data, reflective of adequate performance.

Borrower Profile

The distribution of borrowers reflects, given the product lines offered by the institution, adequate penetration among retail customers of different income levels and business customers of different sizes in the NM Non-MSA assessment area. Adequate performance regarding home mortgage and small business loans support this conclusion.

Home Mortgage Loans

The distribution of home mortgage loans based on the borrowers’ profiles reflects adequate performance in the NM Non-MSA assessment area. Adequate performance to both low- and moderate-income borrowers supports this conclusion.

As seen in the table below, the bank’s lending to low-income borrowers compares to the aggregate data with a slight 0.4 percentage point difference, reflective of adequate performance. The table further shows that, to moderate-income borrowers, the bank’s lending level rises 0.2 percentage points above the aggregate data, also reflecting an adequate level.

Distribution of Home Mortgage Loans by Borrower Income Level NM Non-MSA Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	19.9	2.7	2	2.3	304	1.5
Moderate	16.8	9.0	8	9.2	1,252	6.0
Middle	23.7	12.6	7	8.0	1,214	5.8
Upper	39.5	63.7	63	72.4	15,882	76.2
Not Available	0.0	11.9	7	8.0	2,182	10.5
Totals	100.0	100.0	87	100.0	20,834	100.0

Source: 2020 U.S. Census; 2022 HMDA Data, 2022 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0%.

Small Business Loans

The distribution of small business loans based on the borrowers' profiles reflects adequate performance in the NM Non-MSA assessment area. An adequate performance to businesses with gross annual revenues of \$1 million or less supports this conclusion. The following table illustrates the distribution of lending by borrower revenue levels within the assessment area.

Distribution of Loans to Small Businesses by Gross Annual Revenues NM Non-MSA Assessment Area											
Assessment Area	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$(000s)	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
NM Non-MSA 2021	121	12,022	6.0	535	84.9	33.9	42.2	2.7	27.3	12.4	38.8

Source: 2021-2022 D&B Data; 2021-2022 CRA Data; 2021 CRA Aggregate Data. Due to rounding, totals may not equal 100.0.

PPP lending affected the bank's small business lending percentages in 2021 to businesses with gross annual revenues of \$1 million or less, as the bank was not required to collect revenue data from the borrower. In 2021, the bank originated 34 PPP loans in this assessment area, and 97.1 percent of these loans are within the loan size category of \$100,000 or less, which shows the bank is meeting the needs of the smallest business borrowers. The bank's concentration of PPP-related lending in 2021 denotes significant responsiveness to small business credit needs in the assessment area. In consideration of these factors, the bank's level of small business lending is adequate.

Innovative or Flexible Lending Practices

The institution uses innovative and/or flexible lending practices in order to serve assessment area credit needs in the NM Non-MSA assessment area. The number and dollar volume of innovative loan products and flexible lending practices supports this conclusion. Examiners considered the dollar volume relative to the institution's capacity and the credit needs of its assessment areas when

arriving at this conclusion. The appendices list the criteria considered under this performance factor.

Since the previous evaluation, the bank originated 17 innovative or flexible loans totaling approximately \$4.6 million in the NM Non-MSA assessment area. This dollar figure equates to 2.0 percent of the bank's total innovative or flexible loans. Given the bank's capacity and the needs in the rated area, the institution uses innovative and flexible loans in the NM Non-MSA assessment area.

Community Development Loans

The bank made few, if any, community development loans in the NM Non-MSA assessment area. Its extent, or dollar volume, of community loans and the community loans' responsiveness support this conclusion. City Bank did not originate any community development loans in the NM Non-MSA assessment area. The bank also did not originate any community development loans in this rated area at the prior evaluation. Thus, the lack of activity in this state did not contribute to the institution's overall excellent level of community development loans noted for the bank as a whole.

INVESTMENT TEST

City Bank demonstrated a needs to improve record in the State of New Mexico regarding the Investment Test. The poor level of qualified investments and grants, poor responsiveness to credit and community development needs, and very poor level of innovative or complex investments support this conclusion.

Investment and Grant Activity

The bank has poor level of qualified community development investments and grants, but not in a leadership position, particularly those that are not routinely provided by private investors in the NM Non-MSA assessment area. The bank made 7 qualified investments totaling \$3,425 in the assessment area in the form of donations that promoted community service. By dollar volume, this equates to 0.02 percent of the bank's total adequate level of qualified investments as compared to 4.9 percent of total deposits in this rated area. These levels represent a decline from the 9 qualified investments totaling \$7,000 reported at the previous evaluation. Examiners also noted that the bank sold a significant dollar volume of investment securities in the second quarter of 2023 and reinvested those proceeds in higher yielding loans as a business decision.

As noted, one of the nine census tracts in the NM Non-MSA assessment area is now designated as moderate income as of the 2020 U.S. Census. In addition, FEMA declared the entire area as a major disaster area in 2022. These factors suggest that there are opportunities for qualified investments in the NM Non-MSA assessment area.

The following are notable examples of the bank's qualified investments in the NM Non-MSA assessment area.

- ***Community Service*** – In 2022 and 2023, the bank donated \$600 to a non-profit youth

organization that offers a full spectrum of supportive services to homelessness or at risk of homelessness students.

- **Community Services** – From 2021 through 2023, the bank donated \$2,550 to an economically disadvantaged school district to elevate student achievement and support education across the district.

Responsiveness to Credit and Community Development Needs

The institution exhibits poor responsiveness to credit and community economic development needs in the NM Non-MSA assessment area. Although all of the donations addressed identified needs by supporting community services efforts, the limited volume exhibits poor responsiveness to community development needs.

Community Development Initiatives

The institution does not use innovative and/or complex investments to support community development initiatives in the NM Non-MSA assessment area. The limited volume of donations granted within the assessment area did not reflect innovative or complex characteristics.

SERVICE TEST

City Bank demonstrated a low satisfactory record in the NM Non-MSA assessment area regarding the Service Test. The reasonably accessible delivery systems, no changes to branch locations, and reasonableness of business hours and services outweighed the limited level of community development services to support this conclusion.

Accessibility of Delivery Systems

Delivery systems are reasonably accessible to essentially all portions of the institution's NM Non-MSA assessment area. Reasonably accessible branch distribution and alternative delivery systems support this conclusion. The branch distribution performance in the NM Non-MSA assessment area proved consistent with that noted for the bank as a whole.

The bank's lack of full-service offices in moderate-income tracts falls 11.4 percentage points below the population in moderate-income census tracts, reflecting a poor level. However, the bank's branches are located near surrounding moderate-income census tracts, allowing access to banking services to moderate-income census tracts. Further, with changes in the census tract designations per the 2020 U.S. Census, the NM Non-MSA assessment area now includes one moderate-income census tract. In consideration of this performance context, examiners concluded that the branch distribution is reasonably accessible to essentially all portions of the NM Non-MSA assessment area.

Branch and ATM Distribution by Geography Income Level NM Non-MSA Assessment Area								
Tract Income Level	Census Tracts		Population		Branches		ATMs	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	1	11.1	2,306	11.4	0	0.0	0	0.0
Middle	6	66.7	14,620	72.1	2	100.0	2	100.0
Upper	1	11.1	2,182	10.8	0	0.0	0	0.0
NA	1	11.1	1,161	5.7	0	0.0	0	0.0
Total	9	100.0	20,269	100.0	2	100.0	2	100.0

Source: 2020 U.S. Census & Bank Data. Due to rounding, totals may not equal 100.0%.

The bank makes its alternative delivery systems reasonably accessible to essentially all portions of the bank’s assessment area. While the ATMs are located within middle-income census tracts, the ATMs are adjacent to moderate-income census tracts allowing access to banking services to moderate-income census tracts. In addition to ATM access, the bank’s deposit accounts are accessible online, through debit cards, telephones, and through a mobile banking application for smart phones. Refer to the institution-level Service Test section for specific details of retail banking services available through alternative delivery systems.

Changes in Branch Locations

During the evaluation period, City Bank did not open or close any branches in the assessment areas. Therefore, this criterion did not affect the overall Service Test rating for the State of New Mexico.

Reasonableness of Business Hours and Services

City Bank’s services (including, where appropriate, business hours) do not vary in a way that inconvenience portions of the New Mexico Non-MSA assessment area, particularly low- and moderate-income geographies and/or individuals. The New Mexico Non-MSA assessment area reflects product offerings, services, and branch hours consistent with those discussed at the institution level.

Community Development Services

The institution provides a limited level of community development services in the NM Non-MSA assessment area. The bank provided two community development services since the previous evaluation in the NM Non-MSA assessment area with the purpose of community service. In 2023, for two separate food bank organizations, bank representatives served on either the Board or a committee, and used their expertise to help oversee and budget.

Based on the time since the last evaluation and an average of two branches for 2.4 years, the bank provided an average of 0.4 services per branch per year. These levels decreased from the seven community development services, or 1.0 per branch per year reported at the previous evaluation.

APPENDICES

LARGE BANK PERFORMANCE CRITERIA

Lending Test

The Lending Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) through its lending activities by considering a bank's home mortgage, small business, small farm, and community development lending. If consumer lending constitutes a substantial majority of a bank's business, the FDIC will evaluate the bank's consumer lending in one or more of the following categories: motor vehicle, credit card, other secured, and other unsecured. The bank's lending performance is evaluated pursuant to the following criteria:

- 1) The number and amount of the bank's home mortgage, small business, small farm, and consumer loans, if applicable, in the bank's assessment area;
- 2) The geographic distribution of the bank's home mortgage, small business, small farm, and consumer loans, if applicable, based on the loan location, including:
 - i. The proportion of the bank's lending in the bank's assessment area(s);
 - ii. The dispersion of lending in the bank's assessment areas(s); and
 - iii. The number and amount of loans in low-, moderate-, middle- and upper-income geographies in the bank's assessment area(s);
- 3) The distribution, particularly in the bank's assessment area(s), of the bank's home mortgage, small business, small farm, and consumer loans, if applicable, based on borrower characteristics, including the number and amount of:
 - i. Home mortgage loans low-, moderate-, middle- and upper-income individuals
 - ii. Small business and small farm loans to businesses and farms with gross annual revenues of \$1 million or less;
 - iii. Small business and small farm loans by loan amount at origination; and
 - iv. Consumer loans, if applicable, to low-, moderate-, middle- and upper-income individuals;
- 4) The bank's community development lending, including the number and amount of community development loans, and their complexity and innovativeness; and
- 5) The bank's use of innovative or flexible lending practices in a safe and sound manner to address the credit needs of low- and moderate-income individuals or geographies.

Investment Test

The Investment Test evaluates the institution's record of helping to meet the credit needs of its assessment area(s) through qualified investments that benefit its assessment area(s) or a broader statewide or regional area that includes the bank's assessment area(s). Activities considered under the Lending or Service Test may not be considered under the investment test. The bank's investment performance is evaluated pursuant to the following criteria:

- 1) The dollar amount of qualified investments;
- 2) The innovativeness or complexity of qualified investments;
- 3) The responsiveness of qualified investments to available opportunities; and
- 4) The degree to which qualified investments are not routinely provided by private investors.

Service Test

The Service Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by analyzing both the availability and effectiveness of the bank's systems for delivering retail banking services and the extent and innovativeness of its community development services.

The bank's retail banking services are evaluated pursuant to the following criteria:

- 1) The current distribution of the bank's branches among low-, moderate-, middle-, and upper-income geographies;
- 2) In the context of its current distribution of the bank's branches, the bank's record of opening and closing branches, particularly branches located in low- or moderate-income geographies or primarily serving low- or moderate-income individuals;
- 3) The availability and effectiveness of alternative systems for delivering retail banking services (*e.g.*, RSFs, RSFs not owned or operated by or exclusively for the bank, banking by telephone or computer, loan production offices, and bank-at-work or bank-by-mail programs) in low- and moderate-income geographies and to low- and moderate-income individuals; and
- 4) The range of services provided in low-, moderate-, middle-, and upper-income geographies and the degree to which the services are tailored to meet the needs of those geographies.

The bank's community development services are evaluated pursuant to the following criteria:

- 1) The extent to which the bank provides community development services; and
- 2) The innovativeness and responsiveness of community development services.

SCOPE OF EVALUATION

City Bank	
Scope of Examination: Full scope reviews were performed on the following assessment areas within the noted rated areas: State of Texas: Lubbock MSA Assessment Area College Station MSA Assessment Area State of New Mexico: New Mexico Non-MSA Assessment Area	
Time Period Reviewed:	5/10/2021 to 10/30/2023
Products Reviewed: Home Mortgage Loans: 01/01/2021 – 12/31/2022 Small Business Loans: 01/01/2021 – 12/31/2022	

List of Assessment Areas and Type of Evaluation			
Rated Area/ Assessment Area	Type of Evaluation	Branches Visited	Other Information
Texas:			
College Station MSA	Full-scope	None	None
Dallas MD	Limited-scope	None	None
El Paso MSA	Limited-scope	None	None
Houston MSA	Limited-scope	None	None
Lubbock MSA	Full-scope	Main Office	None
Midland MSA	Limited-scope	None	None
Odessa MSA	Limited-scope	None	None
TX Non-MSA	Limited-scope	None	None
New Mexico:			
NM Non-MSA	Full-scope	None	None

SUMMARY OF RATINGS FOR RATED AREAS

Rated Area	Lending Test	Investment Test	Service Test	Rating
TEXAS	Low Satisfactory	Low Satisfactory	Low Satisfactory	Satisfactory
NEW MEXICO	Low Satisfactory	Needs to Improve	Low Satisfactory	Needs to Improve

DESCRIPTION OF LIMITED-SCOPE ASSESSMENT AREAS

STATE OF TEXAS

Dallas MD Assessment Area

The Dallas MD assessment area consists of all of Collin, Dallas, Kaufman, and Rockwall Counties. Demographic data for this assessment area is included in the following table.

Demographic Information of the Assessment Area Dallas MD Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	1,114	10.3	25.2	27.5	35.3	1.7
Population by Geography	4,837,555	10.1	24.8	27.8	36.3	1.0
Housing Units by Geography	1,800,230	10.8	24.6	28.5	34.9	1.1
Owner-Occupied Units by Geography	960,452	5.3	19.8	29.3	45.3	0.4
Occupied Rental Units by Geography	713,314	17.5	30.6	27.8	22.2	1.9
Vacant Units by Geography	126,464	15.8	27.5	26.7	27.9	2.1
Businesses by Geography	792,880	4.8	16.1	30.5	47.6	1.0
Farms by Geography	12,029	3.4	15.7	32.6	47.6	0.7
Family Distribution by Income Level	1,139,660	22.5	17.1	18.6	41.8	0.0
Household Distribution by Income Level	1,673,766	23.1	17.0	17.5	42.4	0.0
Median Family Income MSA - 19124 Dallas-Plano- Irving, TX		\$88,315	Median Housing Value			\$265,896
			Median Gross Rent			\$1,258
			Families Below Poverty Level			8.2%
<i>Source: 2020 U.S. Census and 2022 D&B Data; Due to rounding, totals may not equal 100.0% (*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The Dallas MD assessment area contains a high level of competition in the financial services market. According to the FDIC Deposit Market Share data as of June 30, 2023, 140 institutions operated 1,034 offices serving about 4,678 people on average within this assessment area. Of these institutions, City Bank ranked 51st with 0.07 percent deposit market share.

The bank's market share of home mortgage and small business lending by dollar volume in the assessment area reflects excellent responsiveness compared to the bank's market share for deposits by dollar amount in the assessment area. In 2022, home mortgage lending ranked 86th out of 997 lenders in the assessment area; with a 0.2 percent market share, this ranking lands the bank in the top 8.6 percent of lenders reporting such loans. In 2021, the bank's small business lending ranked 49th out of 328 lenders in the assessment area; with a 0.5 percent market share, this ranking lands the bank in the top 14.9 percent of lenders reporting such loans.

El Paso MSA Assessment Area

The El Paso MSA assessment area consists of all of El Paso County. Demographic data for this assessment area is included in the following table.

Demographic Information of the Assessment Area El Paso MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	188	5.3	31.4	34.0	28.7	0.5
Population by Geography	865,657	3.4	27.8	32.6	36.2	0.0
Housing Units by Geography	299,067	4.6	29.2	31.8	34.3	0.0
Owner-Occupied Units by Geography	170,433	1.3	25.3	32.0	41.4	0.0
Occupied Rental Units by Geography	103,229	8.8	34.8	32.6	23.8	0.0
Vacant Units by Geography	25,405	9.5	33.2	28.0	29.3	0.0
Businesses by Geography	67,524	4.2	32.9	25.1	37.2	0.6
Farms by Geography	771	2.3	31.0	26.5	39.9	0.3
Family Distribution by Income Level	198,164	21.9	17.8	18.5	41.7	0.0
Household Distribution by Income Level	273,662	25.4	15.4	17.3	41.9	0.0
Median Family Income MSA - 21340 El Paso, TX MSA		\$53,920	Median Housing Value			\$131,173
			Median Gross Rent			\$869
			Families Below Poverty Level			16.9%
<i>Source: 2020 U.S. Census and 2022 D&B Data; Due to rounding, totals may not equal 100.0% (*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The El Paso MSA assessment area contains a moderate level of competition in the financial services market. According to the FDIC Deposit Market Share data as of June 30, 2023, 16 institutions operated 88 offices serving about 9,837 people on average within this assessment area. Of these institutions, City Bank ranked 10th with 1.9 percent deposit market share.

The bank's market share of home mortgage and small business lending by dollar volume in the assessment area reflects excellent responsiveness compared to the bank's market share for deposits by dollar amount in the assessment area. In 2022, home mortgage lending ranked 25th out of 395 lenders in the assessment area; with a 1.4 percent market share, this ranking lands the bank in the top 6.3 percent of lenders reporting such loans. In 2021, the bank's small business lending ranked 19th out of 131 lenders in the assessment area; with a 4.6 percent market share, this ranking lands the bank in the top 14.5 percent of lenders reporting such loans.

Houston MSA Assessment Area

The Houston MSA assessment area consists of a portion of Harris County – 216 contiguous census tracts out of 1,115 total census tracts in the county. Demographic data for this assessment area is included in the following table.

Demographic Information of the Assessment Area Houston MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	216	27.8	29.6	15.3	23.1	4.2
Population by Geography	735,089	26.7	31.5	15.8	22.8	3.2
Housing Units by Geography	326,539	25.9	30.0	15.4	24.9	3.7
Owner-Occupied Units by Geography	105,407	8.2	27.8	21.7	40.5	1.9
Occupied Rental Units by Geography	183,004	35.0	32.3	12.7	15.3	4.6
Vacant Units by Geography	38,128	31.0	25.7	11.4	27.5	4.4
Businesses by Geography	159,406	19.2	23.0	12.9	42.9	2.1
Farms by Geography	1,506	12.4	17.7	12.4	56.4	1.1
Family Distribution by Income Level	175,506	34.8	18.0	15.5	31.7	0.0
Household Distribution by Income Level	288,411	33.8	19.0	15.7	31.5	0.0
Median Family Income MSA - 26420 Houston-The Woodlands-Sugar Land, TX MSA		\$81,859	Median Housing Value			\$270,024
			Median Gross Rent			\$1,100
			Families Below Poverty Level			16.3%

Source: 2020 U.S. Census and 2022 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.*

The Houston MSA assessment area contains a high level of competition in the financial services market. According to the FDIC Deposit Market Share data as of June 30, 2023, 84 institutions operated 879 offices serving about 836 people on average within this assessment area. Of these institutions, City Bank ranked 66th with 0.02 percent deposit market share.

The bank’s market share of home mortgage and small business lending by dollar volume in the assessment area reflects good responsiveness compared to the bank’s market share for deposits by dollar amount in the assessment area. In 2022, home mortgage lending ranked 134th out of 498 lenders in the assessment area; with a 0.1 percent market share, this ranking lands the bank in the top 26.9 percent of lenders reporting such loans. In 2021, the bank’s small business lending ranked 95th out of 303 lenders in the assessment area; with a 0.2 percent market share, this ranking lands the bank in the top 31.4 percent of lenders reporting such loans.

Midland MSA Assessment Area

The Midland MSA assessment area consists of all of Midland County. Demographic data for this assessment area is included in the following table.

Demographic Information of the Assessment Area Midland MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	37	5.4	18.9	37.8	32.4	5.4
Population by Geography	169,983	6.6	16.7	45.5	30.3	1.0
Housing Units by Geography	62,327	6.2	17.6	45.5	30.0	0.7
Owner-Occupied Units by Geography	38,643	5.2	16.4	42.1	35.7	0.7
Occupied Rental Units by Geography	19,274	7.7	17.9	54.4	19.8	0.1
Vacant Units by Geography	4,410	8.8	26.6	36.4	24.3	3.9
Businesses by Geography	26,930	3.7	24.1	33.1	38.0	1.1
Farms by Geography	678	1.2	26.1	24.6	46.8	1.3
Family Distribution by Income Level	39,642	21.6	17.3	19.2	41.9	0.0
Household Distribution by Income Level	57,917	23.8	16.1	18.5	41.7	0.0
Median Family Income MSA - 33260 Midland, TX MSA		\$97,494	Median Housing Value			\$240,081
			Median Gross Rent			\$1,223
			Families Below Poverty Level			8.0%

Source: 2020 U.S. Census and 2022 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.*

The Midland MSA assessment area contains a moderate level of competition in the financial services market. According to the FDIC Deposit Market Share data as of June 30, 2023, 16 institutions operated 39 offices serving about 4,359 people on average within this assessment area. Of these institutions, City Bank ranked 14th with 0.6 percent deposit market share.

The bank's market share of home mortgage and small business lending by dollar volume in the assessment area reflects good responsiveness compared to the bank's market share for deposits by dollar amount in the assessment area. In 2022, the bank's home mortgage lending ranked 36th out of 324 lenders in the assessment area; with a 1.2 percent market share, this ranking lands the bank in the top 11.1 percent of lenders reporting such loans. In 2021, the bank's small business lending ranked 23rd out of 134 lenders in the assessment area; with a 2.5 percent market share, this ranking lands the bank in the top 17.2 percent of lenders reporting such loans.

Odessa MSA Assessment Area

The Odessa MSA assessment area consists of all of Ector County. Demographic data for this assessment area is included in the following table.

Demographic Information of the Assessment Area Odessa MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	33	0.0	30.3	42.4	27.3	0.0
Population by Geography	165,171	0.0	26.0	43.7	30.3	0.0
Housing Units by Geography	59,155	0.0	29.0	41.8	29.2	0.0
Owner-Occupied Units by Geography	35,106	0.0	25.2	44.7	30.1	0.0
Occupied Rental Units by Geography	18,496	0.0	34.7	36.2	29.1	0.0
Vacant Units by Geography	5,553	0.0	34.4	41.8	23.9	0.0
Businesses by Geography	16,098	0.0	25.2	39.1	35.7	0.0
Farms by Geography	235	0.0	14.9	38.3	46.8	0.0
Family Distribution by Income Level	36,914	22.9	18.2	17.1	41.7	0.0
Household Distribution by Income Level	53,602	23.9	16.1	17.7	42.3	0.0
Median Family Income MSA - 36220 Odessa, TX MSA		\$74,327	Median Housing Value			\$155,459
			Median Gross Rent			\$1,054
			Families Below Poverty Level			10.2%
<i>Source: 2020 U.S. Census and 2022 D&B Data; Due to rounding, totals may not equal 100.0% (*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The Odessa MSA assessment area contains a moderate level of competition in the financial services market. According to the FDIC Deposit Market Share data as of June 30, 2023, 17 institutions operated 38 offices serving about 4,347 people on average within this assessment area. Of these institutions, City Bank ranked 10th with 4.3 percent deposit market share.

The bank's market share of home mortgage and small business lending by dollar volume in the assessment area reflects good responsiveness compared to the bank's market share for deposits by dollar amount in the assessment area. In 2022, the bank's home mortgage lending ranked 53rd out of 251 lenders in the assessment area; with a 0.3 percent market share, this ranking lands the bank in the top 21.1 percent of lenders reporting such loans. In 2021, the bank's small business lending ranked 19th out of 100 lenders in the assessment area; with a 4.6 percent market share, this ranking lands the bank in the top 19.0 percent of lenders reporting such loans.

TX Non-MSA Assessment Area

The TX Non-MSA assessment area includes two separate, noncontiguous assessment areas: 1) Permian Basin TX Non-MSA assessment area consists of all of Pecos, Ward, and Winkler Counties and 2) West Texas Rural TX Non-MSA assessment area consists of all of Bailey, Cochran, Floyd, Gaines, Hale, Hockley, Lamb, Terry, and Yoakum Counties. Examiners analyzed the assessment areas separately but combined them in this evaluation for presentation purposes.

Demographic Information of the Assessment Area TX Non-MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	46	2.2	13.0	60.9	21.7	2.2
Population by Geography	157,708	1.3	14.5	56.6	27.1	0.4
Housing Units by Geography	63,942	1.1	16.2	57.3	25.4	0.0
Owner-Occupied Units by Geography	37,835	0.9	14.1	57.5	27.5	0.0
Occupied Rental Units by Geography	15,262	1.3	20.8	51.7	26.2	0.0
Vacant Units by Geography	10,845	1.3	16.8	64.8	17.1	0.0
Businesses by Geography	12,167	1.8	13.9	53.5	30.8	0.0
Farms by Geography	1,565	1.7	9.8	71.1	17.4	0.0
Family Distribution by Income Level	37,556	20.3	18.0	19.2	42.5	0.0
Household Distribution by Income Level	53,097	24.1	15.6	16.4	43.8	0.0
Median Family Income MSA - Non-MSAs - TX		\$61,785	Median Housing Value			\$93,112
			Median Gross Rent			\$715
			Families Below Poverty Level			12.6%

Source: 2020 U.S. Census and 2022 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.*

The TX Non-MSA assessment area contains a good level of competition in the financial services market. According to the FDIC Deposit Market Share data as of June 30, 2023, 26 institutions operated 64 offices serving about 2,464 people on average within this assessment area. Of these institutions, City Bank ranked 4th with 9.2 percent deposit market share.

The bank's market share of home mortgage and small business lending by dollar volume in the assessment area reflects excellent responsiveness compared to the bank's market share for deposits by dollar amount in the assessment area. In 2022, the bank's home mortgage lending ranked 5th out of 211 lenders in the assessment area; with a 4.5 percent market share, this ranking lands the bank in the top 2.4 percent of lenders reporting such loans. In 2021, the bank's small business lending ranked 2nd out of 87 lenders in the assessment area; with a 17.3 percent market share, this ranking lands the bank in the top 2.3 percent of lenders reporting such loans.

GLOSSARY

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 metropolitan area/assessment area.

American Community Survey (ACS): A nationwide United States Census survey that produces demographic, social, housing, and economic estimates in the form of five year estimates based on population thresholds.

Area Median Income: The median family income for the MSA, if a person or geography is located in an MSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

Assessment Area: A geographic area delineated by the bank under the requirements of the Community Reinvestment Act.

Census Tract: A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

Combined Statistical Area (CSA): A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

Community Development: For loans, investments, and services to qualify as community development activities, their primary purpose must:

- (1) Support affordable housing for low- and moderate-income individuals;
- (2) Target community services toward low- and moderate-income individuals;
- (3) Promote economic development by financing small businesses or farms; or
- (4) Provide activities that revitalize or stabilize low- and moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies.

Community Development Corporation (CDC): A CDC allows banks and holding companies to make equity type of investments in community development projects. Bank CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community. Bank CDCs are also tailored to their financial and marketing needs. A CDC may purchase, own, rehabilitate, construct, manage, and sell real property. Also, it may make equity or debt investments in development projects and in local businesses. The CDC activities are expected to directly benefit low- and moderate-income groups, and the investment dollars should not represent an undue risk on the banking organization.

Community Development Financial Institutions (CDFIs): CDFIs are private intermediaries (either for profit or nonprofit) with community development as their primary mission. A CDFI facilitates the flow of lending and investment capital into distressed communities and to individuals who have been unable to take advantage of the services offered by traditional financial institutions. Some basic types of CDFIs include community development banks, community development loan funds, community development credit unions, micro enterprise funds, and community development venture capital funds.

A certified CDFI must meet eligibility requirements. These requirements include the following:

- Having a primary mission of promoting community development;
- Serving an investment area or target population;
- Providing development services;
- Maintaining accountability to residents of its investment area or targeted population through representation on its governing board of directors, or by other means;
- Not constituting an agency or instrumentality of the United States, of any state or political subdivision of a state.

Community Development Loan: A loan that:

- (1) Has as its primary purpose community development; and
- (2) Except in the case of a wholesale or limited purpose bank:
 - (i) Has not been reported or collected by the bank or an affiliate for consideration in the bank's assessment area as a home mortgage, small business, small farm, or consumer loan, unless it is a multifamily dwelling loan (as described in Appendix A to Part 203 of this title); and
 - (ii) Benefits the bank's assessment area(s) or a broader statewide or regional area including the bank's assessment area(s).

Community Development Service: A service that:

- (1) Has as its primary purpose community development;
- (2) Is related to the provision of financial services; and
- (3) Has not been considered in the evaluation of the bank's retail banking services under § 345.24(d).

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.

Core Based Statistical Area (CBSA): The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

Distressed Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as distressed if it is in a county that meets one or more of the following triggers:

- (1) An unemployment rate of at least 1.5 times the national average;
- (2) A poverty rate of 20 percent or more; or
- (3) A population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

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. Other family 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).

FFIEC-Estimated Income Data: The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

Full-Scope Review: A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (for example, 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 do 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; and the disposition of the application (approved, denied, and withdrawn).

Home Mortgage Loans: Includes closed-end mortgage loans or open-end line of credits as defined in the HMDA regulation that are not an excluded transaction per the HMDA regulation.

Housing Unit: Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

Limited-Scope Review: A limited scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area.

Performance under applicable tests is often analyzed using only quantitative factors (for example, geographic distribution, borrower profile, 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.

Low Income Housing Tax Credit: The Low-Income Housing Tax Credit Program is a housing program contained within the Internal Revenue Code of 1986, as amended. It is administered by the U.S. Department of the Treasury and the Internal Revenue Service. The U.S. Treasury Department distributes low-income housing tax credits to housing credit agencies through the Internal Revenue Service. The housing agencies allocate tax credits on a competitive basis.

Developers who acquire, rehabilitate, or construct low-income rental housing may keep their tax credits. Or, they may sell them to corporations or investor groups, who, as owners of these properties, will be able to reduce their own federal tax payments. The credit can be claimed annually for ten consecutive years. For a project to be eligible, the developer must set aside a specific percentage of units for occupancy by low-income residents. The set-aside requirement remains throughout the compliance period, usually 30 years.

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 metropolitan area/assessment area.

Median Income: The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

Metropolitan Division (MD): A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area (MSA): CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities 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.

Micropolitan Statistical Area: CBSA associated with at least one urbanized area having a population of at least 10,000, but less than 50,000.

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 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 and less than 80 percent in the case of a geography.

Multi-family: Refers to a residential structure that contains five or more units.

Nonmetropolitan Area (also known as non-MSA): All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

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 lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

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

Rural Area: Territories, populations, and housing units that are not classified as urban.

Small Business Investment Company (SBIC): SBICs are privately-owned investment companies which are licensed and regulated by the Small Business Administration (SBA). SBICs provide long-term loans and/or venture capital to small firms. Because money for venture or risk investments is difficult for small firms to obtain, SBA provides assistance to SBICs to stimulate and supplement the flow of private equity and long-term loan funds to small companies. Venture capitalists participate in the SBIC program to supplement their own private capital with funds borrowed at favorable rates through SBA's guarantee of SBIC debentures. These SBIC debentures are then sold to private investors. An SBIC's success is linked to the growth and profitability of the companies that it finances. Therefore, some SBICs primarily assist businesses with significant growth potential, such as new firms in innovative industries. SBICs finance small firms by providing straight loans and/or equity-type investments. This kind of financing gives them partial ownership of those businesses and the possibility of sharing in the companies' profits as they grow and prosper.

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

Small Farm Loan: 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, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

Underserved Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as underserved if it meets criteria for population size, density, and dispersion indicating the area’s population is sufficiently small, thin, and distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

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

Urban Area: All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, “urban” consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

“Urban” excludes the rural portions of “extended cities”; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.