

PUBLIC DISCLOSURE

April 10, 2023

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

b1BANK

Certificate Number: 58228

500 Laurel Street

Baton Rouge, Louisiana 70801

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 (AA) credit needs.
- A high percentage of loans are made in the institution's AAs.
- 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.
- The geographic distribution of loans reflects adequate penetration throughout the AAs.
- The institution makes limited use of innovative and/or flexible lending practices in order to serve AA credit needs.
- The institution is a leader in originating community development (CD) loans.
- The institution exhibits a good record of serving the credit needs of the most economically disadvantaged areas of its AAs, low-income individuals, and/or very small businesses, consistent with safe and sound banking practices.

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 economic development needs.

- The institution rarely uses innovative and/or complex investments to support CD initiatives.

The Service Test is rated Low Satisfactory.

- Delivery systems are reasonably accessible to essentially all portions of the institution's AAs.
- To the extent changes have been made, the institution's opening and closing of branches has generally not adversely affected the accessibility of its delivery systems, particularly in low- or moderate-income geographies and/or to low- or moderate-income individuals.
- Services (including where appropriate, business hours) do not vary in a way that inconveniences portions of the AAs, particularly low- and moderate-income geographies or individuals.
- The institution provides an adequate level of CD services.

DESCRIPTION OF INSTITUTION

b1BANK (b1B), headquartered in Baton Rouge, Louisiana, began operations in 2006 as Business First Bank, changing its name in 2019. Business First Bancshares, Inc., Baton Rouge, Louisiana, a one-bank holding company, wholly owns the subject bank, as well as additional subsidiaries and affiliates that provide trust and investment services. The bank did not ask for consideration of affiliates or subsidiaries activities during this evaluation. During the evaluation period, b1B merged with Pedestal Bank, Houma, Louisiana, in May 2020. Through this merger, b1B added parishes to its existing assessment areas in the Houma Metropolitan Statistical Area (MSA), Lafayette MSA, Lake Charles MSA, and Louisiana Non-MSA. In March 2022, b1B merged with Texas Citizens Bank, National Association, Pasadena, Texas. Through this merger, b1B entered into one new market, the Houston, Texas MSA. The bank received a "Satisfactory" rating at its previous FDIC CRA Evaluation dated April 13, 2020, using Intermediate Small Bank Examination Procedures.

The bank operates 47 full-service offices and 36 automated teller machines (ATMs) in the AAs located throughout Louisiana and Texas. Of the 36 ATMs, 25 are interactive teller machines (ITMs). The bank also operates three loan production offices (LPOs) in Louisiana. Since the prior evaluation, the bank opened two full-services offices, closed three full-service offices, purchased one full-service office, and sold one full-service office. b1B offers a full line of loan products, deposit accounts, and other financial services, such as wealth management. b1B's primary business focus is commercial lending. It also offers hours and days of service consistent with area and industry norms.

As of December 31, 2022, assets totaled nearly \$6.0 billion, consisting primarily of Net Loans & Leases of \$4.6 billion (76.1 percent of the total) and Securities of \$891 million (14.8 percent of the total). Total deposits equaled approximately \$4.9 billion as of the same date. Since the prior evaluation, total assets increased by 163.8 percent, net loans increased by 169.0 percent, and total deposits increased by 171.7 percent, due in part to the merger and acquisition activity.

As reflected in the following table, the mix of outstanding loans of the bank's major loan products shows commercial loans (Commercial and Industrial Loans and Secured by Nonfarm and Nonresidential Properties) at 61.3 percent and home mortgage loans (Secured by 1-4 Family and Multifamily Residential Properties) at 14.2 percent.

Loan Portfolio Distribution as of 12/31/2022		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	722,074	15.7
Secured by Farmland	193,587	4.2
Secured by 1-4 Family Residential Properties	558,045	12.1
Secured by Multifamily (5 or more) Residential Properties	98,637	2.1
Secured by Nonfarm Nonresidential Properties	1,837,382	39.9
Total Real Estate Loans	3,409,725	74.0
Commercial and Industrial Loans	985,651	21.4
Agricultural Production and Other Loans to Farmers	33,667	0.7
Consumer Loans	52,033	1.1
Obligations of State and Political Subdivisions in the U.S.	55	<0.1
Other Loans	138,466	3.0
Less: Unearned Income	(13,062)	(0.3)
Total Loans	4,606,480	100.0
<i>Source: Reports of Condition and Income</i>		

Based on the information discussed in this section and 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 AAs' credit needs.

DESCRIPTION OF ASSESSMENT AREAS

As more fully described under Description of Institution for each rated area, b1B operates in two rated areas, the States of Louisiana and Texas. The bank currently has eight AAs in Louisiana and two in Texas. Please refer to the rated areas and individual AAs for additional information. b1B expanded the AAs in the States of Louisiana and Texas since the previous evaluation due to the aforementioned merger activity and a new branch. This resulted in the following additions:

- Louisiana
 - o Lafourche Parish to the Houma MSA AA;
 - o Acadia, Iberia, St. Martin, and Vermilion Parishes to the Lafayette MSA AA;
 - o Cameron Parish to the Lake Charles MSA AA; and
 - o Allen, Beauregard, Evangeline, St. Landry, and Vernon Parishes to the Louisiana Non-MSA AA
- Texas
 - o Collin County to the Dallas Metropolitan Division (MD) AA and
 - o Houston MSA AA.

SCOPE OF EVALUATION

General Information

This evaluation covers the time period from the previous evaluation dated April 13, 2020, to the current evaluation dated April 10, 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. Appendix A lists the applicable tests' criteria.

Examiners applied full-scope procedures to the following AAs in Louisiana: the Baton Rouge MSA and Houma MSA AAs. For Texas, examiners applied full-scope procedures to the Dallas MD AA. Examiners applied limited-scope procedures to the remaining AAs. Please refer to the rated area sections for additional details.

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

Rated Area Breakdown of Loans, Deposits, and Branches						
Rated Area	Loans		Deposits		Branches	
	\$(000s)	%	\$(000s)	%	#	%
Louisiana	1,152,265	87.2	3,921,021	84.1	37	78.7
Texas	169,033	12.8	741,051	15.9	10	21.3
Total	1,321,298	100.0	4,662,072	100.0	47	100.0

Source: HMDA & CRA Data (2020-2022); FDIC Summary of Deposits (06/30/2022)

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 CD loans originated since the previous evaluation. Consequently, this evaluation considers total loans reported (inside and outside of the AAs) either according to the Home Mortgage Disclosure Act (HMDA) or CRA data collection reporting requirements:

Home Mortgage Loans

- 2020 – 527 loans totaling \$143,239,000
- 2021 – 722 loans totaling \$194,114,000
- 2022 – 673 loans totaling \$191,772,000

Small Business Loans

- 2020 – 3,250 loans totaling \$446,887,000
- 2021 – 2,974 loans totaling \$415,273,000
- 2022 – 1,544 loans totaling \$319,580,000

Small Farm Loans

- 2020 – 104 loans totaling \$13,044,000
- 2021 – 115 loans totaling \$15,932,000
- 2022 – 119 loans totaling \$16,743,000

CD Loans:

April 13, 2020 – April 10, 2023: 123 loans totaling \$406,051,000

This evaluation does not consider any affiliate lending. Based on the data above, small farm loans only account for 2.6 percent of the dollar volume of the total HMDA and CRA loans. 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.

Since no trends exist between the different years' data that materially affect applicable conclusions or ratings, unless otherwise noted, this evaluation only presents the 2021 HMDA and small business data, the most recent year for which aggregate data exists as of this evaluation date. However, examiners included 2020-2022 HMDA and CRA data in the Assessment Area Concentration discussion. Examiners compared the bank's small business lending to aggregate data in 2020 and 2021, as well as D&B data in 2022. Examiners compared the bank's HMDA lending to aggregate data in 2020 and 2021, as well as 2020 U.S. Census data in 2022.

The weightings for the specific loan categories varies for each of the AAs. As suggested by the above figures, examiners generally weighed small business loans heavier than home mortgage loans when arriving at applicable conclusions.

The scopes for the Investment and Service Tests consider applicable current period CD activities, including QIs and CD services. Current period activities, including CD loans considered under the Lending Test, involve those generated since the previous evaluation. The Investment Test's scope further encompasses all prior period QIs. Prior period QIs involve those purchased prior to the previous evaluation but remain outstanding as of this evaluation's date. Examiners use the book value as of the current evaluation date for all prior period QIs.

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 and closings during the evaluation period. The review also considered retail banking products and services targeted toward low- and moderate-income individuals or small businesses and/or tailored to meet specific needs within the AAs.

Given the institution's method and compilation of CD data, examiners reviewed all CD loans, QIs, and CD services from the previous evaluation to April 10, 2023.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

b1B demonstrated a low satisfactory record for the bank as a whole regarding the Lending Test. Adequate records regarding borrower profile and geographic loan distribution, as well as excellent lending levels and a leadership role in making community development loans support this conclusion. The bank also demonstrated a high percentage of loans made inside the AAs and made limited use of innovative and flexible lending practices to serve the credit needs of its AAs. The

Lending Test performance is generally consistent in each rated area. The appendices list the Lending Test's criteria.

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

Lending Activity

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

Small Business Loans

Small business lending levels reflect excellent responsiveness to AA credit needs. Excellent performance in the State of Louisiana sufficiently lifted good performance in the State of Texas to support this conclusion. For 2021, the bank originated 2,608 total reportable small business loans totaling nearly \$345.1 million inside its AAs. b1B captured a 1.1 percent market share of the total number of small business loans and a 3.6 percent market share of the total dollar volume of loans.

This volume of activity ranks the bank 16th out of 322 total lenders in the bank's AAs by total number. This ranking lands the bank in the top 5.0 percent of lenders reporting such loans in the bank's AAs. The ranking considers the total number and dollar amount of loans made by each institution.

Home Mortgage Loans

Home mortgage lending levels reflect excellent responsiveness to AA credit needs. Excellent performance in the State of Louisiana outweighed adequate performance in the State of Texas to support this conclusion. For 2021, the bank originated 604 total reportable home mortgage loans totaling approximately \$111.5 in its AAs. b1B captured a 0.2 percent market share of the total number of home mortgage loans and a 0.1 percent market share of the total dollar volume of loans.

This volume of activity ranks the bank 92nd out of 1,093 total lenders in the bank's AAs by total number. This ranking lands the bank in the top 8.4 percent of lenders reporting such loans in the bank's AAs. The ranking considers the total number and dollar amount of loans made by each institution.

Assessment Area Concentration

A high percentage of loans are made in the institution's AAs. Majorities of small business and home mortgage loans originated in the AAs 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.

Small Business Loans

A high percentage of small business loans are made in the institution's AAs. The following table shows that, for small business loans by both measures, the percentages of the number and dollar volume, the bank originated a majority of its small business loans inside its AAs.

Home Mortgage Loans

A high percentage of home mortgage loans are made in the institution's AAs. The following table shows that, for home mortgage loans by both measures, the percentages of the number and dollar volume, the bank originated a majority of its home mortgage loans inside its AAs.

Small Farm Loans

An adequate percentage of small farm loans are made in the institution's AAs. The following table shows that, for small farm loans by both measures, the percentages of the number and dollar volume, the bank originated a majority of its small farm loans inside its AAs.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2020	451	85.6	76	14.4	527	107,311	74.9	35,928	25.1	143,239
2021	604	83.7	118	16.3	722	111,445	57.4	82,670	42.6	194,115
2022	555	82.5	118	17.5	673	127,109	66.3	64,663	33.7	191,772
Subtotal	1,610	83.8	312	16.2	1,922	345,865	65.4	183,261	34.6	529,126
Small Business										
2020	2,792	85.9	458	14.1	3,250	380,524	85.2	66,363	14.9	446,887
2021	2,608	87.7	366	12.3	2,974	345,116	83.1	70,157	16.9	415,273
2022	1,265	81.9	279	18.1	1,544	249,793	78.2	69,787	21.8	319,580
Subtotal	6,665	85.8	1,103	14.2	7,768	975,433	82.5	206,307	17.5	1,181,740
Small Farm										
2020	81	77.9	23	22.1	104	9,740	74.7	3,304	25.3	13,044
2021	84	73.0	31	27.0	115	11,474	72.0	4,458	28.0	15,932
2022	83	69.7	36	30.3	119	11,048	66.0	5,695	34.0	16,743
Subtotal	248	73.4	90	26.6	338	32,262	70.6	13,457	29.4	45,719
Total	8,476	84.5	1,552	15.5	10,028	1,346,741	76.7	409,844	23.3	1,756,585
Source: HMDA & CRA Data (2020-2022); Due to rounding, totals may not equal 100.0%										

Consequently, considering the loan categories' relative overall performances and weightings, the institution originated a high percentage of its loans inside its AAs.

Geographic Distribution

b1B's geographic distribution of loans reflects adequate penetration throughout its AAs for the bank as a whole. Adequate performances regarding small business and home mortgage loans support this 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. Small business and home mortgage lending performance proved generally consistent throughout the rated areas.

Small Business Loans

b1B's geographic distribution of small business loans reflects adequate penetration throughout the AAs. Adequate records in the State of Louisiana and the State of Texas support this conclusion.

Home Mortgage Loans

B1B's geographic distribution of home mortgage loans reflects good penetration throughout the AAs. Good records in the State of Louisiana and the State of Texas support this conclusion.

Each rated area includes a more detailed discussion of the bank's geographic loan distribution for small business and home mortgage loans.

Borrower Profile

b1B's 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 for the bank as a whole. Adequate performances regarding small business loans outweighed poor performances regarding home mortgage loans to support this conclusion. Examiners focused on the percentage by number of loans to low- and moderate-income individuals and to businesses with gross annual revenues of \$1 million or less when arriving at conclusions for this performance factor. Small business and home mortgage lending performance proved somewhat inconsistent throughout the rated areas.

Small Business Loans

b1B's borrower profile distribution of small business loans reflects adequate penetration throughout the AAs. Adequate records in the State of Louisiana outweighed a poor record in the State of Texas to support this conclusion.

Home Mortgage Loans

b1B's borrower profile distribution of home mortgage loans reflects poor penetration throughout the AAs. Poor records in the State of Louisiana outweighed an adequate record in the State of Texas to support this conclusion.

Each rated area includes a more detailed discussion of the bank's borrower profile distribution for small business and home mortgage loans.

Innovative or Flexible Lending Practices

The institution makes limited use of innovative or flexible lending practices for the bank as a whole in order to serve AA credit needs. 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 AAs when arriving at this conclusion. The appendices list the criteria considered under this performance factor.

The table below shows that the bank originated 87 innovative or flexible loans totaling over \$50.8 million. This dollar figure equates to 1.1 percent of average total assets of \$4,792,165,000 since the previous evaluation and 1.5 percent of average net loans of \$3,439,834,000 for the same period, thereby reflecting adequate levels.

Besides their extent, the innovative or flexible loans reflect adequate responsiveness to the bank's CD needs. b1B uses various government-guaranteed or -insured loan programs to meet the needs of small businesses in the communities it serves. As noted in the table below, the bank offered home mortgage loans through the Federal Housing Administration (FHA), the U.S. Department of Agriculture (USDA), the Veteran's Administration (VA), as well as small business loans through the Small Business Administration (SBA), during the evaluation period. Flexible features of these programs help low- and moderate-income individuals and small businesses obtain financing and small dollar loans that they may not have otherwise been eligible for through normal lending channels. Examples of flexible features for these programs include higher government guaranties, flexible underwriting guidelines, or lower down payments.

Given the bank's capacity and the needs in its AAs, the level of innovative and flexible loans reflects adequate responsiveness to the credit needs of its AAs. The table below displays the bank's innovative or flexible loans by rated area.

Innovative or Flexible Lending Programs Institution						
Rated Area	FHA/USDA/VA		SBA		Totals	
	#	\$(000)s	#	(000)s	#	(000)s
Louisiana	31	5,714	50	35,467	81	41,181
Texas	0	0	6	9,629	6	9,629
Total	31	5,714	56	45,096	87	50,810
<i>Source: Bank Data.</i>						

- In February 2023, b1B launched a new home mortgage loan product titled Welcome Home. The bank offers this 30-year, fixed-rate loan product to low- and moderate-income individuals to purchase or refinance a primary residence. The product features include no origination or documentation fees, 100 percent loan-to-value, no private mortgage insurance requirement, and a lower credit score threshold than other residential loan products. While the bank has not originated any loans yet under this program, this product helps low- and moderate-income individuals achieve and sustain homeownership.

Though not reflected in the table above, examiners noted the below additional bank activity related to the Coronavirus Pandemic and disaster relief assistance.

- **Coronavirus (COVID-19) Pandemic Lending Activities** – The bank receives favorable CRA consideration for its willingness to offer various flexible options for borrowers impacted financially by the COVID-19 pandemic. The bank assisted small business borrowers with Paycheck Protection Program (PPP) loans through the SBA during the COVID-19 pandemic. The SBA offered the PPP to provide a direct incentive for small businesses to keep their workers on the payroll. The bank originated 4,075 PPP loans totaling \$516.6 million during the evaluation period. In addition, the bank offered payment deferrals to its loan customers during the evaluation period.

Community Development Loans

The institution is a leader in making CD loans for the bank as a whole. b1B's leadership in originating an excellent level of CD loans and its good responsiveness to CD needs support this conclusion. The bank's performance was consistent throughout the rated areas. Examiners weighed the State of Louisiana heaviest when forming conclusions. The appendices define CD and list the criteria considered under this performance factor.

Regarding the overall level of CD loans, the following tables show that, since the previous evaluation, the bank granted 123 CD loans totaling nearly \$406.1 million. This level equates to 8.5 percent of average total assets of \$4,792,165,000 since the last previous evaluation and 11.8 percent of average net loans of \$3,439,834,000 for the same period, thereby reflecting excellent levels. These levels reflect increases from the 8.1 percent of average assets and 10.8 percent of average net loans reported at the previous evaluation.

Community Development Lending by Year										
Institution										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2020*	0	0	2	3,805	0	0	32	94,133	34	97,938
2021	5	14,763	2	5,478	1	1,850	28	95,144	36	117,235
2022	1	1,495	1	7,000	3	12,974	42	153,964	47	175,433
YTD 2023	0	0	1	1,900	1	1,741	4	11,804	6	15,445
Total	6	16,258	6	18,183	5	16,565	106	355,045	123	406,051

Source: Bank Data. *Since the previous evaluation.

Community Development Lending By Rated Area										
Institution										
Rated Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Louisiana	5	14,763	4	9,244	3	11,364	79	226,071	91	261,442
Texas	1	1,495	2	8,939	2	5,201	27	128,974	32	144,609
Total	6	16,258	6	18,183	5	16,565	106	355,045	123	406,051

Source: Bank Data.

In addition to reflecting an excellent level of loans, the CD loans reflect good responsiveness to the AAs' CD needs. As seen in the previous tables, 87.4 percent of the dollar volume of all CD loans helps to revitalize and stabilize qualifying geographies. Additionally, 4.5 percent benefit community services for low- and moderate-income individuals, 4.1 promote economic development, and 4.0 percent promote affordable housing.

As noted under the applicable AA sections, activities that revitalize or stabilize qualifying geographies reflect a CD need in the AAs. In addition, activities that promote economic development and affordable housing and supports community services for low- and moderate-income individuals also represent CD needs. Therefore, relative to the bank's capacity and the extent of CD lending opportunities and needs in its AAs, the bank exhibits an excellent level in originating CD loans.

INVESTMENT TEST

b1B demonstrated a low satisfactory record for the bank as a whole regarding the Investment Test. Adequate records regarding the level of investment activity and responsiveness of QIs to credit and CD needs, along with rare use of complex QIs, support this conclusion. The Investment Test performance is generally consistent in each rated area. The appendices list the criteria considered under this test.

Investment and Grant Activity

The institution has an adequate level of qualified community development investments and grants. The following tables show that the bank made use of 90 QIs totaling \$60.6 million, which includes donations of \$93,000 and prior period investments of nearly \$11.1 million. The total dollar amount equates to 1.3 percent of average total assets of \$4,792,165,000 since the previous evaluation and 7.3 percent of average securities of \$827,507,000 for the same period, thereby reflecting an adequate level. These levels reflect decreases from the 1.5 percent of average total assets and 10.6 percent of average securities reported in the prior evaluation.

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	16	9,529	0	0	14	1,526	30	11,055
2020	0	0	11	22,575	0	0	0	0	11	22,575
2021	0	0	20	11,920	0	0	4	6,365	24	18,285
2022	1	1,170	0	0	4	7,433	0	0	5	8,603
YTD 2023	0	0	0	0	0	0	0	0	0	0
Subtotal	1	1,170	47	44,024	4	7,433	18	7,891	70	60,518
Qualified Grants & Donations	2	15	16	52	2	26	0	0	20	93
Total	3	1,185	63	44,076	6	7,459	18	7,891	90	60,611
<i>Source: Bank Data.</i>										

Qualified Investments by Rated Area Institution										
Rated Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Louisiana	2	1,180	62	44,069	0	0	17	3,891	81	49,140
Texas	1	5	1	7	5	2,459	1	4,000	8	6,471
Nationwide	0	0	0	0	1	5,000	0	0	1	5,000
Total	3	1,185	63	44,076	6	7,459	18	7,891	90	60,611
<i>Source: Bank Data.</i>										

The following point is the bank's QI in the regional area:

- ***Economic Development*** – The bank invested \$5.0 million in a Small Business Investment Companies (SBIC) participation certificate pool guaranteed by the SBA. The pool, which includes 72 SBICs, allows for the further provision of assistance to small businesses. Regulations note that regulators will presume that activities associated with SBICs meet both the size and purpose tests under the regulation's definition of economic development. Thus, the activity promotes economic development by assisting an organization that aids businesses that meet the size eligibility standards of the regulation and that support permanent job creation, retention, or improvement for low- or moderate-income persons or in low- and moderate-income geographies.

Responsiveness to Credit and Community Development Needs

b1B exhibits adequate responsiveness to credit and community economic development needs. The above table shows the bank demonstrates responsiveness by the higher dollar amounts within community services, supporting a CD need in the AAs.

Community Development Initiatives

b1B rarely uses innovative and/or complex investments to support CD initiatives. For example, the bank collaborated with an investment firm to assist SBICs with expanding capital to qualifying small businesses within the bank's AAs. The private sector does not routinely provide this type of investment.

SERVICE TEST

b1B demonstrated a low satisfactory record regarding the Service Test. Adequate records regarding the institution's accessibility of delivery systems, changes in branch locations, reasonableness of hours and services, and CD services support this conclusion. The Service Test performance is generally consistent in each rated area. The appendices list the criteria considered under this test.

Accessibility of Delivery Systems

Delivery systems are reasonably accessible to essentially all portions of the bank's AAs for the bank as a whole. Reasonably accessible branch distribution and alternative delivery systems support this conclusion.

The bank makes its full-service offices reasonably accessible to essentially all portions of the institution's AAs for the bank as a whole.

The bank's full-service offices in low-income tracts falls 0.8 percentage points below the population percentage in low-income census tracts, reflecting an adequate level. The bank's full-service offices in moderate-income tracts falls 7.8 percentage points below the population percentage in moderate-income tracts, also reflecting an adequate level.

Branch and ATM Distribution by Geography Income Level Institution								
Tract Income Level	Census Tracts		Population		Branches		ATMs/ITMs	
	#	%	#	%	#	%	#	%
Low	391	12.9	1,427,222	11.4	5	10.6	5	13.9
Moderate	773	25.6	3,105,815	24.8	8	17.0	5	13.9
Middle	842	27.9	3,663,462	29.2	20	42.6	17	47.2
Upper	926	30.7	4,173,692	33.2	12	25.5	8	22.2
NA	88	2.9	177,883	1.4	2	4.3	1	2.8
Total	3,020	100.0	12,548,074	100.0	47	100.0	36	100.0
<i>Source: 2020 U.S. Census Data; 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 AAs for the bank as a whole. Reasonably accessible ITMs and alternative delivery systems to low- and moderate-income individuals support this conclusion.

The preceding table shows that, in low-income census tracts, the bank's ITMs rises 2.5 percentage points above the population percentage, thereby reflecting an adequate level. The bank's ITMs in

moderate-income tracts falls 10.9 percentage points below the population percentage, reflecting a poor level.

The bank offers other alternative delivery systems for remote access to banking services at any location and any time. These systems include online banking, mobile banking, mobile deposit, mobile payment, and 24-hour telephone banking.

- Online banking through the bank's website and mobile banking allows customers to review account statements, set up customized account notifications, and perform transactional capabilities, such as bill pay and fund transfers.
- The mobile banking application, accessible on smartphones and tablets, affords customers the ability to deposit checks remotely.
- The bank offers free customer access to accounts via a toll-free telephone number that is available in English and Spanish.
- The bank's ITMs provide live banker access for extended hours allowing customers to make deposits, complete account transfers, order checks, make loan payments, cash checks, and more.

Customers also have access to MobiMoney services, which helps safeguard debit cards against fraud. The mobile application allows users to set defined areas where customers can use the debit card, limit purchases by the type of merchant, set limits on the dollar amount, turn the debit card on or off, and receive alerts when transactions occur.

Further, in response to the COVID-19 pandemic, the bank implemented several relief efforts including participating in the SBA's PPP loan program, deferring loan payments to assist affected borrowers, and waiving fees for late loan payments, early withdrawal penalties on certificates of deposit, excessive withdrawals from savings accounts, and foreign ATM fees up to \$20. Additionally, in response to local natural disasters, such as hurricanes and severe storms, the bank refunded and waived overdraft and ITM service charges, waived early withdrawal penalties on certificates of deposits, and offered payment deferral options for loans and credit cards.

Changes in Branch Locations

To the extent changes have been made, the institution's opening and closing of branches has generally not adversely affected the accessibility of its delivery systems, particularly in low- or moderate-income geographies and/or to low- or moderate-income individuals. Excluding branch acquisition activity, the bank closed four offices since the previous evaluation, including one office sold to another institution. Of the closed locations, one is in a low-, two are in middle-, and one is in an upper-income tract. Excluding branch acquisition activity, the bank opened three offices, including one office purchased from another financial institution. Of the new locations, one is in a middle- and two are in upper-income census tracts.

Reasonableness of Business Hours and Services

Services (including where appropriate, business hours) do not vary in a way that inconveniences portions of the AAs, particularly low- or moderate-income geographies and/or individuals, for the

bank as a whole. The bank's branches generally have the same product offerings and services, and the institution maintains reasonable hours relative to the areas served and the industry. All locations maintain at least 7-hour lobby and drive-thru hours Monday through Friday, and six locations offer drive-thru capabilities on Saturdays. Hours of operation do not vary for offices in low- and moderate-income tracts compared with those in middle- and upper-income tracts.

As reflected in the following points, the bank also offers several alternative accounts tailored to reach or benefit the unbanked and underbanked customers with retail banking services.

- b1B offers a New Opportunity checking account. The checking account, introduced in January 2021, assists individuals with poor deposit account histories. This second chance account gives customers full access to their funds and only requires a minimum opening balance of \$25, with a small monthly service fee of \$6. Since the prior evaluation, the bank opened 682 New Opportunity checking accounts.
- b1B offers a no service charge interest on lawyer trust deposit account (IOLTA). The funds in these accounts provide legal assistance to low- and moderate-income individuals. Since the prior evaluation, the bank opened 57 IOLTA accounts.

Community Development Services

The institution provides an adequate level of CD services for the bank as a whole. Adequate performances regarding the extent of CD services and the responsiveness of CD services to available opportunities support this conclusion.

The following tables show that the bank provided 228 CD services since the previous evaluation. This number equates to an average of 1.8 CD services per office per year since the previous evaluation, thereby reflecting an adequate level. The bank averaged 42.3 full-service offices for the 3.0 years since the previous evaluation. b1B's performance reflects an increase from the average of 0.4 CD services per office per year recorded at the prior evaluation. The current level reflects adequate performance regarding the extent, or number, of CD services provided.

Community Development Services by Year Institution					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2020*	1	2	0	0	3
2021	2	30	53	1	86
2022	3	46	45	3	97
YTD 2023	0	24	17	1	42
Total	6	102	115	5	228
<i>Source: Bank Data. *Since the previous evaluation.</i>					

Community Development Services by Rated Area Institution					
Rated Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
Louisiana	6	92	107	5	210
Texas	0	10	8	0	18
Total	6	102	115	5	228
<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 CD, as defined by CRA regulations. In addition to their extent, CD services reflect adequate responsiveness to available opportunities as illustrated by their level of addressing identified CD needs in the bank's AAs.

Services include Board or committee participation in some of those activities. The data reflects that 50.4 percent of all CD services were to organizations that promote economic development through the provision of technical assistance to small businesses. In addition, 44.7 percent of the 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 CD needs in the bank's AAs.

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.

STATE OF LOUISIANA

CRA RATING FOR LOUISIANA: 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 LOUISIANA

b1B designated eight AAs in Louisiana as noted in the table below. All of the bank's AAs in Louisiana conform to CRA regulatory requirements.

Description of Assessment Areas			
Assessment Area	Parishes in Assessment Area	# of CTs	# of Branches
Baton Rouge MSA	Ascension, East Baton Rouge, Livingston, West Baton Rouge	177	8
Houma MSA	Lafourche, Terrebonne	62	6
Lafayette MSA	Acadia, Iberia, Lafayette, St. Martin, Vermilion	136	5
Lake Charles MSA	Calcasieu, Cameron	61	6
Louisiana Non-MSA	Allen, Beauregard, Evangeline, Richland, St. Landry, Vernon, Webster, West Carroll	93	6
Monroe MSA	Morehouse, Ouachita	55	3
New Orleans MSA	Jefferson, St. Tammany	187	2
Shreveport MSA	Bossier, Caddo	107	1
Source: 2020 U.S. Census Data; Bank Data			

SCOPE OF EVALUATION – LOUISIANA

Full-Scope Assessment Area

Of the eight AAs in Louisiana, examiners applied full-scope procedures to the Baton Rouge MSA AA 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 Houma MSA AA 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 Louisiana AAs.

Lending Test

Loan Categories Reviewed

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

Home Mortgage Loans:

- 2020: 438 loans totaling \$98,330,000

- 2021: 589 loans totaling \$96,997,000
- 2022: 523 loans totaling \$91,159,000

Small Business Loans:

- 2020: 2,612 loans totaling \$349,237,000
- 2021: 2,427 loans totaling \$311,473,000
- 2022: 1,098 loans totaling \$205,069,000

Small Farm Loans:

- 2020: 81 loans totaling \$9,740,000
- 2021: 83 loans totaling \$10,999,000
- 2022: 82 loans totaling \$10,573,000

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

Assessment Area Weighting

The following table shows that the Baton Rouge MSA AA generated the largest percentage of the bank's Louisiana loans, deposits, and branches. Consequently, examiners weighed records in the Baton Rouge 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 Distribution – State of Louisiana						
Assessment Area	Loans		Deposits		Branches	
	\$(000s)	%	\$(000s)	%	#	%
Baton Rouge MSA	213,265	18.5	1,102,938	28.1	8	21.7
Houma MSA	151,663	13.2	674,897	17.2	6	16.2
Lafayette MSA	158,023	13.7	331,577	8.5	5	13.5
Lake Charles MSA	154,385	13.4	420,793	10.7	6	16.2
Louisiana Non-MSA	148,695	12.9	803,906	20.5	6	16.2
Monroe MSA	93,786	8.1	154,055	3.9	3	8.1
New Orleans MSA	125,577	10.9	264,623	6.8	2	5.4
Shreveport MSA	106,873	9.3	168,232	4.3	1	2.7
Total	1,152,267	100.0	3,921,021	100.0	37	100.0
<i>Source: HMDA & CRA Data (2020-2022); FDIC Summary of Deposits (06/30/2022)</i>						

Investment and Service Tests

The scopes for the Investment and Service Tests remain the same for this rated area as it did for the institution as a whole. Please refer to the institution-level Scope of Evaluation section.

CONCLUSIONS ON PERFORMANCE CRITERIA IN LOUISIANA

LENDING TEST

b1B demonstrated a low satisfactory record in the State of Louisiana regarding the Lending Test. Adequate records regarding geographic loan distribution and borrower profile loan distribution outweighed excellent lending levels and an excellent level of CD loans to support this conclusion. The bank further made limited use of innovative or flexible lending practices. Conclusions regarding the institution's performance in the State of Louisiana were generally consistent with the conclusions for each AA within the rated area, unless otherwise noted.

Lending Activity

Lending levels reflect excellent responsiveness to AA credit needs in the State of Louisiana. Excellent performance regarding both small business and home mortgage loans support this conclusion. Examiners placed more weight on the bank's small business loans than home mortgage loans based on the loan volumes. Examiners considered the bank's size, business strategy, and capacity in this state relative to its credit needs when arriving at this conclusion.

Small Business Loans

Small business lending levels reflect excellent responsiveness to AA credit needs in the State of Louisiana. For 2021, the bank originated 2,427 total reportable small business loans totaling approximately \$311.5 million inside its Louisiana AAs. b1B captured a 2.5 percent market share of the total number of small business loans and a 7.3 percent market share of the total dollar volume of loans.

This volume of activity ranks the bank 10th out of 197 total lenders in the bank's Louisiana AAs by total number. This ranking lands the bank in the top 5.1 percent of lenders reporting such loans in the bank's Louisiana AAs. The ranking considers the total number and dollar amount of loans made by each institution.

Home Mortgage Loans

Home mortgage lending levels reflect excellent responsiveness to AA credit needs in the State of Louisiana. For 2021, the bank originated 589 total reportable home mortgage loans totaling approximately \$97.0 million in its Louisiana AAs. b1B captured a 0.5 percent market share of the total number of home mortgage loans and 0.3 percent market share of the total dollar volume of home mortgage loans in the Louisiana AAs.

This volume of activity ranks the bank 46th out of 615 total lenders in the bank's Louisiana AAs by total number. This ranking lands the bank in the top 7.5 percent of lenders reporting such loans in the bank's Louisiana AAs. 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 State of Louisiana.

Adequate records regarding small business loans insufficiently lifted by good records regarding home mortgage loans support this conclusion. The bank's performance is generally consistent throughout the AAs within the rated area, unless otherwise noted.

Small Business Loans

The geographic distribution of small business loans reflects adequate penetration throughout the State of Louisiana. Adequate performances in all AAs support this conclusion.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects good penetration throughout the State of Louisiana. Excellent performance in the Lake Charles MSA and good performances in the Baton Rouge MSA, Lafayette MSA, Monroe MSA, and New Orleans MSA AAs lifted adequate performances in the Houma and Shreveport MSA AAs and poor performance in the Louisiana Non-MSA AA to support this conclusion.

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. Adequate records regarding small business loans outweighed poor records regarding home mortgage loans to support this conclusion. The bank's performance is generally consistent throughout the AAs within the rated area, unless otherwise noted.

Small Business Loans

The distribution of borrowers reflects adequate penetration among business customers of different sizes. Adequate performances in the Baton Rouge MSA, Houma MSA, Lafayette MSA, Lake Charles MSA, Louisiana Non-MSA, Monroe MSA, and New Orleans MSA AAs outweighed good performances in the Shreveport MSA AA to support this conclusion.

Home Mortgage Loans

The distribution of borrowers reflects poor penetration among retail customers of different income levels. Poor performances in the Baton Rouge MSA, Lake Charles MSA, Monroe MSA, New Orleans MSA, and Shreveport MSA AAs outweighed adequate performances in the Houma MSA, Lafayette MSA, and Louisiana Non-MSA AAs to support this conclusion.

Innovative or Flexible Lending Practices

The institution makes limited use of innovative and/or flexible lending practices to serve AA credit needs in the State of Louisiana. 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 AAs when arriving at this conclusion. The appendices list the criteria considered under this performance factor.

The table below shows that, since the previous evaluation, the bank originated 81 innovative or flexible loans totaling approximately \$41.2 million in the State of Louisiana. This dollar figure equates to 81.0 percent of the bank's total innovative or flexible loans. Given the bank's capacity

and the needs in the rated area, the institution makes limited use of innovative and flexible loans in the State of Louisiana.

Innovative or Flexible Lending Programs State of Louisiana						
Assessment Area	FHA/USDA/VA		SBA		Totals	
	#	\$(000)s	#	(000)s	#	(000)s
Baton Rouge MSA	0	0	26	14,244	26	14,244
Houma MSA	4	502	2	1,981	6	2,483
Lafayette MSA	3	503	8	6,205	11	6,708
Lake Charles MSA	2	392	4	2,200	6	2,592
Louisiana Non-MSA	17	3,126	0	0	17	3,126
Monroe MSA	2	516	2	425	4	941
New Orleans MSA	1	304	8	10,412	9	10,716
Shreveport MSA	2	371	0	0	2	371
Total	31	5,714	50	35,467	81	41,181
<i>Source: Bank Data.</i>						

Community Development Loans

The institution is a leader in making CD loans in the State of Louisiana. Its extent, or dollar volume, of CD loans and the CD loans' good responsiveness support this conclusion. The bank's performance is generally consistent throughout the AAs, with the exceptions of the Houma MSA, Lafayette MSA, and Monroe MSA AAs, where the performance was below that of the state level.

The following table shows that, since the previous evaluation, the bank granted 91 CD loans totaling approximately \$261.4 million in this state. The dollar amount equates to 64.4 percent of the bank's overall excellent level of CD loans as compared to the 87.2 percent of overall HMDA and CRA loans in this state. These levels reflect increases from the 34 CD loans totaling \$120.5 million reported at the previous evaluation.

Community Development Lending by Assessment Area State of Louisiana										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Baton Rouge MSA	0	0	1	1,866	0	0	14	41,357	15	43,223
Houma MSA	1	1,033	0	0	0	0	10	26,184	11	27,217
Lafayette MSA	0	0	0	0	1	1,741	3	5,001	4	6,742
Lake Charles MSA	0	0	0	0	1	6,578	5	10,435	6	17,013
Louisiana Non-MSA	1	7,240	0	0	0	0	11	22,695	12	29,935
Monroe MSA	0	0	0	0	0	0	4	6,232	4	6,232
New Orleans MSA	1	1,925	1	1,266	1	3,045	9	46,815	12	53,051
Shreveport MSA	0	0	1	1,900	0	0	12	41,476	13	43,376
Broader Statewide or Regional	2	4,565	1	4,212	0	0	11	25,876	14	34,653
Total	5	14,763	4	9,244	3	11,364	79	226,071	91	261,442
<i>Source: Bank Data.</i>										

Besides their extent, the CD loans reflect good responsiveness to the state's CD needs. As seen in the table above, 86.5 percent of the dollar volume of the state's CD loans helps revitalize or stabilize qualifying geographies, while 5.7 percent promote affordable housing, 4.3 percent promote economic development, and 3.5 percent benefit community services for low- and moderate-income individuals.

As noted under the applicable AA sections, activities that provide revitalization or stabilization in qualifying geographies and community services for low- and moderate-income individuals and activities that promote affordable housing and economic development represent CD needs in the bank's AAs. Therefore, relative to the bank's capacity and the extent of CD lending opportunities and needs in its AAs, the bank established an excellent level in originating CD loans.

The following are examples of the bank's CD loans in the broader statewide or regional area of Louisiana:

- ***Revitalize or Stabilize*** – The bank granted a \$3.2 million loan to purchase a healthcare facility that is located in a distressed middle-income census tract. Thus, the activity revitalizes and stabilizes a qualifying geography by helping to attract new, or retain existing, businesses or residents.
- ***Revitalize or Stabilize*** – The bank originated a loan for nearly \$1.3 million to build communication towers 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.

INVESTMENT TEST

b1B demonstrated a low satisfactory record in the State of Louisiana regarding the Investment Test. The adequate level of QIs, adequate responsiveness to CD needs, and rare use of complex QIs support this conclusion. Conclusions regarding the institution's Investment Test performance proved consistent among the AAs, with the exception of the Lake Charles MSA and Shreveport MSA AAs where the performance is below that of the state level. The appendices list the criteria considered under this test.

Investment and Grant Activity

The bank has an adequate level of qualified CD investments and grants in the State of Louisiana, although rarely in a leadership position, particularly those that are not routinely provided by private investors. The following table shows that b1B made 81 QIs totaling \$49.1 million in the State of Louisiana. By dollar volume, this equates to 81.1 percent of the bank's total QIs as compared to 84.1 percent of total deposits in this rated area. These levels represent increases from the 80 QIs totaling \$26.8 million reported at the previous evaluation.

Qualified Investments by Assessment Area State of Louisiana										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Baton Rouge MSA	0	0	13	4,232	0	0	1	1,250	14	5,482
Houma MSA	0	0	4	9,835	0	0	0	0	4	9,835
Lafayette MSA	0	0	12	3,226	0	0	1	1,000	13	4,226
Lake Charles MSA	1	10	0	0	0	0	12	790	13	800
Louisiana Non-MSA	0	0	16	10,998	0	0	1	115	17	11,113
Monroe MSA	0	0	3	2,157	0	0	0	0	3	2,157
New Orleans MSA	0	0	3	4,350	0	0	0	0	3	4,350
Shreveport MSA	0	0	5	874	0	0	0	0	5	874
Broader Statewide or Regional	1	1,170	6	8,397	0	0	2	736	9	10,303
Total	2	1,180	62	44,069	0	0	17	3,891	81	49,140
<i>Source: Bank Data.</i>										

The following are examples of the bank's QIs in the broader statewide or regional area of Louisiana:

- **Affordable Housing** – The bank invested nearly \$1.2 million in a bond to an organization that provides closing cost and down payment assistance for mortgage loans to low- and moderate-income individuals throughout the state. Thus, the activity provides affordable housing primarily to low- and moderate-income families.
- **Community Services** – The bank invested approximately \$3.4 million in five municipal bonds to school districts where the majority of students receive free or reduced lunches. The bonds were for the purpose of acquiring and/or improving lands for building sites and playgrounds and purchasing, erecting, and/or improving school buildings. Thus, the activity benefits organizations or projects that provide community services primarily to low- and moderate-income individuals.

Responsiveness to Credit and Community Development Needs

b1B exhibits adequate responsiveness to credit and community economic development needs in the State of Louisiana. The above table shows the bank demonstrates responsiveness by the higher dollar amounts within community services, supporting a CD need in the AAs.

Community Development Initiatives

b1B rarely uses innovative and/or complex investments to support community development initiatives in the State of Louisiana. The bank routinely worked directly with organizations to structure investments to meet the needs of the customer while serving as the paying agent for the bonds.

SERVICE TEST

b1B demonstrated a low satisfactory record for the State of Louisiana regarding the Service Test. Adequate records regarding the institution's accessibility of delivery systems, change in branch locations, reasonableness of hours and services, and CD services support this conclusion.

Conclusions regarding the institution's Investment Test performance proved consistent among the AAs, with the exception of the Lake Charles MSA, Monroe, and New Orleans MSA AAs where the performance is below that of the state level. The appendices list the criteria considered under this test.

Accessibility of Delivery Systems

Delivery systems are reasonably accessible to essentially all portions of the bank's AAs in the State of Louisiana. Reasonably accessible branch distribution and alternative delivery systems support this conclusion. The State of Louisiana reflects consistent conclusions with the institution's overall Accessibility of Delivery System performance.

The bank makes its full-service offices reasonably accessible to essentially all portions of the institution's AAs in the State of Louisiana.

The bank's full-service offices in low-income tracts rises 5.8 percentage points above the population percentage in low-income census tracts, reflecting an adequate level. The bank's full-service offices in moderate-income tracts falls 4.0 percentage points below the population percentage in moderate-income tracts, reflecting an adequate level.

Branch and ATM Distribution by Geography Income Level State of Louisiana								
Tract Income Level	Census Tracts		Population		Branches		ATMs/ITMs	
	#	%	#	%	#	%	#	%
Low	79	9.0	246,471	7.7	5	13.5	5	14.3
Moderate	192	21.9	647,166	20.2	6	16.2	5	14.3
Middle	306	34.9	1,155,368	36.0	16	43.3	16	45.7
Upper	268	30.5	1,113,809	34.7	8	21.6	8	22.9
NA	33	3.7	45,513	1.4	2	5.4	1	2.8
Total	878	100.0	3,208,327	100.0	37	100.0	35	100.0

Source: 2020 U.S. Census Data; 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 AAs in the State of Louisiana.

The preceding table shows that the bank's ATMs and ITMs in low-income tracts rises 6.6 percentage points above the population percentage in low-income census tracts, reflecting an adequate level. The bank's ATMs and ITMs in moderate-income tracts falls 5.9 percentage points below the population percentage in moderate-income tracts, reflecting adequate performance. Refer to the Service Test section for the overall bank for specific details of retail banking systems available through alternative delivery systems.

Changes in Branch Locations

To the extent changes have been made, the institution's opening and closing of branches in the State of Louisiana has generally not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. Excluding acquisition activity, b1B opened one full-service office (upper-income census tract) and closed four full-services offices (one in a low-, two in middle-, and one in an upper income census tract).

Reasonableness of Business Hours and Services

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

Community Development Services

The institution provides an adequate level of CD services for the State of Louisiana. Adequate performances regarding the extent of CD services and the responsiveness of CD services to available opportunities primarily support this conclusion. The appendices list the criteria considered under this performance factor.

The following table shows that the bank provided 210 CD services in the State of Louisiana since the previous evaluation. This number equates to an average of 1.8 CD services per office per year since the previous evaluation, thereby reflecting an adequate level. The bank averaged 38.4 full-service offices in Louisiana for the 3.0 years since the previous evaluation. These levels represent increases over the average of 0.4 CD services per office per year, or 21 CD services, reported at the prior evaluation.

Community Development Services by Assessment Area State of Louisiana					
Assessment Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
Baton Rouge MSA	3	44	68	1	116
Houma MSA	0	7	8	0	15
Lafayette MSA	1	12	9	0	22
Lake Charles MSA	2	3	4	0	9
Louisiana Non-MSA	0	10	4	4	18
Monroe MSA	0	0	4	0	4
New Orleans MSA	0	3	5	0	8
Shreveport MSA	0	9	3	0	12
Broader Statewide or Regional	0	4	2	0	6
Total	6	92	107	5	210
<i>Source: Bank Data.</i>					

Leadership is evident through Board or committee participation in several of those activities. The following are examples of CD services in the broader statewide or regional area of Louisiana:

- ***Community Service*** – A bank employee taught financial literacy at a school where the majority of students receive free or reduced lunch. Thus, the activity provides community services primarily to low- and moderate-income individuals.
- ***Economic Development*** – A bank employee taught a financial literacy class regarding obtaining credit and government contracts at a small business development center that provides technical assistance to small businesses that provide jobs to low- and moderate-income persons or areas. Thus, the activity promotes economic development by assisting an organization that aids businesses that meet the size eligibility standards of the regulation and that support permanent job creation, retention, or improvement for low- or moderate-income persons or in low- and moderate-income geographies.

BATON ROUGE MSA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE BATON ROUGE MSA

The Baton Rouge MSA AA includes all of Ascension, East Baton Rouge, Livingston, and West Baton Rouge Parishes, four of ten parishes that makes up the Baton Rouge MSA, located in southeast Louisiana.

Economic and Demographic Data

The Baton Rouge MSA AA census tracts reflect the following income designations based on 2020 U.S. Census data: 21 low-, 34 moderate-, 61 middle-, 53 upper-income census tracts, and 8 census tracts with no income designation. These designations changed from the following classifications based on 2015 ACS data: 17 low-, 33 moderate-, 39 middle-, 38 upper-income census tracts, and 1 census tract with no income designation. FEMA declared this AA as a major disaster area during the entire evaluation period. The following table notes certain demographic data for the area.

Demographic Information of the Assessment Area Baton Rouge MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	177	11.9	19.2	34.5	29.9	4.5
Population by Geography	752,762	9.9	16.9	36.7	33.1	3.4
Housing Units by Geography	312,513	10.2	17.1	36.2	33.0	3.5
Owner-Occupied Units by Geography	183,055	4.9	15.2	38.7	39.4	1.7
Occupied Rental Units by Geography	83,915	19.3	19.8	30.5	24.8	5.7
Vacant Units by Geography	45,543	15.0	19.8	36.4	22.1	6.8
Businesses by Geography	113,878	8.6	18.2	35.0	36.3	1.8
Farms by Geography	2,550	5.3	17.7	38.0	37.3	1.7
Family Distribution by Income Level	175,260	22.8	15.9	18.0	43.2	0.0
Household Distribution by Income Level	266,970	24.7	14.4	16.2	44.7	0.0
Median Family Income - 12940 Baton Rouge, LA MSA		\$77,948	Median Housing Value			\$195,610
Families Below Poverty Level		10.5%	Median Gross Rent			\$950
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 describes the Baton Rouge MSA's economy as among the weakest in the state. Major employers in the Baton Rouge MSA include Turner Industries, Louisiana State University, and Performance Contractors. The Bureau of Labor Statistics reflects a December 2022 unemployment rate of 3.0 percent for the Baton Rouge MSA, which is lower than both the 3.2 percent State of Louisiana rate and the 3.5 percent national rate for the same time period.

Competition

The area contains a moderate level of competition from other chartered banks based on its population, with each of the 162 offices from its 32 institutions serving approximately 4,647 people on average. b1B ranks 6th in market share by capturing 4.2 percent of the area's deposits based on the June 30, 2022, 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.

Credit and Community Development Needs and Opportunities

Consistent with other metropolitan areas, the Baton Rouge MSA AA created varied loan demand for home mortgage, small business, and consumer loans. Considering information from bank management and demographic and economic information, examiners ascertained that the primary credit needs of the area include small business and home mortgage loans.

Regarding the area's CD needs, demographic data showing that 31.1 percent of the area's census tracts received low- or moderate-income designations and the federal disaster area designations

suggest a need for activities that revitalize or stabilize qualifying geographies. In addition, the demographic data showing lower percentages of owner-occupied housing units relative to total housing units in low- and moderate-income geographies, in connection with the 38.7 percent of the area's families reporting low or moderate incomes, also suggests a need for affordable housing. The percentage of low- and moderate-income families also suggests a need for activities that benefit projects or organizations that provide community services targeted to those families. The area's businesses suggest a need for economic development activities, such as those that finance smaller sized entities that support permanent job creation, retention, or improvement for low- or moderate-income persons or geographies.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE BATON ROUGE MSA

LENDING TEST

b1B demonstrated a low satisfactory record in the Baton Rouge MSA AA regarding the Lending Test. Good lending levels and the bank's leadership in making community development loans, hampered by adequate records regarding borrower profile loan distribution and geographic loan distribution, support this conclusion. The bank further exhibited limited use of innovative and flexible lending levels in this AA.

Lending Activity

Lending levels reflect good responsiveness to AA credit needs in the Baton Rouge MSA AA. Good performances regarding both small business and home mortgage loans supports this conclusion. Examiners weighed small business loans heavier than home mortgage loans in the Baton Rouge MSA AA.

Small Business Loans

Small business lending levels reflect good responsiveness to AA credit needs in the Baton Rouge MSA AA. For 2021, the bank originated 337 total reportable small business loans totaling over \$55.4 million. b1B captured a 1.5 percent market share of the total number of loans and a 5.1 percent market share of the total dollar volume of loans.

The bank's activity by number of loans ranks it 16th out of 122 total lenders in the Baton Rouge MSA AA. This ranking lands the bank in the top 13.1 percent of lenders reporting such loans in this AA. The ranking considers the total number and dollar volume of loans made by each institution.

Home Mortgage Loans

Home mortgage lending levels reflect good responsiveness to AA credit needs in the Baton Rouge MSA AA. For 2021, the bank originated 50 total reportable home mortgage loans totaling approximately \$15.3 million. b1B captured a 0.1 percent market share of the total number and a 0.2 percent market share of the total dollar volume of home mortgage loans.

The bank's activity by number of loans ranks it 89th out of 433 total lenders in the Baton Rouge

MSA AA. This ranking lands the bank in the top 20.6 percent of lenders reporting such loans in this AA. 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 Baton Rouge MSA AA. An adequate record regarding small business loans insufficiently lifted by a good record regarding home mortgage loans supports this conclusion. Examiners weighed small business loans heavier than home mortgage loans in the Baton Rouge MSA AA.

Small Business Loans

The geographic distribution of small business loans reflects adequate penetration throughout the Baton Rouge MSA AA. Adequate performances in low- and moderate-income geographies support this conclusion.

As seen in the table below, in low-income census tracts, the bank's lending level falls 1.2 percentage points below the aggregate data, reflecting an adequate level. The table further shows that, in moderate-income census tracts, the bank's lending level rises 1.7 percentage points above the aggregate data, reflecting an adequate level.

Geographic Distribution of Small Business Loans Baton Rouge MSA AA						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low	6.2	5.1	13	3.9	2,042	3.7
Moderate	20.6	19.7	72	21.4	13,462	24.3
Middle	29.8	30.2	114	33.8	18,259	32.9
Upper	43.3	45.0	137	40.6	21,631	39.0
Not Available	0.0	0.0	1	0.3	55	0.1
Totals	100.0	100.0	337	100.0	55,449	100.0
<i>Source: 2021 D&B Data; Bank Data; 2021 CRA Aggregate Data; Due to rounding, totals may not equal 100.0%</i>						

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects good penetration throughout the Baton Rouge MSA AA. Good performance in low-income geographies sufficiently lifted the adequate performance in moderate-income geographies to support this conclusion.

As seen in the table below, the bank's lending in low-income census tracts rises 10.7 percentage points above the aggregate data, reflecting a good level. 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 Home Mortgage Loans Baton Rouge MSA AA						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	4.2	1.3	6	12.0	752	4.9
Moderate	18.2	12.6	9	18.0	805	5.3
Middle	36.7	36.7	15	30.0	3,020	19.8
Upper	40.9	49.4	20	40.0	10,695	70.0
Totals	100.0	100.0	50	100.0	15,272	100.0
<i>Source: 2015 ACS; 2021 HMDA Data, 2021 HMDA Aggregate Data, Due to rounding, totals may not equal 100.0%.</i>						

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. An adequate record regarding small business loans lifted the poor record regarding home mortgage loans to support this conclusion. Examiners weighed small business loans heavier than home mortgage loans in the Baton Rouge MSA AA.

Small Business Loans

The distribution of small business loans based on the borrowers' profiles reflects adequate penetration in the Baton Rouge MSA AA. Adequate performance to businesses with gross annual revenues of \$1 million or less supports this conclusion.

As shown in the table, the bank's level of lending to small businesses with gross annual revenues of \$1 million or less falls 9.7 percentage points below the aggregate level, reflecting adequate performance.

Distribution of Loans to Small Businesses by Gross Annual Revenues Baton Rouge MSA AA											
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
Baton Rouge MSA	337	55,449	12.9	22,905	90.1	25.2	34.9	2.8	18.1	7.2	56.7
<i>Source: 2021 D&B Data; 2021 CRA Data; 2021 CRA Aggregate Data. Due to rounding, totals may not equal 100.0.</i>											

Home Mortgage Loans

The distribution of home mortgage loans based on the borrowers' profiles reflects poor penetration in the Baton Rouge MSA AA. An adequate performance to low-income borrowers insufficiently lifted the poor performance to moderate-income borrowers to support this conclusion.

As seen in the table below, the bank's lending to low-income borrowers falls 4.4 percentage points below the aggregate data, reflecting an adequate level. The table further shows that, to moderate-income borrowers, the bank's lending level falls 10.2 percentage points below the aggregate data, reflecting a poor level.

Distribution of Home Mortgage Loans by Borrower Income Level Baton Rouge MSA AA						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	23.4	6.4	1	2.0	305	2.0
Moderate	16.1	18.2	4	8.0	140	0.9
Middle	17.9	18.8	2	4.0	236	1.5
Upper	42.6	35.3	17	34.0	7,516	49.2
Not Available	0.0	21.3	26	52.0	7,075	46.3
Totals	100.0	100.0	50	100.0	15,272	100.0
<i>Source: 2015 ACS; 2020 HMDA Data, 2020 HMDA Aggregate Data; Due to rounding, totals may not equal 100.0%.</i>						

Innovative or Flexible Lending Practices

The institution makes limited use of innovative or flexible lending practices in the Baton Rouge MSA AA in order to serve AA credit needs. 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 the AA when arriving at this conclusion. Please refer to the discussion under the State of Louisiana for additional details regarding the innovative or flexible lending practices in the Baton Rouge MSA AA.

Community Development Loans

The institution is a leader in making CD loans in the Baton Rouge MSA AA. Its extent, or dollar volume, of CD loans and the CD loans' responsiveness support this conclusion.

As noted under the rated area level, b1B originated 15 CD loans totaling \$43.2 million in the Baton Rouge MSA AA. By dollar volume, this equates to 16.6 percent of the bank's CD loans in the State of Louisiana as compared to 18.5 percent of the bank's home mortgage and small business loans in this AA. These levels represent a decrease from the 22 CD loans totaling \$66.1 million reported at the prior evaluation.

The following are examples of the bank's CD loans in the Baton Rouge MSA AA:

- ***Revitalize or Stabilize*** – The bank granted two loans totaling \$7.4 million to purchase and renovate an apartment complex 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.

- ***Revitalize or Stabilize*** – The bank granted a loan for \$1.8 million to improve multiple commercial buildings located in moderate-income census tracts. Thus, the activity revitalizes and stabilizes a qualifying geography by helping to attract new, or retain existing, businesses or residents.

In addition, the CD loans reflect good responsiveness to the CD needs of the AA. Approximately 95.7 percent of the dollar volume of the AAs CD loans help to revitalize and stabilize qualifying geographies, while 4.3 percent provide community services for low- and moderate-income individuals. As noted, activities that provide revitalization or stabilization in qualifying geographies and community services for low- and moderate-income individuals represent CD needs in the Baton Rouge MSA AA.

INVESTMENT TEST

b1B demonstrated a low satisfactory record in the Baton Rouge MSA AA regarding the Investment Test. An adequate level of QIs, combined with adequate responsiveness to CD needs and rare use of complex or innovative investments, support this conclusion. The appendices list the criteria used to evaluate the Investment Test.

Investment and Grant Activity

The institution has an adequate level of qualified CD investments and grants in the Baton Rouge MSA AA. The table for the State of Louisiana shows that b1B made 14 QIs totaling approximately \$5.5 million in the Baton Rouge MSA AA. By dollar volume, this equates to 11.2 percent of the bank's QIs in Louisiana as compared to 28.1 percent of total deposits in this rated area. These levels represent decreases from the 19 QIs totaling \$5.7 million reported at the prior evaluation.

The following are examples of the bank's QIs in the Baton Rouge MSA AA:

- ***Community Service*** – The bank retained \$1.8 million in municipal bonds to a school district where the majority of students receive free or reduced lunch. The bonds were issued for the purpose of acquiring and/or improving lands for building sites and playgrounds and purchasing, erecting, and/or improving school buildings. Thus, the activity benefits organizations or projects that provide community services primarily to low- and moderate-income individuals.
- ***Revitalize or Stabilize*** – The bank invested nearly \$1.3 million in a multi-family mortgage pass-through security for an apartment complex located in a low-income census tract. Thus, the activity revitalizes and stabilizes a qualifying geography by helping to attract new, or retain existing, businesses or residents.

Responsiveness to Credit and Community Development Needs

b1B exhibits adequate responsiveness through use of QIs that directly address identified needs in the Baton Rouge MSA AA. As noted in the QI table for the State of Louisiana, the Baton Rouge MSA AA shows responsiveness to CD needs by the dollar amount to two of the four CD purpose

categories, community services and revitalize or stabilize. These donations and investments support identified CD needs in the Baton Rouge MSA AA.

Community Development Initiatives

b1B rarely uses innovative and/or complex investments to support CD initiatives in the Baton Rouge MSA AA. The bank invested funds supporting a multi-family housing unit located in a low-income census tract through a multi-family mortgage pass-through security.

SERVICE TEST

b1B demonstrated a high satisfactory record in the Baton Rouge MSA AA regarding the Service Test. The accessibility of delivery systems and the good level of CD services sufficiently uplifted its changes in branch locations and its reasonableness of business hours and services to support this conclusion. The appendices list the criteria considered under this test.

Accessibility of Delivery Systems

Delivery systems are accessible to essentially all portions of the Baton Rouge MSA AA. Accessible branch distribution outweighed reasonably accessible alternative delivery systems to support this conclusion. The Baton Rouge MSA AA's performance is slightly above the State of Louisiana's Accessibility of Delivery System performance.

The bank makes its full-service offices accessible to essentially all portions of the Baton Rouge MSA AA.

The bank's full-service offices in low-income tracts rises 15.1 percentage points above the population percentage in low-income census tracts, reflecting an excellent level. The bank's full-service offices in moderate-income tracts falls 4.4 percentage points below the population percentage in moderate-income tracts, reflecting an adequate level.

Branch and ATM Distribution by Geography Income Level Baton Rouge MSA AA								
Tract Income Level	Census Tracts		Population		Branches		ATMs/ITMs	
	#	%	#	%	#	%	#	%
Low	21	11.9	74,692	9.9	2	25.0	1	16.7
Moderate	34	19.2	127,264	16.9	1	12.5	1	16.7
Middle	61	34.5	276,270	36.7	3	37.5	3	50.0
Upper	53	29.9	248,808	33.1	2	25.0	1	16.7
NA	8	4.5	25,728	3.4	0	0.0	0	0.0
Total	177	100.0	752,762	100.0	8	100.0	6	100.0
<i>Source: 2020 U.S. Census Data; 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 Baton Rouge MSA AA.

The preceding table shows that the bank's ATMs and ITMs in low-income census tracts rise 6.8 percentage points above the population percentage in low-income tracts, reflecting adequate performance. The bank's ATMs and ITMs in moderate-income tracts fall 0.2 percentage points below the population percentage in moderate-income tracts, reflecting adequate performance. Refer to the institution-level Service Test section for specific details of retail banking systems available through alternative delivery systems.

Changes in Branch Locations

To the extent changes have been made, the institution's opening and closing of branches in the Baton Rouge MSA AA has generally not adversely affected low- and moderate-income geographies or individuals. b1B opened one and closed one full-service office, both of which are located in upper-income census tracts.

Reasonableness of Business Hours and Services

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

Community Development Services

The bank provides a relatively high level of CD services in the Baton Rouge MSA AA. Good performances regarding the extent of CD services and the responsiveness of CD services to available opportunities support this conclusion. The appendices list the criteria considered under this performance factor.

The table in the State of Louisiana section shows that the bank provided 116 CD services since the previous evaluation in the Baton Rouge MSA AA. This number equates to an average of 4.8 CD services per office per year since the previous evaluation, thereby reflecting an excellent level. The bank averaged 8 full-service offices for the 3.0 years since the previous evaluation. This level of performance represents an increase since the prior evaluation when the bank had 12 CD services in the Baton Rouge MSA AA.

Leadership is evident through Board or committee participation in a limited number of those activities. Service activities demonstrate the responsiveness to various community needs, including activities across all of the four major CD service categories.

The following are examples of the bank's CD services in the Baton Rouge MSA AA:

- ***Affordable Housing*** – An employee serves on the Board of Directors of an organization that provides various housing services targeted to low- and moderate-income individuals, such as loans, down payment assistance, homeownership counseling, public housing, and weatherization and energy assistance programs. Thus, the activity helps provide affordable housing to low- and moderate-income individuals.

- **Community Services** – An employee serves on the Board of Directors of a local food bank that provides meals and educational outreach to the hungry. Thus, the activity benefits organizations or projects that provide community services primarily to low- and moderate-income individuals.

HOUMA MSA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE HOUMA MSA

The Houma MSA AA includes all of Lafourche and Terrebonne Parishes, two parishes that make up the Houma-Thibodaux MSA, located in southeast Louisiana. b1B added Lafourche Parish to the Houma MSA AA since the prior evaluation.

Economic and Demographic Data

The Houma MSA AA census tracts reflect the following income designations based on 2020 U.S. Census data: 3 low-, 11 moderate-, 28 middle-, 16 upper-income census tracts, and 4 census tracts with no income designation. These designations changed from the following classifications based on 2015 ACS data: 0 low-, 7 moderate-, 29 middle-, 8 upper-income census tracts, and 2 census tracts with no income designation. FEMA declared this AA as a major disaster area during the entire evaluation period. The following table notes certain demographic data for the area.

Demographic Information of the Assessment Area Houma MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	62	4.8	17.7	45.2	25.8	6.5
Population by Geography	207,137	3.9	15.2	47.8	30.7	2.4
Housing Units by Geography	87,081	3.8	15.8	48.5	29.0	2.9
Owner-Occupied Units by Geography	56,897	2.3	15.3	48.3	32.6	1.5
Occupied Rental Units by Geography	20,122	7.1	17.9	42.8	25.9	6.3
Vacant Units by Geography	10,062	5.3	14.8	60.9	14.8	4.1
Businesses by Geography	23,511	3.2	15.7	44.6	34.3	2.3
Farms by Geography	713	1.5	14.3	50.4	32.1	1.7
Family Distribution by Income Level	52,699	23.9	17.1	17.8	41.3	0.0
Household Distribution by Income Level	77,019	26.9	15.1	14.7	43.3	0.0
Median Family Income MSA – 26380 Houma-Thibodaux, LA MSA		\$65,137	Median Housing Value			\$155,117
			Median Gross Rent			\$797
			Families Below Poverty Level			14.0%
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.						

Moody's Analytics describes the Houma MSA's economy as stagnant. Moody's Analytics also notes that employment has not yet recovered from Hurricane Ida and is still lower than pre-pandemic levels. Major employers in the Houma MSA include Danos, Terrebonne General Medical Center, and Hercules Offshore. The Bureau of Labor Statistics reflects a December 2022 unemployment rate of 3.5 percent for the Houma MSA, which is higher than the 3.2 percent State of Louisiana rate and equals the 3.5 percent national rate for the same time period.

Competition

The area contains a moderate level of competition from other chartered banks based on its population, with each of the 60 offices from its 14 institutions serving approximately 3,452 people on average. b1B ranks 5th in market share by capturing 10.4 percent of the area's deposits based on the June 30, 2022, 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(s)

Examiners reviewed a previous contact with a community member knowledgeable of the area's economic, demographic, and business environments to help assess the current economic conditions, community credit needs, and potential opportunities for bank involvement in the area.

The contact stated that the economy is steadily recovering, with many residents and businesses still rebuilding from Hurricane Ida. Although the population has decreased slightly, the contact noted that interest in the offshore wing technology industry would attract people to the area for job openings. The contact identified small business financial education and lending as credit needs of the area. The contact indicated that banks are involved in local events, and there are always opportunities for bank participation, especially through the provision of financial literacy.

Credit and Community Development Needs and Opportunities

Consistent with other metropolitan areas, the Houma MSA AA created varied loan demand for home mortgage, small business, and consumer loans. Considering information from bank management, the community contact, and demographic and economic information, examiners ascertained that the primary credit needs of the area include small business and home mortgage loans.

Regarding the area's CD needs, demographic data showing that 22.5 percent of the area's census tracts received low- or moderate-income designations and the federal disaster area designations suggest a need for activities that revitalize or stabilize qualifying geographies. In addition, the demographic data showing lower percentages of owner-occupied housing units relative to total housing units in low- and moderate-income geographies, in connection with the 41.0 percent of the area's families reporting low or moderate incomes, also suggests a need for affordable housing. The percentage of low- and moderate-income families also suggests a need for activities that benefit projects or organizations that provide community services targeted to those families. The area's

businesses suggest a need for economic development activities, such as those that finance smaller sized entities that support permanent job creation, retention, or improvement for low- or moderate-income persons or geographies.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE HOUMA MSA

LENDING TEST

b1B demonstrated a low satisfactory record in the Houma MSA AA regarding the Lending Test. Adequate records regarding borrower profile loan distribution, geographic loan distribution, and CD loans outweighed excellent lending levels to support this conclusion. The bank further exhibited little use of innovative and flexible lending in this AA.

Lending Activity

Lending levels reflect excellent responsiveness to AA credit needs in the Houma MSA AA. Excellent performance regarding both small business and home mortgage loans supports this conclusion. Examiners weighed small business loans heavier than home mortgage loans in the Houma MSA AA.

Small Business Loans

Small business lending levels reflect excellent responsiveness to AA credit needs in the Houma MSA AA. For 2021, the bank originated 483 total reportable small business loans totaling approximately \$51.6 million. b1B captured an 8.5 percent market share of the total number of loans and a 19.4 percent market share of the total dollar volume of loans.

The bank's activity by number of loans ranks it 4th out of 79 total lenders in the Houma MSA AA. This ranking lands the bank in the top 5.1 percent of lenders reporting such loans in this AA. The ranking considers the total number and dollar volume of loans made by each institution.

Home Mortgage Loans

Home mortgage lending levels reflect excellent responsiveness to AA credit needs in the Houma MSA AA. For 2021, the bank originated 64 total reportable home mortgage loans totaling approximately \$14.0 million. b1B captured a 1.1 percent market share of the total number and a 1.2 percent market share of the total dollar volume of home mortgage loans.

The bank's activity by number of loans ranks it 25th out of 229 total lenders in the Houma MSA AA. This ranking lands the bank in the top 10.9 percent of lenders reporting such loans in this AA. 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 Houma MSA AA. Adequate records regarding small business and home mortgage loans support this conclusion. Examiners weighed small business loans heavier than home mortgage loans in the Houma MSA AA.

Small Business Loans

The geographic distribution of small business loans reflects adequate penetration throughout the Houma MSA AA. Adequate performance in moderate-income geographies supports this conclusion.

As seen in the table below, there are no low-income census tracts in the AA. The table further shows that, in moderate-income census tracts, the bank's lending level rises 0.8 percentage points above the aggregate data, reflecting an adequate level.

Geographic Distribution of Small Business Loans Houma MSA AA						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low	0.0	0.0	0	0.0	0	0.0
Moderate	18.8	20.9	105	21.7	15,532	30.1
Middle	55.5	54.0	235	48.7	17,412	33.8
Upper	25.7	25.1	143	29.6	18,650	36.1
Not Available	0.0	0.0	0	0.0	0	0.0
Totals	100.0	100.0	483	100.0	51,594	100.0
<i>Source: 2021 D&B Data; Bank Data; 2021 CRA Aggregate Data; Due to rounding, totals may not equal 100.0%</i>						

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects adequate penetration throughout the Houma MSA AA. Adequate performance in moderate-income geographies supports this conclusion.

As seen in the table below, there are no low-income census tracts in the AA. The table further shows that, in moderate-income census tracts, the bank's lending level rises 6.6 percentage points above the aggregate data, reflecting an adequate level.

Geographic Distribution of Home Mortgage Loans Houma MSA AA						
Tract Income Level	% of Owner- Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	0.0	0.0	0	0.0	0	0.0
Moderate	14.0	10.6	11	17.2	2,062	14.7
Middle	64.5	60.0	38	59.4	6,912	49.2
Upper	21.6	29.4	15	23.4	5,069	36.1
Totals	100.0	100.0	64	100.0	14,043	100.0
<i>Source: 2015 ACS; 2021 HMDA Data, 2021 HMDA Aggregate Data, Due to rounding, totals may not equal 100.0%.</i>						

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. Adequate records regarding small business and home mortgage loans support this conclusion. Examiners weighed small business loans heavier than home mortgage loans in the Houma MSA AA.

Small Business Loans

The distribution of small business loans based on the borrowers' profiles reflects adequate penetration in the Houma MSA AA. Adequate performance to businesses with gross annual revenues of \$1 million or less supports this conclusion.

As shown in the table, the bank's level of lending to small businesses with gross annual revenues of \$1 million or less falls 3.5 percentage points below the aggregate level, reflecting an adequate level.

Distribution of Loans to Small Businesses by Gross Annual Revenues Houma MSA AA											
	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
Houma MSA	483	51,594	18.5	5,675	87.3	24.0	27.5	4.0	13.9	8.7	62.1
<i>Source: 2021 D&B Data; 2021 CRA Data; 2021 CRA Aggregate Data. Due to rounding, totals may not equal 100.0.</i>											

Home Mortgage Loans

The distribution of home mortgage loans based on the borrowers' profiles reflects adequate penetration in the Houma MSA AA. Adequate performance to low-income borrowers sufficiently lifted the poor performance to moderate-income borrowers to support this conclusion.

As seen in the table below, the bank's lending to low-income borrowers rises 5.5 percentage points above the aggregate data, reflecting adequate performance. The table further shows that, to moderate-income borrowers, the bank's lending level falls 9.9 percentage points below the aggregate data, reflecting a poor level. Examiners placed slightly more weight on the bank's performance to low-income borrowers, as there is a higher percentage of families in this category.

Distribution of Home Mortgage Loans by Borrower Income Level Houma MSA AA						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	22.7	5.4	7	10.9	394	2.8
Moderate	16.2	16.2	4	6.3	441	3.1
Middle	18.7	19.6	10	15.6	526	3.7
Upper	42.4	33.9	21	32.8	4,819	34.3
Not Available	0.0	24.8	22	34.4	7,863	56.0
Totals	100.0	100.0	64	100.0	14,043	100.0
<i>Source: 2015 ACS; 2021 HMDA Data, 2021 HMDA Aggregate Data; Due to rounding, totals may not equal 100.0%.</i>						

Innovative or Flexible Lending Practices

The institution makes little use of innovative or flexible lending practices in the Houma MSA AA in order to serve AA credit needs. 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 the AA when arriving at this conclusion. Please refer to the discussion under the State of Louisiana for additional details regarding the innovative or flexible lending practices in the Houma MSA AA.

Community Development Loans

The institution has made an adequate level of CD loans in the Houma MSA AA. Its extent, or dollar volume, of CD loans and the CD loans' responsiveness support this conclusion.

As noted under the rated area level, b1B originated 11 CD loans totaling \$27.2 million in the Houma MSA AA. By dollar volume, this equates to 10.5 percent of the bank's CD loans in the State of Louisiana as compared to 13.2 percent of the bank's home mortgage and small business loans in this AA. These levels represent increases from the lack of CD loans reported at the prior evaluation.

The following are examples of the bank's CD loans in the Houma MSA AA:

- ***Affordable Housing*** – The bank granted a \$1.0 million loan to purchase an apartment complex that provides rental rates below the Department of Housing and Urban Development's fair market rents for the area. Thus, the activity provides affordable housing primarily to low- and moderate-income families.
- ***Revitalize or Stabilize*** – The bank renewed a loan for \$1.7 million to construct a safety and training facility 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 CD loans reflect good responsiveness to the CD needs of the AA. Approximately 96.2 percent of the dollar volume of the AAs CD loans help to revitalize and stabilize low- and moderate-income geographies, while 3.8 percent promote affordable housing. As noted, activities that provide revitalization or stabilization in qualifying geographies and promote affordable housing represent CD needs in the bank's Houma MSA AA.

INVESTMENT TEST

b1B demonstrated a low satisfactory record in the Houma MSA AA regarding the Investment Test. An adequate level of QIs, combined with adequate responsiveness to CD needs and rare use of complex or innovative investments, support this conclusion. The appendices list the criteria used to evaluate the Investment Test.

Investment and Grant Activity

The institution has an adequate level of qualified CD investments and grants in the Houma MSA AA. The table for the State of Louisiana shows that b1B made 4 QIs totaling \$9.8 million in the Houma MSA AA. By dollar volume, this equates to 20.0 percent of the bank's QIs in Louisiana as compared to 17.2 percent of total deposits in this rated area. These levels represent increases from the lack of QIs reported at the prior evaluation.

The following are examples of the bank's QIs in the Houma MSA AA:

- ***Community Service*** – The bank invested \$9.3 million in municipal bonds to a school district where the majority of students receive free or reduced lunches. The purpose of the bonds was to acquire and/or improve lands for building sites and playgrounds and to purchase, erect, and/or improve school buildings. Thus, the activity benefits organizations or projects that provide community services primarily to low- and moderate-income individuals.
- ***Community Service*** – The bank invested \$500,000 in a bond benefitting a local senior housing facility where the majority of residents are low- and moderate income individuals. Thus, the activity benefits organizations or projects that provide community services primarily to low- and moderate-income individuals.

Responsiveness to Credit and Community Development Needs

b1B exhibits adequate responsiveness through use of QIs that directly address identified needs in the Houma MSA AA. As noted in the QI table for the State of Louisiana, the Houma MSA AA shows responsiveness to CD needs by the dollar amount to one of the four CD purpose categories, community services. These investments support identified needs in the Houma MSA AA.

Community Development Initiatives

b1B rarely uses innovative and/or complex investments to support community development initiatives in the Houma MSA AA. The bank worked with organizations to structure investments to meet the needs of the customer while serving as the paying agent for bonds.

SERVICE TEST

b1B demonstrated a low satisfactory record in the Houma MSA AA regarding the Service Test. The accessibility of delivery systems and changes in branch locations, along with the bank's reasonableness of business hours and services and adequate level of CD services, support this conclusion. The appendices list the criteria considered under this test.

Accessibility of Delivery Systems

Delivery systems are accessible to essentially all portions of the Houma MSA AA. Accessible branch distribution and alternative delivery systems support this conclusion. The Houma MSA AA's performance is slightly above the State of Louisiana's Accessibility of Delivery System performance.

The bank makes its full-service offices reasonably accessible to essentially all portions of the Houma MSA AA.

The bank's lack of full-service offices in low-income tracts clearly falls below the population percentage in low-income census tracts, reflecting a poor level. The bank's full-service offices in moderate-income tracts rises 18.1 percentage points above the population percentage in moderate-income tracts, reflecting an excellent level. Given the consideration of the greater population within moderate-income geographies, the excellent performance for moderate-income geographies lifted performance in low-income geographies.

Branch and ATM Distribution by Geography Income Level Houma MSA AA								
Tract Income Level	Census Tracts		Population		Branches		ATMs/ITMs	
	#	%	#	%	#	%	#	%
Low	3	4.8	8,096	3.9	0	0.0	0	0.0
Moderate	11	17.7	31,413	15.2	2	33.3	2	28.6
Middle	28	45.2	98,978	47.8	3	50.0	3	42.8
Upper	16	25.8	63,688	30.7	1	16.7	2	28.6
NA	4	6.5	4,962	2.4	0	0.0	0	0.0
Total	62	100.0	207,137	100.0	6	100.0	7	100.0
<i>Source: 2020 U.S. Census Data; Bank Data. Due to rounding, totals may not equal 100.0</i>								

The bank makes its alternative delivery systems accessible to essentially all portions of the Houma MSA AA.

The preceding table shows that the bank's lack of ATMs and ITMs in low-income tracts clearly falls below the population percentage in low-income census tracts, reflecting a poor level. However, the bank's ATMs and ITMs in moderate-income tracts rises 13.4 percentage points above the population in moderate-income tracts, reflecting excellent performance. Refer to the institution-level Service Test section for specific details of retail banking systems available through alternative delivery systems.

Changes in Branch Locations

To the extent changes have been made, the institution's opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. Since the prior evaluation, b1B acquired seven branches in the Houma MSA AA, including two in moderate-income census tracts, three in middle-income census tracts, and one in an upper-income census tract. In addition, b1B closed one acquired branch in an upper-income census tract.

Reasonableness of Business Hours and Services

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

Community Development Services

The institution provides an adequate level of CD services in the Houma MSA AA. Adequate performances regarding the extent of CD services and the responsiveness of CD services to available opportunities supports this conclusion. The appendices list the criteria considered under this performance factor.

The table in the State of Louisiana section shows that the bank provided 15 CD services since the previous evaluation in the Houma MSA AA. This number equates to an average of 0.8 CD services per office per year since the previous evaluation, thereby reflecting an adequate level. The bank averaged 5.9 full-service offices for the 3.0 years since the previous evaluation. These levels represent increases from the lack of CD services reported at the previous evaluation.

Leadership is evident through Board or committee participation in a limited number of those activities. Service activities demonstrate the responsiveness to various community needs, including economic development and community services to low- and moderate-income individuals.

The following are examples of the bank's CD services in the Houma MSA AA:

- ***Economic Development*** – Bank employees taught financial literacy classes at a small business development center that provides technical assistance to small businesses that provide jobs to low- and moderate-income persons or areas. Thus, the activity promotes economic development by assisting an organization that aids businesses that meet the size eligibility standards of the regulation and support permanent job creation, retention, or improvement for low- or moderate-income persons or in low- and moderate-income areas.
- ***Community Services*** – Bank employees provided financial literacy to youth involved in a program targeted to low-income individuals. Thus, the activity benefits organizations or projects that provide community services primarily to low- and moderate-income individuals.

OTHER ASSESSMENT AREAS – Limited-Scope Review

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE LIMITED-SCOPE ASSESSMENT AREAS

The following table summarizes the conclusions for this rated area's AAs reviewed using limited-scope examination procedures. 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 did not alter the bank's overall performance rating.

Assessment Area	Lending Test	Investment Test	Service Test
Lafayette MSA	Consistent	Consistent	Consistent
Lake Charles MSA	Consistent	Consistent	Below
Louisiana Non-MSA	Consistent	Consistent	Consistent
Monroe MSA	Consistent	Consistent	Below
New Orleans MSA	Consistent	Consistent	Consistent
Shreveport MSA	Consistent	Consistent	Consistent

Facts and data supporting conclusions for each limited-scope AA follow, including a summary of b1B's operations and activities. The demographic data for the limited-scope AAs is in the Appendices.

Lafayette MSA AA

The bank's Lafayette MSA AA consists of all of Acadia, Iberia, Lafayette, St. Martin, and Vermilion Parishes. b1B operates five branches in this AA: three in middle-, one in an upper-income census tract, and one in a census tract where income is not available. The bank originated and engaged in the following activities in this AA during the review period.

Activity	#	\$(000s)
Small Business Loans	858	119,031
Home Mortgage Loans	202	39,032
Small Farm Loans	14	1,722
Community Development Loans	4	6,742
Investments	13	4,226
CD Services	22	

Lake Charles MSA AA

The bank's Lake Charles MSA AA consists of all of Calcasieu and Cameron Parishes. b1B operates six branches in this AA: one in a moderate-, four in middle-, and one in an upper-income census tract. The bank originated and engaged in the following activities in this AA during the review period.

Activity	#	\$(000s)
Small Business Loans	570	83,941
Home Mortgage Loans	254	70,444
Small Farm Loans	15	1,879
Community Development Loans	6	17,013
Investments	13	800
CD Services	9	

Louisiana Non-MSA AA

The bank's Louisiana Non-MSA AA consists of all of Allen, Beauregard, Evangeline, Richland, St. Landry, Vernon, Webster, and West Carroll Parishes. b1B operates six branches in this AA: two in low-, two in moderate-, and two in middle-income census tracts. The bank originated and engaged in the following activities in this AA during the review period.

Activity	#	\$(000s)
Small Business Loans	1,116	98,622
Home Mortgage Loans	517	50,073
Small Farm Loans	123	14,574
Community Development Loans	12	29,935
Investments	17	11,113
CD Services	18	

Monroe MSA AA

The bank's Monroe MSA AA consists of all of Morehouse and Ouachita Parishes. b1B operates three branches in this AA: one in a low-, one in a middle-, and one in an upper-income census tract. The bank originated and engaged in the following activities in this AA during the review period.

Activity	#	\$(000s)
Small Business Loans	517	70,117
Home Mortgage Loans	134	23,669
Small Farm Loans	76	10,976
Community Development Loans	4	6,232
Investments	3	2,157
CD Services	4	

New Orleans MSA AA

The bank's New Orleans MSA AA consists of all of Jefferson and St. Tammany Parishes. b1B operates two branches in this AA, both in upper-income census tracts. The bank originated and engaged in the following activities in this AA during the review period.

Activity	#	\$(000s)
Small Business Loans	510	100,593
Home Mortgage Loans	58	24,984
Small Farm Loans	0	0
Community Development Loans	12	53,051
Investments	3	4,350
CD Services	8	

Shreveport MSA AA

The bank's Shreveport MSA AA consists of all of Bossier and Caddo Parishes. b1B operates one branch in this AA in a census tract where income is not available. The bank originated and engaged in the following activities in this AA during the review period.

Activity	#	\$(000s)
Small Business Loans	545	92,512
Home Mortgage Loans	82	14,361
Small Farm Loans	12	1,115
Community Development Loans	13	43,376
Investments	5	874
CD Services	12	

Geographic Distribution

Small Business Loans

Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																		2021	
	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
Assessment Area:	#	\$	% of Total	Overall Market	% Busi-nesses	% Bank Loans	Aggre-gate	% Busi-nesses	% Bank Loans	Aggre-gate	% Busi-nesses	% Bank Loans	Aggre-gate	% Busi-nesses	% Bank Loans	Aggre-gate	% Busi-nesses	% Bank Loans	Aggre-gate
Lafayette MSA	334	42,352	20.8	16,253	5.7	4.2	5.7	19.6	17.4	17.9	42.0	53.0	43.0	32.6	25.4	33.4	0.1	0.0	0.0
Lake Charles MSA	240	34,889	14.9	5,639	4.8	5.4	5.6	25.7	30.4	25.1	31.4	28.8	29.2	37.9	35.0	40.0	0.2	0.4	0.1
LA Non-MSA	489	35,598	30.4	5,195	6.4	3.1	5.6	18.6	15.7	20.1	45.4	48.3	44.7	29.7	32.9	29.5	0.0	0.0	0.0
Monroe MSA	173	25,702	10.8	5,104	19.0	12.7	20.5	13.3	13.9	12.0	22.6	28.3	21.2	45.0	45.1	46.2	0.2	0.0	0.1
New Orleans MSA	159	30,038	9.9	26,580	4.2	1.3	4.4	17.5	14.5	17.7	37.4	22.6	36.2	40.2	59.7	41.1	0.7	1.9	0.6
Shreveport MSA	212	35,851	13.2	9,452	15.1	26.4	16.0	19.7	17.9	19.1	26.9	23.6	28.4	38.3	31.1	36.4	0.1	0.9	0.1
Source: 2021 D&B Data, 2021 CRA Data, 2021 CRA Aggregate Data; Due to rounding, totals may not equal 100.0																			

Home Mortgage Loans

Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																		2021	
	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
Assessment Area:	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggre-gate	% of Owner-Occupied Housing Units	% Bank Loans	Aggre-gate	% of Owner-Occupied Housing Units	% Bank Loans	Aggre-gate	% of Owner-Occupied Housing Units	% Bank Loans	Aggre-gate	% of Owner-Occupied Housing Units	% Bank Loans	Aggre-gate
Lafayette MSA	89	11,376	18.7	17,410	3.2	3.4	1.6	21.0	21.3	12.8	48.1	56.2	41.8	27.8	19.1	43.8	0.0	0.0	0.0
Lake Charles MSA	86	13,266	18.1	7,516	2.8	3.5	1.4	17.9	38.4	14.9	39.7	26.7	39.2	39.6	31.4	44.6	0.0	0.0	0.0
LA Non-MSA	213	19,467	44.8	7,347	3.0	0.9	1.7	14.6	4.2	10.1	48.8	60.1	45.1	33.6	34.7	43.2	0.0	0.0	0.0
Monroe MSA	38	5,977	8.0	6,146	11.3	13.2	4.5	14.3	5.3	6.3	27.7	31.6	25.8	46.7	50.0	63.4	0.0	0.0	0.0
New Orleans MSA	26	13,236	5.5	31,026	2.1	0.0	0.8	14.5	19.2	11.0	46.1	26.9	45.0	37.1	42.3	42.9	0.3	11.5	0.4
Shreveport MSA	23	4,362	4.8	16,684	7.8	0.0	1.8	14.4	13.0	7.4	33.6	26.1	29.7	44.2	60.9	61.2	0.0	0.0	0.0
Source: 2015 ACS Census, 2021 HMDA Data, 2021 HMDA Aggregate Data; Due to rounding, totals may not equal 100.0																			

Borrower Profile

Small Business Loans

Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2021
	Total Loans to Small Businesses				Businesses with Revenues <= IMM			Businesses with Revenues > IMM		Businesses with Revenues Not Available	
Assessment Area:	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Lafayette MSA	334	42,352	12.8	16,253	89.3	31.4	33.2	3.4	17.7	7.3	50.9
Lake Charles MSA	240	34,889	9.2	5,639	87.9	34.6	32.0	3.0	19.6	9.1	45.8
LA Non-MSA	489	35,598	18.8	5,195	87.9	29.0	30.9	2.5	7.0	9.6	64.0
Monroe MSA	173	25,702	6.6	5,104	88.7	32.9	26.4	3.4	19.1	7.8	48.0
New Orleans MSA	159	30,038	6.1	26,580	91.0	28.3	37.5	2.8	30.2	6.2	41.5
Shreveport MSA	212	35,851	8.1	9,452	88.9	44.3	33.7	2.9	18.4	8.2	37.3

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

Home Mortgage Loans

Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2021
	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
Assessment Area:	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Lafayette MSA	89	11,376	18.7	17,410	24.8	9.0	6.3	16.3	12.4	16.3	16.8	12.4	19.2	42.2	29.2	36.9	0.0	37.1	21.4
Lake Charles MSA	86	13,266	18.1	7,516	23.4	7.0	4.8	16.7	3.5	14.1	17.8	7.0	17.8	42.1	33.7	34.9	0.0	48.8	28.5
LA Non-MSA	213	19,467	44.8	7,347	24.4	6.6	2.8	16.0	12.2	9.4	17.5	17.4	15.5	42.0	48.8	46.2	0.0	15.0	26.2
Monroe MSA	38	5,977	8.0	6,146	26.2	5.3	3.1	16.3	0.0	10.9	15.8	5.3	16.6	41.7	34.2	40.0	0.0	55.3	29.4
New Orleans MSA	26	13,236	5.5	31,026	21.1	0.0	4.5	15.7	0.0	15.0	18.4	0.0	19.4	44.9	19.2	38.8	0.0	80.8	22.3
Shreveport MSA	23	4,362	4.8	16,684	24.3	0.0	3.7	15.2	0.0	12.3	16.7	4.3	16.7	43.8	30.4	34.2	0.0	65.2	33.0
Source: 2015 ACS Census, 2021 HMDA Data, 2021 HMDA Aggregate Data; Due to rounding, totals may not equal 100.0																			

STATE OF 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

b1B designated two AAs in Texas as noted in the table below. Both of the bank's AAs in Texas conform to the CRA regulatory requirements. Since the prior evaluation, b1B added Collin County to the Dallas MD AA, as well as the entire Houston MSA AA.

Description of Assessment Areas			
Assessment Area	Counties in Assessment Area	# of CTs	# of Branches
Dallas MD	Collin, Dallas, Rockwall	894	4
Houston MSA	Fort Bend, Harris	1,248	6
Source: 2015 ACS Data; Bank Data			

SCOPE OF EVALUATION – STATE OF TEXAS

Full-Scope Assessment Area

Of the two AAs in Texas, examiners applied full-scope procedures to the Dallas MD AA since it generated the largest percentage of the bank's loans, deposits, and offices in this rated area. Examiners applied limited-scope procedures to the Houston MSA AA.

Lending Test

Loan Categories Reviewed

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

Home Mortgage Loans:

- 2020: 13 loans totaling \$9,375,000
- 2021: 15 loans totaling \$14,448,000
- 2022: 32 loans totaling \$35,950,000

Small Business Loans:

- 2020: 225 loans totaling \$37,600,000
- 2021: 181 loans totaling \$33,643,000
- 2022: 167 loans totaling \$44,724,000

Small Farm Loans:

- 2020: no loans

- 2021: 1 loan totaling \$475,000
- 2022: 1 loan totaling \$475,000

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

Assessment Area Weighting

The following table shows that the Dallas MD AA generated the largest percentage of the bank's loans in the State of Texas. Consequently, examiners weighed records in the Dallas MD 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 Distribution – State of Texas						
Assessment Area	Loans		Deposits		Branches	
	\$(000s)	%	\$(000s)	%	#	%
Dallas MD	151,495	86.2	259,685	35.0	4	40.0
Houston MSA	24,245	13.8	481,366	65.0	6	60.0
Total	175,740	100.0	741,051	100.0	10	100.0
<i>Source: HMDA & CRA Data (2020-2022), FDIC Summary of Deposits (06/30/2022)</i>						

Investment and Service Tests

The scopes for the Investment and Service Tests remain the same for this rated area as it did for the institution as a whole. Please refer to the institution-level Scope of Evaluation section.

CONCLUSIONS ON PERFORMANCE CRITERIA IN STATE OF TEXAS

LENDING TEST

b1B demonstrated a low satisfactory record in the State of Texas regarding the Lending Test. Adequate records regarding geographic loan distribution and poor records regarding borrower profile loan distribution outweighed good lending levels and an excellent level of CD loans to support this conclusion. The bank further made limited use of innovative and flexible lending practices in this rated area. Conclusions regarding the institution's performance in the State of Texas were generally consistent with the conclusions for each AA within the rated area, unless otherwise noted.

Lending Activity

Lending levels reflect good responsiveness to AA credit needs in the State of Texas. Good performance regarding small business loans lifted adequate performance regarding home mortgage loans to support this conclusion. Examiners placed more weight on the bank's small business loans than home mortgage loans based on the loan volumes. Examiners considered the bank's size,

business strategy, and capacity in this state relative to its credit needs when arriving at this conclusion.

Small Business Loans

Small business lending levels reflect good responsiveness to AA credit needs in the State of Texas. For 2021, the bank originated 181 total reportable small business loans totaling over \$33.6 million inside its Texas AA. b1B captured a 0.1 percent market share of the total number of small business loans and a 0.6 percent market share of the total dollar volume of loans.

This volume of activity ranks the bank 52nd out of 308 total lenders in the bank's Texas AAs by total number. This ranking lands the bank in the top 16.9 percent of lenders reporting such loans in the bank's Texas AA. The ranking considers the total number and dollar amount of loans made by each institution.

Home Mortgage Loans

Home mortgage lending levels reflect adequate responsiveness to AA credit needs in the State of Texas. For 2021, the bank originated 15 total reportable home mortgage loans totaling approximately \$14.5 million in its Texas AA. b1B captured a 0.01 percent market share of the total number of home mortgage loans and 0.02 percent market share of the total dollar volume of home mortgage loans in the Texas AA.

This volume of activity ranks the bank 432nd out of 917 total lenders in the bank's Texas AA by total number. This ranking lands the bank in the top 47.1 percent of lenders reporting such loans in the bank's Texas AA. 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 State of Texas. Adequate records regarding small business loans outweighed good performance regarding home mortgage loans to support this conclusion. The bank's performance is generally consistent throughout the AAs within the rated area, unless otherwise noted.

Small Business Loans

The geographic distribution of small business loans reflects adequate penetration throughout the State of Texas. Adequate performances in both AAs support this conclusion.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects good penetration throughout the State of Texas. Good performances in both AAs support this conclusion.

Borrower Profile

The distribution of borrowers reflects, given the product lines offered by the institution, poor penetration among retail customers of different income levels and business customers of different sizes. Poor records regarding small business loans outweighed adequate performance regarding

home mortgage loans to support this conclusion. The bank's performance is inconsistent throughout the AAs within Texas as noted below. Examiners placed more weight on the bank's performance in the Dallas MD AA.

Small Business Loans

The distribution of borrowers reflects poor penetration among business customers of different sizes. Poor performance in the Dallas MD AA outweighed adequate performance in the Houston MSA AA to support this conclusion.

Home Mortgage Loans

The distribution of borrowers reflects adequate penetration among retail customers of different income levels. Adequate performance in the Dallas MD AA outweighed poor performance in the Houston MSA AA to support this conclusion.

Innovative or Flexible Lending Practices

The institution makes limited use of innovative and/or flexible lending practices 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 AAs when arriving at this conclusion. The appendices list the criteria considered under this performance factor.

The table below shows that, since the previous evaluation, the bank originated 6 innovative or flexible loans totaling over \$9.6 million in the State of Texas. This dollar figure equates to 19.0 percent of the bank's total innovative or flexible loans. Given the bank's capacity and the needs in the rated area, the institution makes limited use of innovative and flexible loans in the State of Texas.

Innovative or Flexible Loans State of Texas						
Assessment Area	FHA/USDA/VA		SBA		Totals	
	#	\$(000)s	#	(000)s	#	(000)s
Dallas MD	0	0	3	4,466	3	4,466
Houston MSA	0	0	3	5,163	3	5,163
Total	0	0	6	9,629	6	9,629
<i>Source: Bank Data.</i>						

Community Development Loans

The institution is a leader in making CD loans in the State of Texas. Its extent, or dollar volume, of CD loans and the CD loans' good responsiveness support this conclusion. The Dallas MD AA CD loan performance is consistent with the state level, while the Houston MSA AA reflects performance below that of the state level.

The following table shows that, since the previous evaluation, the bank granted 32 CD loans totaling \$144.6 million in this state. The dollar amount equates to 35.6 percent of the bank's overall level of CD loans as compared to the 12.8 percent of overall HMDA and CRA loans in this state.

These levels represent increases from the 5 CD loans totaling nearly \$23.0 million reported at the previous evaluation.

Community Development Loans State of Texas										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Dallas MD	0	0	0	0	2	5,201	12	47,695	14	52,896
Houston MSA	1	1,495	0	0	0	0	3	17,533	4	19,028
Broader Statewide or Regional	0	0	2	8,939	0	0	12	63,746	14	72,685
Total	1	1,495	2	8,939	2	5,201	27	128,974	32	144,609
<i>Source: Bank Data.</i>										

Besides their extent, the CD loans reflect good responsiveness to the state's CD needs. As seen in the table above, 89.2 percent of the dollar volume of the state's CD loans help revitalize or stabilize qualifying geographies, while 6.2 percent benefit community services for low- and moderate-income individuals, 3.6 percent promote economic development, and 1.0 percent promote affordable housing.

As noted under the applicable AA sections, activities in all CD categories represent CD needs in the bank's AAs. Therefore, relative to the bank's capacity and the extent of CD lending opportunities and needs in its AAs, the bank established an excellent level in originating CD loans.

The following are examples of the bank's CD loans in the broader statewide or regional area of Texas:

- **Revitalize or Stabilize** – The bank granted a \$4.8 million loan to purchase a pharmacy and grocery store 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.
- **Community Services** – The bank granted a \$1.9 million loan to purchase a building for a food pantry that provides meals to the homeless and those in need. Thus, the activity provides community services primarily to low- and moderate-income individuals.

INVESTMENT TEST

b1B demonstrated a low satisfactory record in the State of Texas regarding the Investment Test. The adequate level of QIs, adequate responsiveness to CD needs, and rare use of complex QIs support this conclusion. The Dallas MD AA reflects consistent performance with that of the state level, while the Houston MSA AA reflects performance below that of the state level. The appendices list the criteria considered under this test.

Investment and Grant Activity

The bank has an adequate level of qualified CD 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 following table shows that b1B made 8 QIs totaling nearly \$6.5 million in the State of Texas. By dollar volume, this equates to 10.7 percent of the bank's overall level of QIs compared to 15.9 percent of total deposits in this rated area. These levels represent increases from the one QI totaling \$5,000 reported at the previous evaluation.

Qualified Investments State of Texas										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Dallas MD	0	0	1	7	2	26	1	4,000	4	4,033
Houston MSA	1	5	0	0	2	1,481	0	0	3	1,486
Broader Statewide or Regional	0	0	0	0	1	952	0	0	1	952
Total	1	5	1	7	5	2,459	1	4,000	8	6,471
<i>Source: Bank Records</i>										

The following point is the sole QI in the broader statewide or regional area:

- ***Economic Development*** – The bank invested \$952,381 in a SBIC fund benefitting a local business. Regulations note that regulators will presume that activities associated with SBICs meet both the size and purpose tests under the regulation's definition of economic development. Thus, the activity promotes economic development by assisting an organization that aids businesses that meet the size eligibility standards of the regulation and that support permanent job creation, retention, or improvement for low- or moderate-income persons or in low- and moderate-income geographies.

Responsiveness to Credit and Community Development Needs

b1B exhibits adequate responsiveness to credit and community economic development needs in the State of Texas. The above table shows the bank demonstrates responsiveness by the higher dollar amounts within revitalize or stabilize, supporting a CD need in the AAs.

Community Development Initiatives

b1B rarely uses innovative and/or complex investments to support CD initiatives in the State of Texas. The bank collaborated with an investment firm to assist SBICs with expanding capital to qualifying small businesses within the bank's AAs. The private sector does not routinely provide this type of investment.

SERVICE TEST

b1B demonstrated a low satisfactory record for the State of Texas regarding the Service Test. Adequate records regarding the institution's accessibility of delivery systems, change in branch locations, reasonableness of hours and services, and CD services support this conclusion. Conclusions regarding the institution's Service Test performance proved consistent among the AAs. The appendices list the criteria considered under this test.

Accessibility of Delivery Systems

Delivery systems are reasonably accessible to essentially all portions of the bank's AAs in the State of Texas. Limited alternative delivery systems lifted by reasonably accessible branch distribution support this conclusion. The State of Texas reflects consistent conclusions with the institution's overall Accessibility of Delivery System performance.

The bank makes its full-service offices reasonably accessible to essentially all portions of the institution's AAs in the State of Texas.

The bank's lack of full-service offices in low-income tracts clearly falls below the population percentage in low-income census tracts, reflecting a poor level. The bank's full-service offices in moderate-income tracts falls 6.3 percentage points below the population percentage in moderate-income tracts, reflecting an adequate level. Given the greater population within moderate-income geographies, the adequate performance for moderate-income geographies uplifted the performance in low-income geographies to support the overall conclusion.

Branch and ATM Distribution by Geography Income Level State of Texas								
Tract Income Level	Census Tracts		Population		Branches		ATMs/ITMs	
	#	%	#	%	#	%	#	%
Low	312	14.6	1,180,751	12.6	0	0.0	0	0.0
Moderate	581	27.1	2,458,649	26.3	2	20.0	0	0.0
Middle	536	25.0	2,508,094	26.9	4	40.0	1	100.0
Upper	658	30.7	3,059,883	32.8	4	40.0	0	0.0
NA	55	2.6	132,370	1.4	0	0.0	0	0.0
Total	2,142	100.0	9,339,747	100.0	10	100.0	1	100.0
<i>Source: 2020 U.S. Census Data; Bank Data. Due to rounding, totals may not equal 100.0.</i>								

The bank makes its alternative delivery systems accessible to limited portions of the bank's AAs in the State of Texas.

The preceding table shows that the bank maintains no ATMs or ITMs in low- and moderate-income census tracts. However, the bank's alternative delivery systems, such as online and mobile banking, provide some services to those in low- and moderate-income tracts or low- and moderate-income individuals. Refer to the Service Test section for the overall bank for specific details of retail banking systems available through alternative delivery systems.

Changes in Branch Locations

To the extent changes have been made, the institution's opening and closing of branches in the State of Texas has generally not adversely affected low- and moderate-income geographies or individuals. Excluding acquisition activity, b1B opened two full-services offices, one in a middle- and one in an upper-income census tract. The bank did not close any offices in this rated area.

Reasonableness of Business Hours and Services

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

Community Development Services

The institution provides an adequate level of CD services for the State of Texas. Adequate performances regarding the extent of CD services and the responsiveness of CD services to available opportunities support this conclusion. The appendices list the criteria considered under this performance factor.

The following table shows that the bank provided 18 CD services in the State of Texas since the previous evaluation. This number equates to an average of 1.2 CD services per office per year since the previous evaluation, thereby reflecting an adequate level. The bank averaged 5.2 full-service offices for the 3.0 years since the previous evaluation. These levels represent increases from the lack of CD services reported at the prior evaluation.

Community Development Services State of Texas					
Assessment Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
Dallas MD	0	7	7	0	14
Houston MSA	0	2	1	0	3
Broader Statewide or Regional	0	1	0	0	1
Total	0	10	8	0	18
<i>Source: Bank Data</i>					

Leadership is evident through Board or committee participation in a limited number of those activities. The following point is the CD service in the broader statewide or regional area of Texas:

- ***Community Service*** – A bank employee taught financial literacy at a school where the majority of students receive free or reduced lunch. Thus, the activity provides community services primarily to low- and moderate-income individuals.

DALLAS MD – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE DALLAS MD

The Dallas MD AA includes all of Collin, Dallas, and Rockwall Counties, three of seven counties that make up the Dallas-Plano-Irving MD, located in northeast Texas. b1B added Collin County to the Dallas MD AA since the prior evaluation.

Economic and Demographic Data

The Dallas MD AA census tracts reflect the following income designations based on 2020 U.S. Census data: 109 low-, 244 moderate-, 230 middle-, 295 upper-income census tracts, and 16 census tracts with no income designation. These designations changed from the following classifications based on 2015 ACS data: 109 low-, 201 moderate-, 143 middle-, 233 upper-income census tracts, and 6 census tracts with no income designation. FEMA declared this AA as a major disaster area during the majority of the evaluation period. The following table notes certain demographic data for the area.

Demographic Information of the Assessment Area Dallas MD AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	894	12.2	27.3	25.7	33.0	1.8
Population by Geography	3,785,823	12.3	27.4	26.2	33.1	1.0
Housing Units by Geography	1,439,669	12.9	26.2	26.9	32.8	1.1
Owner-Occupied Units by Geography	734,158	6.8	22.9	27.7	42.3	0.3
Occupied Rental Units by Geography	599,786	19.6	30.1	26.3	22.1	1.9
Vacant Units by Geography	105,725	17.7	27.3	25.1	27.8	2.1
Businesses by Geography	660,572	5.4	16.9	30.7	46.0	1.0
Farms by Geography	9,148	4.2	16.9	30.4	47.7	0.8
Family Distribution by Income Level	897,374	24.6	17.7	18.5	39.2	0.0
Household Distribution by Income Level	1,333,944	24.5	17.5	17.6	40.4	0.0
Median Family Income MSA - 19124 Dallas-Plano-Irving, TX		\$88,315	Median Housing Value			\$263,744
			Median Gross Rent			\$1,250
			Families Below Poverty Level			9.1%
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 describes the Dallas MD’s economy as stronger than the country. The healthcare, hospitality, and financial industries are performing well and rising demand for employment, along with above average population growth contribute to the success of the area.

Major employers in the Dallas MD include Walmart Inc., American Airlines, and Baylor Scott & White Health. The Bureau of Labor Statistics reflects a December 2022 unemployment rate of 3.1 percent for the Dallas MD, which is lower than the 3.5 percent State of Texas rate and the 3.5 percent national rate for the same time period.

Competition

The area contains a high level of competition from other chartered banks based on its population, with each of the 859 offices from its 128 institutions serving about 4,407 people on average. b1B ranks 57th in market share by capturing 0.08 percent of the area's deposits based on the June 30, 2022, 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.

Credit and Community Development Needs and Opportunities

Consistent with other metropolitan areas, the Dallas MD AA created varied loan demand for home mortgages, small business loans, and consumer loans. Considering information from bank management and demographic and economic information, examiners ascertained that the primary credit needs of the area include small business and home mortgage loans.

Regarding the area's CD needs, demographic data showing that 39.5 percent of the area's census tracts received low- or moderate-income designations and the federal disaster area designations suggest a need for activities that revitalize or stabilize qualifying geographies. In addition, the demographic data showing lower percentages of owner-occupied housing units relative to total housing units in low- and moderate-income geographies, in connection with the 42.3 percent of the area's families reporting low or moderate incomes, also suggests a need for affordable housing. The percentage of low- and moderate-income families also suggests a need for activities that benefit projects or organizations that provide community services targeted to those families. The area's businesses suggest a need for economic development activities, such as those that finance smaller sized entities that support permanent job creation, retention, or improvement for low- or moderate-income persons or geographies.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE DALLAS MD

LENDING TEST

b1B demonstrated a low satisfactory record in the Dallas MD AA regarding the Lending Test. An adequate record regarding geographic loan distribution and a poor record regarding borrower profile loan distribution outweighed an excellent level of community development loans and good lending levels to support this conclusion. The bank further exhibited limited use of innovative and flexible lending levels in this AA.

Lending Activity

Lending levels reflect good responsiveness to AA credit needs in the Dallas MD AA. Good performance regarding small business loans outweighed adequate performance regarding home mortgage loans to support this conclusion. Examiners weighed small business loans heavier than home mortgage loans in the Dallas MD AA.

Small Business Loans

Small business lending levels reflect good responsiveness to AA credit needs in the Dallas MD AA. For 2021, the bank originated 181 total reportable small business loans totaling approximately \$33.6 million. b1B captured a 0.1 percent market share of the total number of loans and a 0.6 percent market share of the total dollar volume of loans.

The bank's activity by number of loans ranks it 52nd out of 308 total lenders in the Dallas MD AA. This ranking lands the bank in the top 16.9 percent of lenders reporting such loans in this AA. The ranking considers the total number and dollar volume of loans made by each institution.

Home Mortgage Loans

Home mortgage lending levels reflect adequate responsiveness to AA credit needs in the Dallas MD AA. For 2021, the bank originated 15 total reportable home mortgage loans totaling approximately \$14.4 million. b1B captured a 0.01 percent market share of the total number and a 0.02 percent market share of the total dollar volume of home mortgage loans.

The bank's activity by number of loans ranks it 432nd out of 917 total lenders in the Dallas MD AA. This ranking lands the bank in the top 47.1 percent of lenders reporting such loans in this AA. 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 Dallas MD AA. An adequate record regarding small business loans insufficiently lifted by a good record regarding home mortgage loans support this conclusion. Examiners weighed small business loans heavier than home mortgage loans in the Dallas MD AA.

Small Business Loans

The geographic distribution of small business loans reflects adequate performance throughout the Dallas MD AA. Adequate performances in low- and moderate-income geographies support this conclusion.

As seen in the table below, the bank's lending in low-income census tracts falls 0.2 percentage points below the aggregate data, reflecting an adequate level. The table further shows that, in moderate-income census tracts, the bank's lending level rises 1.1 percentage points above the aggregate data, also reflecting an adequate level.

Geographic Distribution of Small Business Loans Dallas MD AA						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low	8.1	8.5	15	8.3	2,690	8.0
Moderate	18.9	20.4	39	21.5	7,890	23.5
Middle	24.3	22.8	43	23.8	8,332	24.8
Upper	47.7	47.2	83	45.9	14,710	43.7
Not Available	1.1	1.1	1	0.6	21	0.1
Totals	100.0	100.0	181	100.0	33,643	100.0
<i>Source: 2021 D&B Data; Bank Data; 2021 CRA Aggregate Data; Due to rounding, totals may not equal 100.0%.</i>						

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects good penetration throughout the Dallas MD AA. Excellent performance in low-income geographies outweighed adequate performance in moderate-income geographies to support this conclusion.

As seen in the table below, the bank's lending in low-income census tracts rises 22.6 percentage points above the aggregate data, reflecting excellent penetration. The table further shows the bank's lending in moderate-income census tracts falls 7.7 percentage points below the aggregate data, reflecting adequate penetration.

Geographic Distribution of Home Mortgage Loans Dallas MD AA						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	6.7	4.1	4	26.7	611	4.2
Moderate	24.1	14.4	1	6.7	10,920	75.6
Middle	23.5	25.0	4	26.7	743	5.1
Upper	45.5	56.2	6	40.0	2,174	15.1
Not Applicable	0.2	0.3	0	0.0	0	0.0
Totals	100.0	100.0	15	100.0	14,448	100.0
<i>Source: 2015 ACS; 2021 HMDA Data, 2021 HMDA Aggregate Data; Due to rounding, totals may not equal 100.0%.</i>						

Borrower Profile

The distribution of borrowers reflects, given the product lines offered by the institution, poor penetration among retail customers of different income levels and business customers of different sizes. A poor record regarding small business loans outweighed an adequate record regarding home mortgage loans to support this conclusion. Examiners weighed small business loans heavier than home mortgage loans in the Dallas MD AA.

Small Business Loans

The distribution of small business loans based on the borrowers' profiles reflects poor performance in the Dallas MD AA. Poor performance to businesses with gross annual revenues of \$1 million or less supports this conclusion.

As shown in the table, the bank's level of lending to small businesses with gross annual revenues of \$1 million or less falls 16.1 percentage points below the aggregate level, reflecting poor performance. b1B's records in 2020 revealed similar performance. However, the bank's level of lending increased in 2022, as 35.5 percent of loans were to small businesses with gross annual revenues of \$1 million or less.

Distribution of Loans to Small Businesses by Gross Annual Revenues Dallas MD AA											
	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	% Business es	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Dallas MD	181	33,643	6.9	132,321	88.2	26.5	42.6	3.9	25.4	7.9	48.1
<i>Source: 2021 D&B Data; 2021 CRA Data; 2021 CRA Aggregate Data. Due to rounding, totals may not equal 100.0.</i>											

Home Mortgage Loans

The distribution of home mortgage loans based on the borrowers' profiles reflects adequate penetration in the Dallas MD AA. Adequate penetration to moderate-income borrowers outweighs poor performance to low-income borrowers to support this conclusion.

As seen in the table below, the bank's made no loans to low-income borrowers clearly falling below the aggregate data, reflecting poor penetration. The table further shows the bank's lending to moderate-income borrowers falls 6.0 percentage points below the aggregate data, reflecting adequate penetration.

Distribution of Home Mortgage Loans by Borrower Income Level Dallas MD AA						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	25.8	3.8	0	0.0	0	0.0
Moderate	17.0	12.7	1	6.7	578	4.0
Middle	17.1	17.1	0	0.0	0	0.0
Upper	40.1	45.7	1	6.7	652	4.5
Not Available	0.0	20.7	13	86.7	13,218	91.5
Totals	100.0	100.0	15	100.0	14,448	100.0
<i>Source: 2015 ACS; 2021 HMDA Data; 2021 HMDA Aggregate Data; Due to rounding, totals may not equal 100.0%.</i>						

Innovative or Flexible Lending Practices

The institution makes limited use of innovative or flexible lending practices in the Dallas MD AA in order to serve AA credit needs. 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 the AA when arriving at this conclusion. Please refer to the discussion under the State of Texas for additional details regarding the innovative or flexible lending practices in the Dallas MD AA.

Community Development Loans

The institution is a leader in making CD loans in the Dallas MD AA. Its extent, or dollar volume, of CD loans and the CD loans' responsiveness support this conclusion.

As noted under the rated area level, b1B originated 14 CD loans totaling approximately \$52.9 million in the Dallas MD AA. By dollar volume, this equates to 36.6 percent of the bank's CD loans in the State of Texas as compared to 86.2 percent of the bank's home mortgage and small business loans in this AA. These levels represent increases from the 4 CD loans totaling nearly \$19.8 million reported at the previous evaluation.

The following point are examples of the bank's CD loans in the Dallas MD AA:

- ***Revitalize or Stabilize*** – The bank originated a \$11.5 million loan to redevelop a mall in a low-income census tract. Thus, the activity revitalizes and stabilizes a qualifying geography by helping to attract new, or retain existing, businesses or residents.
- ***Revitalize or Stabilize*** – The bank originated a \$1.8 million loan to purchase and renovate an apartment complex 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 CD loans reflect good responsiveness to the CD needs of the AA. Approximately 90.2 percent of the dollar volume of the AAs CD loans help to revitalize and stabilize low- and moderate-income geographies, and 9.8 percent promote economic development. As noted under the applicable Description of AAs, activities that revitalize or stabilize qualifying geographies and activities that promote economic development represent CD needs.

INVESTMENT TEST

b1B demonstrated a high satisfactory record in the Dallas MD AA regarding the Investment Test. A significant level of QIs, combined with adequate responsiveness to CD needs and rare use of complex or innovative investments, supports this conclusion. The appendices list the criteria used to evaluate the Investment Test.

Investment and Grant Activity

The bank has a significant level of qualified CD investments and grants in the Dallas MD AA. The table for the State of Texas shows that b1B made 4 QIs totaling \$4.0 million in the Dallas MD AA. By dollar volume, this equates to 62.3 percent of the bank's QIs in Texas as compared to 35.0 percent of total deposits in this AA. These levels represent increases from the one QI totaling \$5,000 reported at the previous evaluation.

The following are examples of the bank's QIs in the Dallas MD AA:

- ***Revitalize or Stabilize*** – The bank invested \$4.0 million in a multi-family mortgage pass-through security for an apartment complex 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.
- ***Community Services*** – The bank donated \$7,000 to an organization that provides job training in the financial services industry to low-income individuals. Thus, the activity provides community services primarily to low- and moderate-income individuals.

Responsiveness to Credit and Community Development Needs

b1B exhibits adequate responsiveness to credit and community economic development needs in the Dallas MD AA. As noted in the QI table for the State of Texas, the Dallas MD AA shows responsiveness to CD needs by the dollar amount to three of the four CD purpose categories, community services, economic development, and revitalize or stabilize. These donations and investments support identified needs in the Dallas MD AA.

Community Development Initiatives

b1B rarely uses innovative and/or complex investments to support CD initiatives, given the size of the institution and opportunities available in the Dallas MD AA. The bank invested funds supporting a multi-family housing unit located in a moderate-income census tract through a multi-family mortgage pass-through security.

SERVICE TEST

b1B demonstrated a low satisfactory record in the Dallas MD AA regarding the Service Test. The adequate levels regarding the bank's accessibility of delivery systems, its reasonableness of business hours and services, and CD services support this conclusion. The appendices list the criteria considered under this test.

Accessibility of Delivery Systems

Delivery systems are reasonably accessible to essentially all portions of the Dallas MD AA. Limited accessible alternative delivery systems lifted by reasonable branch distribution support this

conclusion. The Dallas MD AA's performance reflects a consist conclusion to the State of Texas' Accessibility of Delivery System performance.

The bank makes its full-service offices reasonably accessible to essentially all portions of the Dallas MD AA.

The table below shows that the bank's lack of full-service offices in low-income tracts clearly falls below the population percentage in low-income census tracts, reflecting a poor level. The bank's full-services offices in moderate-income tracts falls 2.4 percentage points below the population percentage in moderate-income tracts, reflecting an adequate level. Given the consideration of the greater population within moderate-income geographies, adequate performance in moderate-income geographies outweighed poor performance in the low-income geographies.

Branch and ATM Distribution by Geography Income Level Dallas MD AA								
Tract Income Level	Census Tracts		Population		Branches		ATMs/ITMs	
	#	%	#	%	#	%	#	%
Low	109	12.2	464,767	12.3	0	0.0	0	0.0
Moderate	244	27.3	1,038,812	27.4	1	25.0	0	0.0
Middle	230	25.7	990,112	26.2	1	25.0	1	100.0
Upper	295	33.0	1,253,080	33.1	2	50.0	0	0.0
NA	16	1.8	39,052	1.0	0	0.0	0	0.0
Total	894	100.0	3,785,823	100.0	4	100.0	1	100.0
<i>Source: 2020 U.S. Census Data; Bank Data. Due to rounding, totals may not equal 100.0.</i>								

The bank makes its alternative delivery systems accessible to limited portions of the Dallas MD AA.

The preceding table shows that the bank maintains no ATMs or ITMs in low- and moderate-income tracts. However, the bank's alternative delivery systems, such as online and mobile banking, provide some services to those in low- and moderate-income tracts or low- and moderate-income individuals. Refer to the Service Test section for the overall bank for specific details of retail banking systems available through alternative delivery systems.

Changes in Branch Locations

To the extent changes have been made, the institution's opening and closing of branches in the Dallas MD AA has generally not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies or to low- and moderate-income individuals. Since the prior evaluation, b1B opened two full-services offices in the Dallas MD AA: one in a middle-income census tract and one in an upper-income census tract. The bank did not close any offices in this 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 Dallas MD AA, particularly low- or moderate-income geographies or individuals. The Dallas MD AA reflects product offerings, services, and branch hours consistent with those discussed at the institution level.

Community Development Services

The bank provides an adequate level of CD services in the Dallas MD AA. Adequate performances regarding the extent of CD services and the responsiveness of CD services to available opportunities support this conclusion. The appendices list the criteria considered under this performance factor.

The table in the State of Texas section shows that the bank provided 14 CD services since the previous evaluation in the Dallas MD AA. This number equates to an average of 1.6 CD services per office per year since the previous evaluation, thereby reflecting an adequate level. The bank averaged 3.0 full-service offices for the 3.0 years since the previous evaluation. These levels represent increases from the lack of CD services reported at the previous evaluation.

Leadership is evident through Board or committee participation in a limited number of those activities. Service activities demonstrate adequate responsiveness to community needs, including community services to low- and moderate-income individuals and economic development.

The following are examples of the bank's CD services in the Dallas MD AA:

- ***Economic Development*** – Bank employees taught financial literacy classes at a small business training center that provides technical assistance to small businesses that provide jobs to low- and moderate-income persons or areas. Thus, the activity promotes economic development by assisting an organization that aids businesses that meet the size eligibility standards of the regulation and that support permanent job creation, retention, or improvement for low- or moderate-income persons or in low- and moderate-income geographies.
- ***Community Services*** – A bank employee serves on the Board of Directors of an organization that provides employment opportunities for low- and moderate-income individuals with disabilities. Thus, the activity provides community services primarily to low- and moderate-income individuals.

OTHER ASSESSMENT AREAS – Limited-Scope Review

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE LIMITED-SCOPE ASSESSMENT AREA

The following table summarizes the conclusions for this rated area's AAs reviewed using limited-scope examination procedures. 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 did not alter the bank's overall performance rating.

Assessment Area	Lending Test	Investment Test	Service Test
Houston MSA	Consistent	Consistent	Consistent

Facts and data supporting conclusions for the limited-scope AA follow, including a summary of b1B's operations and activities. The demographic data for the limited-scope AA is in the Appendices.

Houston MSA AA

The bank's Houston MSA AA consists of all of Fort Bend and Harris Counties. b1B operates six branches in this AA: one in a moderate-, three in middle-, and two in upper-income census tracts. The bank originated and engaged in the following activities in this AA during the review period.

Activity	#	\$(000s)
Small Business Loans	46	11,500
Home Mortgage Loans	14	12,745
Small Farm Loans	0	0
Community Development Loans	4	19,028
Investments	3	1,486
CD Services	3	

Geographic Distribution

Home Mortgage Loans

Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2022
	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
Assessment Area:	#	\$	% 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
Houston MSA	14	12,745	2.5	-	6.2	21.4	-	21.4	21.4	-	29.5	14.3	-	42.1	42.9	-	0.9	0.0	-

Source: 2020 U.S. Census; 2022 HMDA 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																			2022
	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
Assessment Area:	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
Houston MSA	46	11,500	3.6	-	9.9	8.7	-	20.3	37.0	-	23.6	13.0	-	44.0	41.3	-	2.3	0.0	-

Source: 2022 D&B Data; 2022 CRA 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
	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
Assessment Area:	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Houston MSA	14	12,745	2.5	-	25.1	0.0	-	17.1	0.0	-	17.7	0.0	-	40.1	28.6	-	0.0	71.4	-

Source: 2020 U.S. Census; 2022 HMDA 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											2022
	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
Houston MSA AA	46	11,500	3.6	-	02.0	41.3	-	2.7	56.5	5.3	2.2
Source: 2022 D&B Data; 2022 CRA Data. Due to rounding, totals may not equal 100.0.											

APPENDICES

APPENDIX A – 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.

APPENDIX B – SCOPE OF EVALUATION

b1BANK	
Scope of Examination: Full scope reviews were performed on the following assessment areas within the noted rated areas: State of Louisiana: Baton Rouge MSA AA Houma MSA AA State of Texas: Dallas MD AA	
Time Period Reviewed:	4/13/2020 to 4/10/2023
Products Reviewed: Home Mortgage: 1/1/2020 – 12/31/2022 Small Business: 1/1/2020 – 12/31/2022	

List of Assessment Areas and Type of Evaluation			
Rated Area/ Assessment Area	Type of Evaluation	Branches Visited	Other Information
Louisiana:			
Baton Rouge MSA	Full	Main	None
Houma MSA	Full	None	None
Lafayette MSA	Limited	None	None
Lake Charles MSA	Limited	None	None
Louisiana Non-MSA	Limited	None	None
Monroe MSA	Limited	None	None
New Orleans MSA	Limited	None	None
Shreveport MSA	Limited	None	None
Texas:			
Dallas MD	Full	None	None
Houston MSA	Limited	None	None

APPENDIX C – SUMMARY OF RATINGS FOR RATED AREAS

Rated Area	Lending Test	Investment Test	Service Test	Overall Rating
Louisiana	Low Satisfactory	Low Satisfactory	Low Satisfactory	Satisfactory
Texas	Low Satisfactory	Low Satisfactory	Low Satisfactory	Satisfactory

APPENDIX D – DESCRIPTION OF LIMITED-SCOPE ASSESSMENT AREAS

LOUISIANA

Lafayette MSA

The Lafayette MSA AA consists of all of Acadia, Iberia, Lafayette, St. Martin, and Vermilion Parishes. Demographic data for this AA is included in the following table.

Demographic Information of the Assessment Area Lafayette MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	136	8.1	25.0	33.8	30.9	2.2
Population by Geography	478,384	6.8	25.2	32.6	35.1	0.4
Housing Units by Geography	211,408	7.2	26.6	32.6	33.3	0.4
Owner-Occupied Units by Geography	127,544	4.4	23.2	33.3	38.6	0.4
Occupied Rental Units by Geography	56,141	11.7	30.6	31.6	25.7	0.5
Vacant Units by Geography	27,723	10.4	33.8	31.3	24.4	0.0
Businesses by Geography	71,052	6.6	21.2	29.2	42.0	1.0
Farms by Geography	2,372	3.8	21.5	39.8	34.7	0.1
Family Distribution by Income Level	123,461	25.5	15.1	17.3	42.1	0.0
Household Distribution by Income Level	183,685	26.2	14.9	15.7	43.2	0.0
Median Family Income MSA - 29180 Lafayette, LA MSA		\$66,741	Median Housing Value			\$161,278
			Median Gross Rent			\$801
			Families Below Poverty Level			14.6%
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 AA is moderately competitive in the financial services market. According to the FDIC Deposit Market Share data as of June 30, 2022, 39 institutions operated 162 offices within this AA. Of these institutions, b1B ranked 13th with 2.4 percent deposit market share. The top 5 financial institutions account for 62.0 percent of the total deposit market share.

Lake Charles MSA

The Lake Charles MSA AA consists of all of Calcasieu and Cameron Parishes. Demographic data for this AA is included in the following table.

Demographic Information of the Assessment Area Lake Charles MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	61	13.1	14.8	37.7	27.9	6.6
Population by Geography	222,402	9.7	14.4	42.6	33.0	0.3
Housing Units by Geography	95,919	10.0	16.4	42.3	31.0	0.4
Owner-Occupied Units by Geography	56,280	6.0	15.4	41.4	36.9	0.3
Occupied Rental Units by Geography	25,049	17.7	18.1	41.8	22.4	0.0
Vacant Units by Geography	14,590	12.0	17.1	46.9	23.0	1.0
Businesses by Geography	24,832	8.0	15.7	42.0	33.5	0.8
Farms by Geography	727	6.1	14.4	39.5	39.3	0.7
Family Distribution by Income Level	54,126	23.3	17.1	17.9	41.8	0.0
Household Distribution by Income Level	81,329	25.0	15.6	16.7	42.7	0.0
Median Family Income MSA - 29340 Lake Charles, LA MSA		\$65,881	Median Housing Value			\$156,332
			Median Gross Rent			\$828
			Families Below Poverty Level			12.7%
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 AA is moderately competitive in the financial services market. According to the FDIC Deposit Market Share data as of June 30, 2022, 18 institutions operated 70 offices within this AA. Of these institutions, b1B ranked 7th with 6.4 percent deposit market share. The top 5 financial institutions account for 70.4 percent of the total deposit market share.

Louisiana Non-MSA

The Louisiana Non-MSA AA consists of all of Allen, Beauregard, Evangeline, Richland, St. Landry, Vernon, Webster, and West Carroll Parishes. Demographic data for this AA is included in the following table.

Demographic Information of the Assessment Area Louisiana Non-MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	93	7.5	23.7	33.3	33.3	2.2
Population by Geography	289,700	7.1	19.2	34.2	38.2	1.3
Housing Units by Geography	134,522	8.0	21.2	34.7	35.4	0.8
Owner-Occupied Units by Geography	74,114	4.7	18.2	34.2	42.7	0.3
Occupied Rental Units by Geography	36,249	15.2	25.2	35.8	21.6	2.1
Vacant Units by Geography	24,159	7.3	24.3	34.6	33.3	0.5
Businesses by Geography	26,994	9.6	19.9	35.0	34.8	0.7
Farms by Geography	1,556	4.8	14.4	37.9	42.9	0.0
Family Distribution by Income Level	74,388	24.4	15.9	18.1	41.6	0.0
Household Distribution by Income Level	110,363	24.2	15.4	15.2	45.1	0.0
Median Family Income Non-MSAs - LA		\$50,254	Median Housing Value			\$106,681
			Median Gross Rent			\$686
			Families Below Poverty Level			18.6%
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 AA is moderately competitive in the financial services market. According to the FDIC Deposit Market Share data as of June 30, 2022, 34 institutions operated 101 offices within this AA. Of these institutions, b1B ranked 1st with 14.6 percent deposit market share. The top 5 financial institutions account for 37.4 percent of the total deposit market share.

Monroe MSA

The Monroe MSA AA consists of all of Morehouse and Ouachita Parishes. Demographic data for this AA is included in the following table.

Demographic Information of the Assessment Area Monroe MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	55	21.8	20.0	23.6	32.7	1.8
Population by Geography	185,997	17.9	18.5	24.3	39.3	0.0
Housing Units by Geography	81,599	18.0	18.1	25.4	38.5	0.0
Owner-Occupied Units by Geography	40,675	11.2	12.0	25.5	51.3	0.0
Occupied Rental Units by Geography	26,019	27.4	24.1	24.1	24.4	0.0
Vacant Units by Geography	14,905	20.2	24.1	27.5	28.2	0.0
Businesses by Geography	24,160	12.7	21.1	25.5	40.6	0.1
Farms by Geography	863	5.2	17.0	33.5	44.1	0.1
Family Distribution by Income Level	41,025	25.2	16.0	16.0	42.9	0.0
Household Distribution by Income Level	66,694	27.0	14.8	16.0	42.1	0.0
Median Family Income MSA - 33740 Monroe, LA MSA		\$56,295	Median Housing Value			\$129,518
			Median Gross Rent			\$739
			Families Below Poverty Level			18.4%
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.						

The AA is moderately competitive in the financial services market. According to the FDIC Deposit Market Share data as of June 30, 2022, 19 institutions operated 56 offices within this AA. Of these institutions, b1B ranked 9th with 3.4 percent deposit market share. The top 5 financial institutions account for 68.6 percent of the total deposit market share.

New Orleans MSA

The New Orleans MSA AA consists of all of Jefferson and St. Tammany Parishes. Demographic data for this AA is included in the following table.

Demographic Information of the Assessment Area New Orleans MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	187	4.3	22.5	38.5	32.1	2.7
Population by Geography	705,351	4.7	21.5	39.5	34.2	0.2
Housing Units by Geography	292,876	4.8	22.1	40.2	32.7	0.2
Owner-Occupied Units by Geography	181,548	3.2	16.2	41.9	38.4	0.2
Occupied Rental Units by Geography	83,904	7.9	34.1	37.9	19.9	0.2
Vacant Units by Geography	27,424	6.2	23.6	35.8	34.5	0.0
Businesses by Geography	113,316	3.8	19.8	41.0	35.2	0.2
Farms by Geography	1,986	2.6	17.3	46.2	33.6	0.3
Family Distribution by Income Level	171,543	22.0	15.4	19.5	43.1	0.0
Household Distribution by Income Level	265,452	22.4	14.2	17.0	46.4	0.0
Median Family Income MSA - 35380 New Orleans-Metairie, LA MSA		\$72,053	Median Housing Value			\$213,504
			Median Gross Rent			\$1,055
			Families Below Poverty Level			10.1%
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 AA is moderately competitive in the financial services market. According to the FDIC Deposit Market Share data as of June 30, 2022, 28 institutions operated 175 offices within this AA. Of these institutions, b1B ranked 13th with 1.1 percent deposit market share. The top 5 financial institutions account for 71.9 percent of the total deposit market share.

Shreveport MSA

The Shreveport MSA AA consists of all of Bossier and Caddo Parishes. Demographic data for this AA is included in the following table.

Demographic Information of the Assessment Area Shreveport MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	107	8.4	27.1	29.9	29.0	5.6
Population by Geography	366,594	6.2	25.7	29.3	36.8	2.0
Housing Units by Geography	170,967	7.1	26.7	29.2	34.5	2.6
Owner-Occupied Units by Geography	90,597	3.5	18.5	33.2	42.7	2.1
Occupied Rental Units by Geography	55,046	11.5	38.1	23.1	24.2	3.0
Vacant Units by Geography	25,324	10.3	31.1	27.8	27.2	3.5
Businesses by Geography	50,048	6.1	25.0	25.3	36.7	6.9
Farms by Geography	1,388	4.5	19.3	32.8	39.8	3.6
Family Distribution by Income Level	89,788	24.7	14.7	17.7	42.9	0.0
Household Distribution by Income Level	145,643	26.1	15.4	15.9	42.6	0.0
Median Family Income MSA - 43340 Shreveport-Bossier City, LA MSA		\$59,467	Median Housing Value			\$149,633
			Median Gross Rent			\$877
			Families Below Poverty Level			16.0%
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 AA is moderately competitive in the financial services market. According to the FDIC Deposit Market Share data as of June 30, 2022, 24 institutions operated 99 offices within this AA. Of these institutions, b1B ranked 13th with 1.7 percent deposit market share. The top 5 financial institutions account for 68.5 percent of the total deposit market share.

TEXAS

Houston MSA

The Houston MSA AA consists of all of Fort Bend and Harris Counties. Demographic data for this AA is included in the following table.

Demographic Information of the Assessment Area Houston MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	1,248	16.3	27.0	24.5	29.1	3.1
Population by Geography	5,553,924	12.9	25.6	27.3	32.5	1.7
Housing Units by Geography	2,056,155	13.8	25.4	26.3	32.4	2.0
Owner-Occupied Units by Geography	1,090,468	6.2	21.4	29.5	42.1	0.9
Occupied Rental Units by Geography	793,580	22.7	30.6	22.9	20.4	3.3
Vacant Units by Geography	172,107	20.8	27.1	21.8	26.8	3.4
Businesses by Geography	848,304	9.9	20.3	23.6	44.0	2.3
Farms by Geography	10,287	7.3	18.5	26.4	46.1	1.7
Family Distribution by Income Level	1,318,481	25.1	17.1	17.7	40.1	0.0
Household Distribution by Income Level	1,884,048	25.4	16.4	17.0	41.1	0.0
Median Family Income MSA - 26420 Houston-The Woodlands-Sugar Land, TX MSA		\$81,859	Median Housing Value			\$230,015
			Median Gross Rent			\$1,179
			Families Below Poverty Level			11.6%
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 AA is highly competitive in the financial services market. According to the FDIC Deposit Market Share data as of June 30, 2022, 82 institutions operated 1,042 offices within this AA. Of these institutions, b1B ranked 37th with 0.1 percent deposit market share. The top 5 financial institutions account for 76.3 percent of the total deposit market share.

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.