



PUBLIC DISCLOSURE

October 26, 2020

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Broadway National Bank
Charter Number: #14447

1177 N.E. Loop 410
San Antonio, TX 78209

Office of the Comptroller of the Currency

10001 Reunion Place
Suite 250
San Antonio, Texas 78216-4165

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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Overall CRA Rating

Institution’s CRA Rating: This institution is rated Outstanding.

The following table indicates the performance level of **Broadway National Bank (Broadway)** with respect to the Lending, Investment, and Service Tests:

Performance Levels	Broadway National Bank Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding	X	X	
High Satisfactory			X
Low Satisfactory			
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 major factors that support this rating include:

Lending Test

- The bank’s excellent level of community development (CD) lending, good lending activity and geographic distribution of loans. A substantial majority of loan originations during the evaluation period are in the bank’s Assessment Areas (AAs). The bank also makes excellent use of flexible small business loan products to meet AA small business needs.

Investment Test

- The bank has a significant level of investments donations, grants that are responsiveness to AA needs. The bank also has a very significant level of investments that support small business needs within the state, broader regional areas, and nationwide.
- The bank’s retail service delivery systems and branches are reasonably accessible to all customers. The opening and closing of branches have not affected the accessibility of its delivery systems, particularly in low-and moderate-income (LMI) geographies or to LMI individuals. The bank is a leader in providing CD services in its largest San Antonio AA and also provides a relatively high level of service in all other AAs.

Lending in Assessment Area

A substantial majority of the bank's loans are in its AAs.

As reflected in the table below, Broadway originated or purchased 92 percent of its loans inside the bank's AAs by number and 89 percent by dollar volume. This analysis is performed at the bank, rather than the AA, level. The bank did not have any affiliate lending activities included in this assessment. The bank's primary products are home mortgages and small loans to businesses. Farm lending is not a primary business line or loan product for the bank, but reportable farm lending data is included in the table below for informational purposes.

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	754	87.8	105	12.2	859	382,840	86.1	61,808	13.9	444,648
Small Business	1,992	94.1	124	5.9	2,116	361,426	92.5	29,398	7.5	390,824
Small Farm	15	83.3	3	16.7	18	2,120	84.3	395	15.7	2,515
Total	2,761	92.2	232	7.8	2,993	746,386	89.1	91,601	10.9	837,987

Source: HMDA, CRA Loan Data 2017-2019

Description of Institution

Broadway, a privately owned, intrastate bank headquartered in San Antonio, Texas, was established in 1941 primarily to serve the deposit and credit needs of military families stationed in San Antonio, Texas. The bank is a wholly-owned subsidiary of Broadway Bancshares of Delaware, Inc. (BBD), which is wholly-owned by Broadway Bancshares, Inc. (BBI), a Texas-based bank holding company. We did not review any affiliate or subsidiary activities of Broadway or the related bank holding companies in this Performance Evaluation (PE).

Broadway operates 40 banking centers in Texas, which includes the main office in San Antonio along with five limited purpose branches in San Antonio. Four of the branches in the San Antonio AA are located on the Joint Base San Antonio (JBSA) military installations of Fort Sam Houston and Randolph Air Force Base (AFB). The bank also has offices in Hays and Travis Counties which represent the Austin AA, and two branches in Gillespie and Kerr Counties, which represent the non-MSA AA. Automated teller machines (ATMs) are available at each full-service banking center and most of the limited purpose branches. Broadway also has 22 stand-alone ATMs, all but three are located throughout the San Antonio AA and JBSA installations. The bank has not opened any new branches since the previous evaluation. Broadway closed a San Marcos branch, which is located in the Austin AA, but retained a new deposit taking ATM.

At December 31, 2019, Broadway reported total assets of \$3.8 billion. Tier 1 Capital totaled \$411 million and the Tier 1 leverage ratio was 10.9 percent. Net loans totaled \$2.1 billion and represented 55 percent of total assets. At year-end 2019, the bank's loan-to-deposit ratio was 64 percent.

Broadway offers a wide variety of traditional loan and deposit products tailored to individual and business needs within its AAs. The bank also offers brokerage, wealth advisory, asset management and trust management services.

The bank offers commercial, small business, consumer, and mortgage related lending services at each branch with no geographic limitations on products, services. Broadway's primary focus is the commercial sector and it is a Small Business Administration (SBA) Preferred Lender. Broadway offers a full-range of financial services, including credit services, personal banking, private banking, military banking, business banking, and wealth management. Credit services include commercial, SBA, real estate, and other consumer loan products, with an emphasis on business and real estate lending. The bank also offers consumer and small business credit card products through a third party referral relationship. The loan portfolio consists of commercial real estate and construction/development loans secured by real estate (43 percent), residential real estate (22 percent), commercial/industrial loans (14 percent), municipal loans (14 percent), and consumer loans (7 percent).

Broadway's largest loan and deposit market is the Greater San Antonio area. The San Antonio AA represents 87 percent of the bank's deposits and 80 percent of reportable HMDA and small business loans by number and 70 percent by dollar volume. The Austin AA is the next largest with 9 percent of total deposits and 17 percent of reportable HMDA and small business loans by number of loans, and 28 percent by dollar volume. The Non-MSA AA has 4 percent of total bank deposits and 2.4 percent of reportable HMDA and small business loans by number and 1.5 percent by dollar volume.

The prior examination, dated October 16, 2017, assigned an overall Satisfactory rating to Broadway's CRA performance. Based on its financial condition, size, product offerings, and branch network, there are no legal, financial, or other factors that inhibit Broadway's ability to help meet the credit needs in its AAs.

Scope of the Evaluation

Evaluation Period/Products Evaluated

This performance evaluation (PE) evaluates the bank's performance under the Lending, Investment, and Service Tests. The evaluation period for the Lending Test is July 1, 2017 through December 31, 2019. The evaluation period for CD Loans, the Investment and Service Tests is October 17, 2017 through December 31, 2019. With an evaluation period end date of December 31, 2019, qualifying activities performed in response to the significant impact of the coronavirus pandemic across the United States are not addressed in this evaluation. Bank qualifying activities will be considered in the subsequent evaluation.

In evaluating the bank's lending performance, we reviewed one-to four-family mortgage loans subject to filing under the Home Mortgage Disclosure Act (HMDA), loans to small businesses, and CD loans as reported under the Community Reinvestment Act (CRA). The volume of small farm loans reported under the CRA was minimal and did not provide a meaningful analysis; however, these loans are included in our analysis of lending inside the AA and in the analysis of lending activity. We also evaluated CD investments, including donations and grants, as well as retail delivery and CD services. The geographic and borrower distribution analyses in the Lending Test compare loans originating in 2017 through 2019 to the 2015 American Community Survey (ACS) census data. Census boundary changes by the United States Office of Management and Budget (OMB) that were effective in 2019, did not impact the bank's defined AAs.

Selection of Areas for Full-Scope Review

In each state where the bank has an office, one or more AAs within that state was selected for a full-scope review. For purposes of this evaluation, bank delineated AAs located within the same metropolitan statistical area (MSA), multistate metropolitan statistical area (MMSA), or combined statistical area (CSA) are combined and evaluated as a single AA. Similarly, bank delineated non-MSA AAs within the same state are combined and evaluated as a single area. These combined AAs may be evaluated as full- or limited-scope.

Broadway has three AAs in Texas. The largest San Antonio AA includes five of the eight counties that comprise the entire San Antonio MSA. The bank's second AA consists of Travis and Hays counties, which represent two of the five counties in the entire Austin-Round Rock-Georgetown MSA. The bank's third AA is comprised of two Texas rural non-MSA counties, Kerr and Gillespie. This evaluation includes full scope reviews for the San Antonio and Austin AAs. Refer to the "Scope of Evaluation in Texas" section of this PE for additional detail regarding how full-scope AAs were selected. Also, refer to Appendix A, Scope of Examination, for a list of full- and limited-scope AAs.

Ratings

The bank's overall rating is based on performance in the State of Texas. The state rating is based on performance in all of the bank's AAs with the most weight placed on the full-scope AAs, particularly performance in the San Antonio AA. Refer to the "Scope" section under the State Rating section for details regarding how the areas were weighted in arriving at the respective ratings.

Discriminatory or Other Illegal Credit Practices Review

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

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

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

State Rating

State of Texas

CRA rating for the State of Texas: Outstanding

The Lending Test is rated: Outstanding

The Investment Test is rated: Outstanding

The Service Test is rated: High Satisfactory

The major factors that support this rating include:

Lending Test

- Broadway has made a significant to relatively high volume of community development (CD) loans in all of its AAs. Broadway is a leader in CD lending in the San Antonio AA. The bank's CD lending performance enhanced the Lending Test rating to Outstanding.
- Lending activity is good in the bank's largest San Antonio AA and excellent in the Austin AA. Since the last evaluation period, Broadway's CRA loan volume has increased approximately 20 percent.
- The bank has originated a substantial majority of loans in the bank's Assessment Areas (AAs), 92 percent by number of loans and 89 percent by dollar volume.
- The bank's distribution of loans by geography is good in all of its AAs. Loan distributions by borrower-income levels are adequate.
- The bank's makes excellent use of flexible small business loan products to meet AA needs.

Investment Test

- The bank has a significant level of responsive investments and donations in its largest AAs.
- Broadway also has a significant level of statewide, regional and nationwide small business related investments that also potentially benefit the bank's AAs and support the bank's strategic focus on small business lending and development.

Service Test

- Retail delivery systems are reasonably accessible in the bank's AAs. The bank also provides alternative delivery systems (ADS), including ATMs, online deposit, loan applications, online banking, mobile banking, and mobile payment solutions that potentially expand access to bank services.
- The bank's opening, closing of branches has not affected accessibility of delivery systems, particularly in low-and moderate-income (LMI) geographies and to LMI individuals.
- Branch hours are tailored to the convenience and needs of the bank's AAs.

- Broadway provides an excellent level of CD services and is leader in service activity in the bank's largest San Antonio AA. The bank also provides a relatively high level of service activities in other AAs.

Description of Institution's Operations in Texas

Broadway has 40 branches in Texas, which as indicated previously includes the bank's main office in San Antonio and five limited purpose branches in San Antonio. Broadway also operates 61 automated teller machines (ATMs) in its Texas AAs, of which 93 percent are full-service (deposit taking and cash dispensing) ATMs. The majority of the bank's branches are in the San Antonio AA (77.5 percent). The bank has seven branches (17.5 percent) in the Austin AA, and two branches in Gillespie, Kerr Counties, the rural non-MSA AA.

San Antonio AA

Broadway's San Antonio AA includes Bexar, Comal, Guadalupe, Kendall, and Medina counties, representing five of the eight counties that comprise the entire San Antonio-New Braunfels (San Antonio) MSA. The bank's defined AA meets the requirement of the regulation and does not arbitrarily exclude low- or moderate-income geographies.

Broadway operates 31 branches and ATMs in this AA along with 19 stand-alone ATMs. The majority of branches in this AA are in the city of San Antonio or Bexar County (25). The bank's stand-alone ATMs in the San Antonio AA are located on Joint Base San Antonio (JBSA) military installations, including Fort Sam Houston, Lackland Airforce Base (AFB), Randolph AFB, and Camp Bullis. The bank has two branches in Comal County in the cities of New Braunfels, and Spring Branch. Two branches are located in Guadalupe County in the cities of Schertz and Sequin. The bank has an additional branch located in Boerne, which is in Kendall County, and two branches in Medina County in the cities of Castroville and Hondo.

Bexar county is the largest county in the bank's AA and the entire San Antonio MSA. According to reports from the census and Federal Reserve Bank of Dallas (FRB), the San Antonio MSA is the third-largest metro area in Texas. The city of San Antonio is the County seat and the 7th largest city in America. Census population estimates as of July 1, 2019 report a total AA population of 2.4 million, 83 percent of which is in Bexar County. Comal and Guadalupe Counties each represent 6 to 7 percent of the AA population, while Kendall and Medina Counties each represent 2 percent. The 2019 census estimates show population growth of 17 percent in Bexar County since 2010, with stronger growth rates in excess of 40 percent in Comal and Kendall Counties. Population growth in Guadalupe County has also been strong at 27 percent, while growth in Medina County has been slower at 12 percent.

Census data and economic reports on Texas cities from the FED show that the median age in the San Antonio MSA is 34.6 years, which is in line with Texas. FED's report states that the San Antonio MSA also has a relatively large older population when compared with other Texas metropolitan areas, which is attributed in part to the area's retired military population.

According to 2015 ACS data, the bank's San Antonio AA consists of 433 CTs, of which 34 are low-income geographies (8 percent), 138 are moderate-income geographies (32 percent), 121 are middle-income geographies (28 percent), and 136 are upper-income geographies (31 percent). Also, there are 4 CTs without an assigned an income classification (1 percent). The table below includes additional demographic information on the AA.

Table A – Demographic Information of the Assessment Area						
Assessment Area: San Antonio 2019 (Bexar, Comal, Guadalupe, Kendall, Medina Counties)						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	433	7.9	31.9	27.9	31.4	0.9
Population by Geography	2,173,347	6.5	29.9	29.5	34.1	0.0
Housing Units by Geography	811,421	6.2	29.6	30.2	34.0	0.0
Owner-Occupied Units by Geography	454,786	4.4	23.4	29.5	42.7	0.0
Occupied Rental Units by Geography	285,463	8.2	38.2	30.8	22.8	0.0
Vacant Units by Geography	71,172	9.4	34.8	32.0	23.9	0.0
Businesses by Geography	161,659	4.4	20.2	29.6	45.6	0.2
Farms by Geography	3,833	1.9	13.9	31.3	52.8	0.1
Family Distribution by Income Level	510,560	22.6	17.3	19.1	41.0	0.0
Household Distribution by Income Level	740,249	24.4	16.0	17.8	41.8	0.0
Median Family Income MSA - 41700 San Antonio-New Braunfels, TX MSA		\$62,228	Median Housing Value			\$153,009
			Median Gross Rent			\$898
			Families Below Poverty Level			12.6%
<i>Source: 2015 American Community Survey (ACS) data and 2019 data from Dunn & Bradstreet Due to rounding, totals may not equal 100.0% (*) The NA category consists of geographies that have not been assigned an income classification.</i>						

Market Share

The FDIC's June 30, 2019 Deposit Market Share Report for the San Antonio AA shows that Broadway has deposits in this AA totaling \$2.7 billion, which represent 2.36 percent of the AA deposit market share. Broadway ranked seventh out of 55 institutions in the AA. USAA Federal Savings Bank has the largest share of the deposit market at 65 percent. Texas based Frost Bank is second with a 7 percent deposit market share and 34 offices. Larger nationwide banks such as Citibank, Bank of America, Wells Fargo Bank and JPMorgan Chase Bank follow the leaders with market shares ranging from 5.6 percent to 2.45 percent. In addition to strong competition from banks and savings associations, Broadway faces other competitors in this market including credit unions, mortgage companies, finance companies, pay-day lenders, and other non-bank competitors. This AA represents 87 percent of the bank's deposits in Texas.

Aggregate HMDA and small business data reflect the strong competitive environment. In 2019, Broadway ranked 83rd out of 708 mortgage lenders in this AA with a 0.25 percent share market share by number of loans and 0.38 percent by dollar volume with \$76 million in originations. During the evaluation period, Broadway ranked as high as 68th in 2018 out of 677 lenders with \$102 million in originations and a slightly higher percentage of the market share by number and dollar volume.

In small business lending, Broadway's percentage of the market share by dollar volume is higher than its deposit market share. Aggregate small business data in 2017 and 2018, the most recent data available, showed that Broadway ranked 13th each year out of 154-160 lenders with \$122 -\$128 million in originations. Broadway's market share by number of loans was 1.8 percent and 8 percent by dollar volume.

Economic Conditions

According to a report from Moody's Analytics in April 2020 job growth in the San Antonio-New Braunfels MSA was advancing above national averages prior to the pandemic in first quarter 2020. Over the past five years, the job growth rate has increased at an annual rate of 2.5 percent. The government sector is the largest employment sector in the area with the JBSA as the largest employer. The Texas Comptroller of Public Accounts (TX Comptroller) estimates that the JBSA's direct employment exceeds 73 thousand, which includes over 23 thousand civilian personnel, and the population directly affiliated with JBSA contributed at least \$41.3 billion to the Texas economy in 2019. Other major industries in this AA include education and health services, biotech, information technology, cyber-security, professional and business services, tourism, leisure-hospitality, and retail trade. The AA's proximity to Mexico supports trade and distribution in the Southwest. In addition to the JBSA military installations, other major employers in the AA include HEB Grocery Company, LP, USAA, Methodist and Baptist health care systems, local school districts, the City of San Antonio, University of Texas at San Antonio, AT&T, Rackspace, Boeing, Toyota Motor Manufacturing, and financial institutions such as JP Morgan Chase, Wells Fargo, and Frost Bank.

According to BLS the unemployment rate at year-end 2019 for the entire San Antonio-New Braunfels MSA was 3.1 percent, which was lower than the state average of 3.5 percent and national average of 3.7 percent. BLS annual unemployment rates within the AA counties ranged from 3.1 percent in Bexar and Medina Counties to a low of 2.7 percent in Kendall County. Updated information from the FFIEC in 2019 reported the San Antonio MSA median family income at \$71,000, which is an increase of 14 percent since the 2015 ACS Survey. Poverty levels vary within the San Antonio AA counties. 2015 ACS data shows that Bexar County had the highest percentage of households with incomes below poverty levels at 16 percent, followed by Medina County at 14.5 percent, Guadalupe at 10 percent, Comal at 9 percent, and Kendall County has the lowest at 7.7 percent.

Housing

The U.S Department of Housing and Urban Development's 2018 Housing Market Profile Report (HUD Report) for the San Antonio MSA indicates that job growth and strong net in-migration were contributing to increased demand for housing, which was causing an increase in home sales prices and single-family home construction. Moody's April 2020 report reflects continuation of this growing trend in home sales and construction. During 2019, home sales had accelerated to 6 percent growth. Growth in single-family permits in 2019 was 29 percent higher than in 2016. Permits for multi-family construction also increased about 11 percent during this period.

As reflected in the table above, the median home value for the bank's entire AA was \$153 thousand; however, median home values vary significantly within the AA counties ranging from a low of \$134 thousand in Medina County to a high of 285 thousand in Kendall County. The median value in Bexar county was \$147 thousand. At year-end 2019, Texas A&M's real estate center reported that average sales prices had increased about 7 percent over the past year. The median prices also rose 5 percent. This trend is further supported by 1st quarter 2020 data from the National Association of REALTORS (NRA), which

indicates that one year price appreciation in the MSA was 5 percent and almost 18 percent over the past three years. The NRA reported a median sales price was \$239 thousand, which is about 36 percent higher than the AA median home value in the 2015 ACS survey.

Moody's report reflects rental inventory vacancy rates at approximately 7 percent, which is lower than state levels of about 8 percent but higher than national levels. Rental rates in the MSA are also increasing. HUD's 2019 fair market rental rate for a two-bedroom unit was \$1050. The 2015 ACS Census data reveals the burden of rising rental costs and the need for additional affordable housing with 41 percent of households in moderate-income CTs reporting rents greater than 30 percent of household income.

According to the 2015 ACS US Census data, 56 percent of all housing units in the AA are owner-occupied, and 35 percent are rental occupied units. Multi-family units represented 20 percent of the housing units. In low-income CTs, approximately 4 percent of the housing units are owner-occupied, 8 percent are renter occupied units, and 7 percent are multi-family housing units. In moderate-income CTs, 23 percent of the housing units are owner-occupied units, 38 percent are renter occupied units, and 37 percent are multifamily housing units. ACS data in 2015 also reflects aging housing stock in LMI areas with a median age of 56 years in low-income CTs, and 49 years in moderate-income CTs.

Community Contacts

To help identify needs and opportunities in the AA, the OCC reviewed three recent regulatory agency contacts with two organizations that focus on affordable housing in the AA and one that focuses on economic development. The contacts identified affordable housing as a significant need in the AA, particularly in the inner city areas. Rising home prices have resulted from tighter supply and population migration to the AA from other higher cost areas. Contacts also noted the need for rehabilitation and renovation of aging business locations, and housing stock in many LMI areas. Contacts mentioned the need for additional home buying and home ownership education and opportunities for participation by financial institutions in housing fairs, as well as opportunities for donations, grants to help with training materials. Other AA needs included funding for low-income housing tax credit (LIHTC) developments, and economic development through small business financing. Contacts also mentioned the need for expansion of broadband and internet access in rural areas, which may provide opportunities for financial institutions to participate in this effort. In addition, contacts identified AA needs for expansion of financial literacy and credit repair programs, and programs that provide down payment assistance.

The San Antonio Consolidated plan also identified several key AA needs and priorities, including the need for safe, decent affordable housing, neighborhood revitalization, housing, services for homeless and special needs populations, and financial literacy training.

Austin AA

Broadway's Austin AA includes Travis and Hays Counties, which represents a portion of the Austin-Round Rock-Georgetown (Austin) MSA. The bank's AA meets the requirement of the regulation and does not arbitrarily exclude LMI geographies. Broadway operates seven branches and ATMs in this AA and one stand-alone ATM in Hays County. The bank has three branches in Travis County, two of which are in the city of Austin and one is in Bee Cave. The four branches in Hays County are located in the cities of Buda, Dripping Springs, Kyle, and Wimberly.

Travis county is largest county in the entire MSA. Census population estimates as of July 1, 2019 reflect a population of 1.3 million in Travis County, which is a growth rate of 24 percent since 2010. The estimated 2019 population in Hays County was 230 thousand, which is a significant growth rate of 47 percent since 2010.

According to 2015 ACS data, the bank's AA consists of 243 CTs, of which 35 are low-income geographies, (14 percent), 53 are moderate-income geographies (22 percent), 76 are middle-income geographies (31 percent), and 73 are upper-income geographies (30 percent). Also, the AA has six CTs without an assigned an income classification (2.5 percent). The table below includes additional census demographic information on the AA.

Table A – Demographic Information of the Assessment Area						
Assessment Area: Austin 2019 (Travis, Hays Counties)						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	243	14.4	21.8	31.3	30.0	2.5
Population by Geography	1,299,207	14.2	23.0	31.0	30.3	1.6
Housing Units by Geography	531,660	13.8	20.2	32.7	32.0	1.2
Owner-Occupied Units by Geography	260,610	5.5	19.1	33.5	41.6	0.3
Occupied Rental Units by Geography	228,970	22.9	21.7	31.7	21.5	2.2
Vacant Units by Geography	42,080	15.9	19.0	33.3	29.8	2.1
Businesses by Geography	154,212	8.5	12.5	29.1	48.2	1.6
Farms by Geography	2,828	6.9	15.0	32.2	45.6	0.4
Family Distribution by Income Level	283,885	24.5	16.3	18.5	40.8	0.0
Household Distribution by Income Level	489,580	25.5	16.7	17.5	40.3	0.0
Median Family Income MSA - 12420 Austin-Round Rock-Georgetown, TX MSA		\$78,997	Median Housing Value			\$254,343
			Median Gross Rent			\$1,075
			Families Below Poverty Level			11.0%
<i>Source: 2015 ACS and 2019 D&B Data</i>						
<i>Due to rounding, totals may not equal 100.0% (*) The NA category consists of geographies that have not been assigned an income classification.</i>						

Market Share

Broadway reported deposits totaling \$268 million in the Austin AA according to the FDIC's June 30, 2019 Deposit Market Share Report, of which 56 percent is in Hays County and 44 percent is in Travis County. The bank's deposits in this AA represent a minimal 0.80 percent of the total deposit market share. Broadway ranked 16th of 57 institutions in the AA. The top five market leaders; Wells Fargo Bank, N.A., JP Morgan Chase Bank, N.A., Bank of America, N.A., Frost Bank, and BBVA are much larger banks with nationwide presence. Collectively, these five banks hold 72 percent of the AA deposits. This AA represents 9 percent of the bank's deposits in Texas.

In addition to the strong competition from other financial institutions in this AA, Broadway also competes with credit unions, mortgage companies, finance companies, pay-day lenders, and other non-bank

competitors. The Austin AA is also a very competitive market for mortgage lending. Aggregate HMDA data for 2019 showed 733 mortgage lenders in the AA. Broadway ranked 108th with a negligible 0.17 percent share of the market by number and 0.35 percent by dollar volume. During the evaluation period, the number of mortgage lenders increased each year. Broadway's market share was the highest in 2019 with \$73 million in originations, but the bank's loan volume was slightly higher in 2018.

The bank's share of the small business market is slightly higher. Data for 2019 was not available for this evaluation, but Broadway ranked as high as 24th in 2017 with 0.29 percent of the market by number and 1.26 percent by dollar volume with \$17 million in originations. The bank's performance and market share in 2018 was slightly lower. Larger banks such as Chase Bank USA, N.A., American Express National Bank, Wells Fargo Bank, N.A., Bank of America, N.A., and Citibank, N.A., hold a significant 70 percent of the market.

Economic Conditions

Data from various sources including the local Chamber of Commerce, FED-Dallas, the Department of Housing and Urban Development (HUD), and Moody's Analytics all reflect that the major economic drivers in this AA are high tech, state, federal and local governments, and secondary education. HUD's April 2020 market profile report states that the Austin metropolitan area has been the eighth fastest growing metropolitan area in the nation in numeric growth and the third fastest in percentage growth from 2010-2019. Travis county has been the 10th fastest growing county in the nation, based on numeric change, while Hays county has been the second fastest growing county in terms of percentage growth. HUD's Housing Market Profile in April 2020 reflects that economic conditions have been strong in the Austin metropolitan area since 2013, although job growth has started to slow. Business expansion, strong population growth, and the state capital in Austin have supported the AA's economic conditions. The well-educated labor force attracts technology businesses. The professional and business services sector is the largest payroll sector in the Austin metropolitan area and has led job growth in the area. HUD's report notes expansions in this sector the past year have included 1,400 new jobs with Amazon and 500 with Arrive Logistics, a developer of shipping management software. Data from the Austin Chamber of Commerce shows that the area has 64,000 manufacturing jobs, 62 percent of which are high tech. The area has also experienced strong growth in the food and beverage sector over the past five years with 100 additional manufacturers. Life sciences and health high tech also support the local economy with the University of Texas at Austin Dell Medical School. Major employers in Travis County include The University of Texas, Austin Independent School District (ISD), the City of Austin, Samsung Austin Semiconductor, Apple, IBM, local health care networks, federal and state governments. In Hays County, major employers include, Texas State University in San Marcos, Amazon Fulfillment, local school districts, outlet malls, county government, the HEB Distribution Center, and local hospitals.

At year-end 2019, prior to the COVID-19 pandemic, the unemployment rate in the Austin metropolitan area was very low at 2.7 percent. Unemployment was lower than the state average of 3.5 percent and national average of 3.7 percent. Updated 2019 information from the FFIEC reported an MFI of \$95,900 in the Austin MSA, which is an increase of 18 percent since the 2015 ACS survey.

Housing Characteristics

HUD's April 2020 Housing Market Profile report states that the home sales market conditions have been tight since 2014, with a lack of inventory acting as a constraint on existing home sales. During March 2020, the average number of days a home remained on market was 54, down from 65 days a year earlier. Sales prices for both new and existing homes has been steadily increasing since 2013. Over the past year, new home sales increased more than 15 percent along with an increase of 7 percent in the average sales price of \$377 thousand. Existing home sales and prices also increased by more than 6 percent to \$398 thousand. The 2015 ACS data reported an average median home value of \$254 thousand in the bank's AA.

Single-family home construction has been increasing every year since 2011 due to the rapid employment and population growth building activity which has increased demand for housing. HUD's report shows that single-family home permits reached an all-time high in 2019, with 18,400 homes permitted based on preliminary data. This was an 8 percent increase from 2018, the previous all-time high. Travis County represented the largest share of new housing permits in the metropolitan area. Hays County was the only county that had a slight decline in single-family permits of 2 percent, but even with a slight decline, March 2019 – March 2020 was still the second highest 12-month production period in Hays County.

HUD's report also indicates that the apartment market in the Austin MSA is currently tight. The current average rent for an apartment is \$1,305 and increase of 4.8 percent over the past year. The apartment vacancy rate was 5.7 percent, down from 5.8 percent in first quarter 2019. Multi-family building activity has been elevated in the Austin MSA since 2010. The vast majority of multi-family construction occurs in Travis County, but permits outside the county are increasing.

According to the 2015 ACS US Census data, 49 percent of the total housing units in the AA are owner-occupied, and 43 percent are rental occupied units. In low-income CTs, approximately 5.5 percent of the housing units are owner-occupied, 23 percent are renter occupied units, and 26 percent are multi-family housing units. In moderate-income CTs, 19 percent of the housing units are owner-occupied units, 22 percent are renter occupied units, and 17 percent are multifamily housing units.

Community Contacts

To help identify needs and opportunities in the AA, the OCC performed a community contact with an organization in the AA that focuses on economic development and small business lending in the Austin AA and Texas. We also considered information from three additional community contacts performed by other regulatory agencies performing CRA evaluations in this AA. The contacts identified significant AA needs for affordable housing for low-income individuals, families and students, as well as needs for homeless housing assistance. Contacts identified needs for the construction of affordable single-family units in rural areas and programs to assist with down payment and closing costs. Contacts also mentioned the need for flexible mortgage products that consider alternative forms of credits. Further contacts identified opportunities for financial institutions to partner with Community Development Financial Institutions (CDFIs) on SBA 504 loans and to provide CDFIs with lower cost loan and deposit products. Contacts also identified financial literacy and education, coaching, training for small businesses as other AA needs.

Scope of Evaluation in Texas

Our scope for the state of Texas included full-scope reviews in the bank's San Antonio and Austin AAs. These AAs represent Broadway's large markets for deposits and lending activity. On a combined basis these two AAs represent 96 percent of bank deposits and 98 percent of bank loan originations in Texas. The San Antonio AA is the largest with 87 percent of deposits and 80 percent of loans and was weighted the most heavily in arriving at the overall conclusion. The Austin AA was also selected for review because it has never been evaluated separately using full-scope procedures. Our analysis of lending activity focused on home mortgages and small business loans in each AA. We placed the most weight on small business lending which is the bank's largest product by number of loans. We also placed more weight on the significant volume of CD loan originations during the evaluation period.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN TEXAS

LENDING TEST

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

Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, the bank's performance in the San Antonio and Austin AAs is excellent. The level of CD lending had a significantly positive impact on lending performance when considering the impact and responsiveness of CD lending activities.

Lending Activity

Lending levels reflect good responsiveness to AA credit needs.

As reflected in the tables below, the bank's lending activity in the full scope AAs is near or exceeds AA deposits. The tables present data for all of the bank's AAs and the narrative below addresses performance in only the full-scope AAs.

Number of Loans							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	%State Loans	%State Deposits
Full Scope							
San Antonio	536	1,666	14	39	2,255	80.3	87.0
Austin	196	282	1	5	484	17.2	8.5
Limited Scope							
Non MSA	22	44	0	3	69	2.5	4.5
Total	754	1,992	15	47	2,808	100.0	100.0

Dollar Volume of Loans (000's)							
Assessment Area	Home Mortgage \$	Small Business \$	Small Farm\$	Community Development\$	Total\$	%State Loans	%State Deposits
Full Scope							
San Antonio	212,689	309,640	1,684	53,685	565,189	69.8	87.0
Austin	165,094	45,890	436	14,230	225,650	27.3	8.5
Limited Scope							
Non MSA	5,057	5,896	0	13,000	23,952	2.9	4.5
Total	382,839	361,426	2,120	80,915	827,301	100.0	100.0

San Antonio AA

Broadway's lending activity in the San Antonio AA is good, particularly when considering the strong competition for mortgage and small business lending in the bank's AA. The percentage of loan originations by number is near to the percentage of AA deposits, although the percent by dollar volume is slightly below the AA deposits. Since the last examination, the bank's CRA related lending activity has increased by approximately 20 percent in number and dollar volume of loans.

In 2018, the most recent available data, Broadway achieved a 1.8 percent market share of small loans to businesses, by number of loans, ranking 13th among 154 reporting lenders. Broadway achieved a market share of 7 percent by dollar volume., which exceeds the bank's percentage of the AA deposit market. The bank's rank among small business lenders is lower than its deposit market rank, but the top five small business lenders had 58 percent of the total market share (by number of loans). The top competitors in this market include much larger institutions such as American Express National Bank with 20 percent of the market, Chase Bank USA, N.A., with 12 percent, Citibank, N.A., with 9 percent, Wells Fargo Bank N.A., with 8.5 percent, and Bank of America, N.A., with 7 percent. Broadway's small business lending activity is good given the bank's market share and ranking when compared to its deposit market share and competition within the AA.

Aggregate Lending data reflects strong competition for mortgage loans in this AA. The 2019 aggregate HMDA data shows that Broadway achieved a minimal 0.25 percent market share of mortgage loans in this AA, ranking 83rd among 708 reporting lenders. The top five mortgage lenders had approximately 20 percent of the total market share. The bank's market share and rank for mortgage lending in the San Antonio AA is below its share of the AA deposits and market rank. According to the FDIC's Deposit Market Share report in June 2019, Broadway had a deposit market share of 2.36 percent ranking 7th among 55 financial institutions in the AA. However, when considering the strong competition from the other reporting lenders in the AA, the bank's mortgage lending performance in this AA was considered good.

Austin AA

Broadway's lending activity in the Austin AA is excellent when considering the bank's share of the deposit market and strong competition in this AA for both mortgages and small business lending. The bank's percentage of loan originations by number and by dollar volume exceed the percentage of AA deposits. The bank's ranking and percentage market share for mortgage and small business lending is lower than its share of the deposit market, but when considering the strong competition from the other reporting lenders in this AA, the bank's mortgage and small business lending activity is good.

In the 2018 Aggregate Lender data for small loans to businesses, the most recent available data, Broadway reports a market share of 0.27 percent, ranking 26th among 168 reporting lenders. The bank's percentage and rank in small business lending market is lower than its deposit market share and rank in this AA, but

the top five small business lenders in the Austin AA had a significant 71 percent of the total market share. The top lenders for small business lending include much larger institution such as Chase Bank USA, N.A., with 25 percent, American Express National Bank with 20 percent, Wells Fargo Bank N.A., with 9 percent, Bank of America, N.A., and Citibank, N.A., each with 8 percent. The FDIC's June 2019 Deposit Market Share Report shows that Broadway held a nominal 0.80 percent share of the AA deposits, and the bank ranked 16th among 57 financial institutions in the AA.

The 2019 aggregate HMDA data shows that Broadway's percentage share of the mortgage market at 0.17 percent is also lower than its deposit market share. The bank's ranking among mortgage lenders in this market was 108th out of 733 lenders, but the competition for mortgage loans in this market is also very strong. Aggregate Lending data shows that the top five mortgage lenders in this AA reported 24 percent of the total market share.

Distribution of Loans by Income Level of the Geography

The bank exhibits a good geographic distribution of loans in its AAs. We placed the most weight on performance in the San Antonio AA.

Home Mortgage Loans

Refer to Table O in Appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

San Antonio AA

The geographic distribution of the bank's home mortgage loans in the San Antonio AA during 2017-2019 is excellent. The percentage of bank loans in low-income geographies is similar to the percentage of owner-occupied housing units in these areas and the bank's lending performance in low-income areas significantly exceeds performance by other area mortgage lenders as reported in the Aggregate Lending (aggregate) data. The percentage of bank loans in moderate-income geographies is below the percentage of owner-occupied housing units in these areas, but the bank's performance in these areas also exceeds lending performance other area lenders reported in aggregate data.

Austin AA

The geographic distribution of the bank's home mortgage lending in the Austin AA during 2017-2019 is poor. The percentage of bank loans in both low- and moderate-income geographies is well below the percentage of owner-occupied housing units in low- and moderate-income areas. The bank's lending performance in both low- and moderate- income areas is also well below performance by other area mortgage lenders as reported in the aggregate data.

Small Loans to Businesses

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

San Antonio AA

The geographic distribution of small loans to businesses in the San Antonio AA during the 2017-2019 evaluation period, was good. The percentage of bank loans is near to the percentage of businesses in both low-income and moderate-income geographies. The bank's loan distributions to businesses in low-income and moderate-income geographies is also near to loan distributions reported by competitors in Aggregate Lenders data.

Austin AA

The geographic distribution of small loans to businesses in the Austin AA during the 2017-2019 evaluation period was also good. The percentage of bank loans in low-income geographies is similar to the percentage of businesses located in these areas. The percentage of bank loans in moderate-income geographies is near to the percentage of businesses located these areas. The bank's loan distributions to businesses in low-income and moderate-income geographies is also near to loan distributions by competitors in Aggregate Lenders data.

Lending Gap Analysis

The OCC evaluated loan distributions in the bank's AAs to determine if any unexplained, conspicuous gaps existed. We reviewed summary reports, maps, and analyzed Broadway's home mortgage and small business lending activity over the evaluation period to identify any gaps in the geographic distribution of loans. No unexplained, conspicuous gaps were identified.

Distribution of Loans by Income Level of the Borrower

The bank exhibits an adequate distribution of loans among individuals of different income levels and business of different sizes, given the product lines offered by the bank.

Home Mortgage Loans

Refer to Table P in Appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

San Antonio AA

The distribution of the bank's home mortgage lending among borrowers of different income levels in the San Antonio AA during the 2017-2019 evaluation period is adequate. The percentage of bank loans to low-income families is significantly below the percentage of low-income families in the AA, but the bank's loan distributions among low-income families slightly exceeds performance by competitors as reported in the Aggregate Lender data. The percentage of bank loans to moderate-income borrowers in the AA is somewhat near the percentage of moderate-income families in the AA and is near Aggregate Lender distributions. The increased demand for affordable housing, rising costs of housing in this AA, along with challenges associated with down payment and closing costs impacted the bank's performance among LMI borrowers in this AA. The bank's mortgage program offered in coordination with Neighborhood Housing Services (NHS), the Home Advantage Mortgage Loan program, and grant programs available through the Federal Home Loan Bank (FHLB) are designed to assist LMI borrowers

in qualifying for home loans. These programs are discussed below in the Product Innovation and Flexibility section of this PE.

Austin AA

The distribution of bank home mortgage loans among borrowers of different income levels in the Austin AA during the 2017-2019 evaluation period was also adequate. The percentage of bank loans to low-income families is significantly below the percentage of low-income families in the AA, but near distributions reported by competitors in the Aggregate Lender data. The percentage of bank loans to moderate-income borrowers is also below the percentage of moderate-income families in the AA, and somewhat lower than Aggregate Lender distributions. As in the San Antonio AA, the increased demand for affordable housing in the Austin AA, the rising costs of housing, and challenges associated with down payment and closing costs all negatively impacted the bank's performance among low-and moderate-income borrowers in this AA.

Small Loans to Businesses

Refer to Table R in Appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

San Antonio AA

During the 2017-2019 evaluation period, the distribution of the bank's small loans to businesses by revenue was adequate. The percentage of bank loans to businesses with annual revenues of \$1 million or less is lower than the reported percentage of small businesses in the AA; however, the bank's loan distribution is near distributions reported by other area lenders in the aggregate. Also, the majority of small loans to businesses in this AA (59 percent) were less than \$100 thousand, which indicates the bank's willingness to make smaller loans to businesses. Approximately \$10.4 million of the small loans to businesses in the San Antonio AA are SBA loans. The majority of these small SBA loans (55 percent) were to businesses in this AA with revenues greater than or equal to \$1 million. The bank's SBA loan programs are further discussed below in the Product Innovation and Flexibility section.

Austin AA

During the 2017-2019 evaluation period, the distribution of the bank's small loans to businesses by revenue was adequate. The percentage of bank loans to businesses with annual revenues of \$1 million or less is lower than the reported percentage of small businesses in the AA; however, the bank's loan distribution is similar to distributions reported by other areas lenders in the aggregate data. Also, a substantial majority of small loans to businesses in this AA (76 percent) were less than \$100 thousand, which indicates the bank's willingness to make smaller loans to businesses. Approximately \$5 million of the small loans to businesses in the Austin AA are SBA loans. The majority of these small SBA loans (80 percent) were to businesses in this AA with revenues less than \$1 million.

Community Development Lending

The institution is a leader in making CD loans, which had a significant positive impact on the lending performance rating.

The Lending Activity Tables, shown above, set forth the information and data used to evaluate the institution's level of CD lending. These tables include all CD loans, including multifamily loans and municipal loans that also qualify as CD loans.

San Antonio AA

The bank originated an excellent number of CD loans in the San Antonio AA, which had a significant positive impact on the bank's performance. We considered the AA lending opportunities and needs, the direct benefit or impact of the bank's loans within the AA, and the bank's capacity to address identified AA needs.

During the evaluation period, Broadway originated 39 CD loans totaling \$54 million, which represented approximately 15 percent of allocated Tier 1 Capital. The bank's CD loans exhibited excellent responsiveness to AA needs. Loans primarily supported affordable housing and economic development in the AA. Notable examples of CD loans originated during the evaluation period include:

:

- \$5.7 million commercial construction loan in a federally designated Opportunity Zone in downtown San Antonio to fund building renovations for new retail shops. Building renovations will help retain jobs and potentially create new permanent jobs, including jobs for low and moderate-income individuals. The building is located near 15 low or moderate-income CTs, in a zone also eligible for historical tax credits. The building renovations will also help revitalize and stabilize the area.
- \$3.4 million loan to assist a local nonprofit organization in purchasing a new building. The organization works with homeless individuals in attaining self-sufficiency.
- Four loans totaling \$900 thousand to a Community Development Financial Institution (CDFI) that makes micro loans to local entrepreneurs. The CDFI helps these entrepreneurs strengthen their businesses, stabilize and increase incomes, create additional employment and jobs, and contribute to the economic revitalization of the AA. The bank's loans have provided working capital and funding for CDFI's micro loan programs.

Austin AA

The bank originated a relatively high number of CD loans in the Austin AA, which also had a positive impact on lending performance in the AA. We considered the AA lending opportunities and needs, the direct benefit or impact of the bank's loans within the AA, and the bank's capacity to address identified AA needs.

During the evaluation period, Broadway originated five CD loans totaling \$14 million in the Austin AA, which represented 40 percent of allocated Tier 1 Capital. The CD loans exhibited good responsiveness to AA needs. Loans primarily supported affordable housing and economic development in the AA. Notable examples of CD loans originated during the evaluation period include:

- \$7.7 million construction loan to a city nonprofit entity to build a 96-unit apartment complex in low-income, federal designated Opportunity Zone. At least 51 percent of the units will be restricted to individuals or families making less than 80 percent of the AA's median family income.

- \$1.0 million non-revolving line of credit to finance construction of 13 detached single-family duplexes (26 units total). This loan is part of a local citizen and business initiative to serve the needs of the community by providing economical and affordable home ownership opportunities for individuals and families employed in service industries, teachers, and first responders.
- \$3.4 million loan to finance the purchase of land for a 246 unit multi-family affordable housing project in an moderate-income Opportunity Zone in Travis County. All of the units will be income restricted and the project is eligible for low-income housing tax credits.

Broader Statewide and Distressed Areas

The bank originated a significant number of CD loans in the broader statewide area, which had a positive impact on lending performance. Broadway originated 21 CD loans totaling \$7.4 million outside of the bank's AAs. These loans supported affordable housing, economic development, revitalization/stabilization of distressed areas, and community services in counties near or within the San Antonio MSA. Notable examples of CD loans originated during the evaluation period include:

- Broadway originated nine loans totaling \$3.0 million to a rural city to construct, improve, extend, and develop the streets and drainage in a moderate-income census tract. In addition, the construction project includes relocation of utilities, sidewalks, and traffic safety. This development project was part of the city's comprehensive plan.
- Broadway granted a \$1.9 million loan to make repairs to a convenience store that was severely damaged during the Hurricane Harvey. The entire county was declared a disaster area by FEMA. This loan helped to revitalize and stabilize the local community.

Product Innovation and Flexibility

The bank makes extensive use of innovative and/or flexible small business lending practices in order to meet AA small business needs. The bank also uses flexible loan underwriting and grant programs to help meet AA affordable housing and consumer credit needs. During the evaluation period, the bank originated at least 278 loans totaling \$27.7 million in innovative or flexible loan programs to address the credit needs of LMI individuals, small businesses, and veterans.

Broadway is a preferred lender with SBA. The bank was one of the first banks in San Antonio to sign-up for the SBA Patriot Express Loan Program in 2007. The bank offers several SBA loan programs, including SBA's 7(a) and Low Doc programs, the Patriot Express, and Veteran's Advantage program. During the evaluation period, the Bank originated 59 SBA loans totaling \$18.9 million. Of these, 42 loans totaling \$10.4 million are located with the San Antonio AA. The bank's SBA programs are summarized below:

- *SBA 7(a) and Low Doc Loans* – This loan program is designed for small business owners who need funds for working capital, equipment purchases, debt refinancing, and small commercial real estate purchases. Under this program the bank will provide loans up to \$1.0 million with as much as 90 percent financing for real estate projects. For the Low Doc Loan program, the bank can provide loans up to \$150,000. Businesses with less than \$6.0 million in net worth, less than \$2.0 million in after tax profits or less than 500 employees are eligible for this loan. During the evaluation period, Broadway originated 21 of these loans totaling \$13 million.

- *SBA Patriot Express Loans* - This is a pilot initiative that integrates all of SBA's programs and services to veterans and members of the military community. The SBA has taken steps to broaden the availability to veterans of financial assistance and business counseling. The maximum Patriot Express loan size is \$500 thousand. Loans of \$150 thousand or less qualify for SBA's maximum guaranty of up to 85 percent. Loans of \$150 thousand to \$500 thousand qualify for an SBA guaranty up to 75 percent. During the evaluation period, Broadway originated 34 of these loans totaling \$4.4 million.
- *Veteran's Advantage* – The SBA offers a variety of loan programs designed to assist veterans in acquiring capital to start, grow, or succeed in business. This loan program provides “fee-relief” on small-dollar SBA guaranteed loans, which helps reduce barriers for veteran-owned small business owners. During the evaluation period, Broadway originated 4 of these loans for \$1.2 million.

In addition to the SBA loan programs, Broadway has created their own “Star” small business loan solutions to help meet the financial needs of small businesses. These programs include:

- *Star Capital Business Line of Credit* – This line of credit is for businesses that are at least two years old and have annual sales of less than \$1.0 million. The loan amounts vary between \$5 thousand and \$35 thousand, at a fixed interest rate. The loan is convertible to a four-year amortizing loan, with a small \$100 one-time processing fee. During the evaluation period, Broadway has originated 149 of these loans totaling \$3.7 million.
- *Star Equipment Loan* – For small businesses that have been established for at least one year Broadway will finance inventory, vehicles, or equipment. These loans have flexible terms and can be also be revolving lines of credit. During the evaluation period, Broadway has originated 28 of these loans totaling \$696 thousand.

Broadway also participates in several mortgage programs designed to assist LMI individuals and families in financing home loans. These mortgage programs include the following:

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- *Neighborhood Housing Services (NHS)* – the bank originates loans in partnership with NHS, which provides down payment assistance for low-income families. NHS works with families whose income is below 80 percent of the median income. During the evaluation period, the bank originated 27 loans in partnership with NHS totaling \$3.0 million.
- *Home Advantage Mortgage Loan Program* – This program has flexible underwriting criteria such as no minimum credit score, maximum loan-to-value of 105 percent, no requirement for private mortgage insurance, and a minimal borrower contribution of \$500. Borrowers may use seller contributions, gift funds, or down payment assistance programs approved by Broadway. During the evaluation period, Broadway has originated 9 of these loans for \$979 thousand.
- *VA (Veterans Affairs) and FHA (Federal Housing Administration)* - The bank offers government guaranteed or insured mortgage loans available through VA and FHA programs. These programs also have more flexible underwriting standards and lower down payment options than conventional mortgage loan programs. Veterans, service members and some military spouses are eligible for VA loans. During the evaluation period, Broadway originated one VA loan for \$220 thousand and 2 FHA loans totaling \$269 thousand.

- As mentioned later in the Service Test, Broadway also provides grant assistance through Federal Home Loan Bank's programs, which help veterans and low-income first home buyers qualify for home purchase and improvement loans.

In addition to the small business and mortgage loan programs, Broadway also offers consumer loan products that are designed to assist LMI borrowers. These programs include the following;

- *Freedom Loan* program is a small dollar loan program offered through the services of SERV Ministries and Leadership, Inc., a 501c (3) non-profit in Kerrville, Texas, which is in the bank's non-MSA AA. SERV provides financial counseling and resources to individuals in the program. Program participants may also be referred to Broadway for personal loans. The bank's Freedom Loans offer borrowers the opportunity to replace high interest payday loans with low interest term loans. In addition, the Broadway's loan program offers borrowers the opportunity to improve their credit scores and meet financial emergencies with a line of credit. The number of these loan originations vary depending on the number of referrals from SERV. During the evaluation period, Broadway originated 2 of these loans for \$592.
- *First Loan Program* for young service members in pay grades E-1, E-2, and E-3 to help them establish credit. This program, which consists mainly of small unsecured loans and small vehicle loans, enables these service members to receive loans that they otherwise may not have been eligible for in the past due to having no current credit history. This loan product is meant to help service members avoid the high interest rates charged by other lenders due to their lack of credit history. Guardsmen and reservists on active duty are also eligible for the program. During the evaluation period, Broadway has originated one of these loans for \$11,213.

Broadway also makes loans to local municipalities and school districts which help these entities meet operating and capital expenditure needs and avoid the expense of bond issuances. Some of these loans also qualify as CD loans. During the evaluation period, Broadway funded 7 municipal loans that also qualify as CD loans in the bank's AAs totaling \$13.6 million. The bank also funded 20 municipal CD loans in other areas of Texas totaling \$5.5 million.

Also, during the evaluation period, Broadway funded a total of 184 loans totaling \$52.8 million in San Antonio area federally designated Opportunity Zones. The Tax Cuts and Jobs Act of 2017 created Opportunity Zones to encourage long-term investment and increase economic development in low-income or economically distressed communities.

Conclusions for Area Receiving a Limited-Scope Review

Based on a limited-scope review, the bank's performance under the Lending Test in the Non-MSA AA is consistent with the bank's overall performance under the Lending Test in the full-scope areas. Broadway originated three CD loans in the Non-MSA AA totaling \$13.0 million and representing 71 percent of allocated tier one capital.

Refer to Tables O through V in Appendix D for the facts and data that support these conclusions.

INVESTMENT TEST

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

Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, investment activities in the San Antonio AA are significant and reflect good responsiveness to AA needs. The bank's investment activities and responsiveness to Austin AA needs are excellent.

Overall, the bank has an excellent level of qualified CD investments and grants, occasionally in a leadership position, particularly those that are not routinely provided by private investors. The bank's investment activities and donations exhibit excellent responsiveness to AA needs. The institution occasionally uses innovative and/or complex investments to support CD initiatives.

The table below summarizes investment activity by AA as well as qualified statewide, regional, and nationwide investments outside of the bank's AAs. Donations, grants are included in the current period investment totals.

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$ (000's)	#	\$(000's)	#	% of Total #	\$ (000's)	% of Total \$	#	\$ (000's)
Full Scope										
San Antonio	19	19,388	209	990	228	66%	20,378	5%	0	0
Austin	6	36,583	25	21,014	31	9%	57,597	14%	0	0
Limited Scope										
Non-MSA	1	2,926	3	8	4	1%	2,934	1%	0	0
Statewide, Regional or Nationwide	78	316,328	2	16,000	80	23%	332,328	80%	0	0
Total	104	375,225	239	38,012	343	100%	413,237	100%	0	0

* Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.

** Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

Since the prior evaluation period, overall investment activity has declined; but this is due to the bank's increased focus on lending activities. During this evaluation period, the bank had fewer funds available for investing. The current evaluation period for investment activity is also about six months shorter than in the previous evaluation. Total CRA qualified bank investments still represent slightly over 100 percent of the bank's Tier 1 Capital.

The volume of investment activity outside of the bank's AAs remains excellent. The majority of these investments are prior period investments that continue to provide an ongoing benefit to consumers and small businesses. The bank also has a good number of current period statewide, regional and nationwide investments that positive influence the overall rating.

San Antonio AA

Performance in the San Antonio AA is good when considering the impact and responsiveness of investment activities. Current period investments consisted of 205 donations totaling \$974 thousand. The bank also has 19 prior period mortgage backed securities issued by the Government National Mortgage Association (GNMA) and Federal National Mortgage Association (FNMA) in this AA totaling \$19 million. These investments continue to have a positive impact supporting the AA's multi-family affordable housing needs. Total investments in the San Antonio AA represent approximately 6 percent of allocated capital.

The bank's donations and grants provided support to at least 108 organizations which focus on the needs of LMI individuals, including affordable housing, essential services, and economic development in the AA. Approximately \$824 thousand of the bank's donations supported community services such as local food banks, children's shelters, financial literacy programs, and organizations such as Meals on Wheels, and the Salvation Army. The bank donated at least \$83 thousand to organizations that support AA affordable housing needs, and \$83 thousand to organizations that support for small business and economic development in the AA. The following are examples of the notable donations during this evaluation period.

- Habitat for Humanity of San Antonio - Broadway donated \$50 thousand to help offset the serving fees for Habitat mortgage loans and to help fund construction of a new home. Habitat provides zero interest rates and low monthly payments on residential mortgage loans and homeownership counselling to low-income families seeking affordable housing.
- United Way of San Antonio - Broadway donated \$344 thousand to the United Way of San Antonio. This organization offers funding to various nonprofit organizations focused on assisting low- and moderate-income individuals and families. Collectively, the agencies United Way funds, serve 58 percent of clients that are below the area median family income.
- San Antonio Food Bank - Broadway donated \$125 thousand to help fund this agency that distributes food, produce and grocery products that feed LMI families and individuals. Broadway grants and donations also funded the organization's Rescue Food Truck Program, which allows the organization to re-distribute food to over 500 partner agencies and families in needs across 16 area counties served by the San Antonio Food Bank in southwest Texas.
- San Antonio Education Partnership – Broadway donated \$26,000 to this organization in support of scholarships in schools where 68 to 77 percent of the students are economically disadvantaged. The bank also supported this organization through service on the Board of Directors.
- Project Quest, Inc. – Broadway has supported this organization through leadership on the Board of Directors and \$11 thousand in donations. The organization focuses on emerging employer work force needs and they offer job training in three business sectors, including healthcare, information technology, manufacturing, installation, repair, maintenance.
- LiftFund – Broadway supported this organization with \$43 thousand in donations and CD loans during the evaluation period. This organization is a CDFI which provides credit, micro loans, and other services to small businesses and entrepreneurs who do not have access to traditional bank

lending sources. As of December 31, 2019, this organization had originated over \$324 million in loans of which \$66 million was in San Antonio.

Austin AA

Performance in the Austin AA is excellent, especially when considering the volume of bank deposits and market share in this AA, and the responsiveness of investments and donations. During this evaluation period, Broadway purchased two investments in the Austin AA totaling \$20.9 million, which consisted of FNMA Delegated Underwriting and Servicing (DUS) mortgage backed securities that support multi-family affordable housing projects in the Austin AA. The bank also made 23 donations or grants totaling \$93 thousand. Prior period investments in the Austin AA total \$36 million and continue to have a positive impact. Prior period investments consist of six FNMA DUS bonds totaling \$36.6 million. Broadway's total investments in this AA equal \$57.6 million, representing over 100 percent of allocated capital. The bank's donations and grants in this AA focused primarily on community services targeted to LMI individuals (\$63 thousand), economic development (\$19 thousand), and affordable housing (\$10 thousand). The bank's donations supported the local Central Texas Food Bank, United Way, and the Austin Habitat for Humanity. Some of the more noteworthy donations, grants are summarized below.

- People Fund - Broadway donated \$14 thousand in support of programs offered by this CDFI, which provides education, access to capital, and other resources for small businesses. The organization's objectives are to help create economic opportunities and financial stability for underserved people and small businesses.
- Austin Interfaith – Broadway contributed \$9 thousand in support of the organizations programs which focuses on the interests of LMI communities in the Austin area, including education and youth programs, wage increases, workforce development, community safety, healthcare, and affordable housing.

Broader Statewide or Regional Areas

During the evaluation period, Broadway purchased \$16 million in qualified SBIC Development Certificates. These investments benefit small businesses statewide and in a larger regional, or nationwide area that may also potentially benefit the bank's AAs.

In addition, Broadway had prior period investments totaling \$316 million which benefit small businesses in the state of Texas, as well as broader regional and nationwide areas. These investments continue to provide an ongoing benefit to small businesses. For example, during the evaluation period, the bank made additional capital calls totaling \$3.5 million on prior period commitments for 6 of the 9 SBIC venture capital funds. The bank's data also demonstrated job and revenue growth in most of the companies supported through these SBIC investments. Current and prior period statewide, regional, and nationwide qualified investments represent a very significant 81 percent of the bank's Tier 1 Capital and had a positive impact on the overall rating. These investments are summarized below:

- \$280 million in pools of SBA Development Certificates
- \$2.5 million FNMA pool
- \$7 million in pools of 20-25 year SBA secured loans;
- \$16 million in pools of 10 year SBIC Development Certificates
- \$10 million in nine SBIC Venture Capital Funds

Conclusions for Area Receiving Limited-Scope Reviews

Based on a limited-scope review, the bank's performance in the Non-MSA AA is consistent with the bank's overall performance under the Investment Test in the full-scope areas.

SERVICE TEST

The bank's performance under the Service Test in Texas is rated High Satisfactory.

Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, including data in the tables below and consideration of performance context, the bank's performance in the San Antonio AA is excellent and good in the Austin AA.

Retail Banking Services

Service delivery systems are reasonably accessible to geographies and individuals of different income levels in the institution's AAs. This assessment is based upon branch distributions as reflected in the table below, the location of branches near to low-and moderate-income geographies, the opening, closing of branches, and alternative delivery systems (ADS).

Distribution of Branch Delivery System											
Assessment Area	Deposits	Branches						Population			
	% of Rated Area Deposits in AA	# of Bank Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				% of Population within Each Geography			
				Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full Scope											
San Antonio	87.0	31	77.5	3.2	12.9	38.71	45.2	6.5	29.9	29.5	34.1
Austin	8.5	7	17.5	0.0	0.0	42.8	57.1	14.2	23.0	31.0	30.3
Limited Scope											
Non-MSA	4.5	2	5.0	0	50.0	0.0	50.0	0	23.2	33.2	43.6
Total	100.0	40	100.0	2.5	12.5	37.5	47.5	9.2	27.3	30.1	32.9

The opening and closing of branches in the bank's AAs during the evaluation period did not affect accessibility of banking services. As shown in the table below, the bank closed one branch in the Austin AA, which was in a middle-income CT.

Distribution of Branch Openings/Closings						
Assessment Area	Branch Openings/Closings					
	# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)			
			Low	Mod	Mid	Upp
San Antonio	0	0	0	0	0	0
Austin	0	1	0	0	-1	0
Non-MSA	0	0	0	0	0	0
Total	0	1	0	0	-1	0

Services, including where appropriate, business hours, are tailored to the convenience and needs of the AA, including low- and moderate-income geographies and/or individuals. Lobby hours in all locations are Monday – Friday from 9:00 AM – 4:00 PM, and Saturdays 9:00 AM – 12:00 PM, or 1:00 PM in some locations. The bank also offers expanded hours in drive-through facilities Monday – Friday from 8:00 AM– 6:00 PM and Saturdays from 9:00 AM – 1:00 PM. All of the offices are closed on Sunday. Drive-through services in branches located in LMI geographies are available 30 minutes earlier than in most other branch locations (7:30AM) and the closing time is the same at 6:00PM. Saturday hours are also available by appointment in most locations. All of the offices are closed on Sunday.

As noted above in the Description of Institution section of this PE, Broadway offers a wide variety of traditional loan and deposit products tailored to individual and business needs within its AAs. The bank provides commercial, consumer and mortgage related lending services at each branch with no geographic limitations for products and/or services. Broadway’s website provides information on the bank’s products, services, branch and ATM locations and access to online and mobile banking services.

Broadway offers a free checking account for consumers, along with special purpose deposit accounts such as the Stars and Stripes checking account for military service members, and the Morgan’s Checking Account, which benefits a local non-profit organization. The bank also offers deposit products tailored specifically for small businesses, including treasury management services such as wire transfers, remote deposit capture, positive pay, ACH processing, ACH debit blocking, sweep services, lockbox services, account reconciliation, business debit cards, and merchant services. Treasury management services also include receipt of invoice information with incoming ACH, online payroll, and advanced online banking for businesses (IBiz).

Broadway also provides banking services through a variety of ADS including ATMs, online deposit applications, online consumer, mortgage, and small business loan applications, telephone banking, as well as online and mobile banking services. The bank's ATMs and 24 hour telephone banking services are available in both English and Spanish. Broadway operates 60 automated teller machines (ATMs), of these, 57 or 95 percent are full-service (deposit taking and cash dispensing) ATMs. Broadway owned ATMs are free to bank customers and the bank waives fees on non-bank owned ATMs for customers with free checking accounts. Broadway offers debit cards for consumer and business customers, as well as direct deposit for payroll and social security checks. The bank also provides customers the ability to turn debit/ATM cards "off" if misplaced or stolen and customers can turn it back "on" when ready to use again. Alert features notify customers when payment cards are used, and customers can also set pending limits for certain merchant types.

Online and mobile banking services allow customers and small businesses to view deposit and loan balances and activity online. Customers can also make transfers to and from Broadway accounts as well as accounts at other financial institutions. In addition, customers can pay bills, send payments to other persons (P2P), make loan payments, draw on lines of credit, initiate stop payments, view and print canceled checks. Broadway customers can also enroll in electronic account statements with online access to statement history for up to 18 months. Broadway’s IBiz solution for commercial customers provides online access to most treasury management services and also supports custom reporting, multiple user entitlement options, and a variety of alert notifications

Broadway's mobile banking applications support iOS and Android devices. Mobile banking customers can remotely deposit checks through the mobile banking and create alerts within the online banking system or within the mobile application to track account balances and activity. Broadway also provides an online

personal financial management (PFM) tool, that allows customers to aggregate accounts at other financial institutions to provide a consolidated view online with Broadway accounts. The PFM allows customers to set up budgets, track spending, and view their credit score. The PFM supports downloads to Intuit's Quicken or QuickBooks software. Broadway's mobile banking application also allows customers to apply and pre-qualify for auto loans. Further Broadway customers can also use mobile devices to pay merchants online or the point of sale using Apple Pay, Google Pay, and Samsung pay. Broadway online and mobile customers can communicate with the bank through secure messaging and a toll-free technical support phone line Monday through Friday, 8:00 a.m. to 6:00 p.m. and Saturday 9:00 a.m. to 1:00 pm.

San Antonio AA

Broadway's service delivery systems are accessible to geographies and individuals of differing income levels within the San Antonio AA. The main office and 31 branches are located in the San Antonio AA, which represents 77.5 percent of the bank's branches. The majority of AA branches are located in Bexar County, in the city of San Antonio. The bank also has a branch in Helotes (also Bexar County) and four full service branches on the JBSA installations of Fort Sam Houston and Randolph AFB. Five of the branches in the city of San Antonio are limited purpose facilities which allow customers to make deposits, withdrawals, open or close accounts, and utilize wealth management services. The limited service branches are located at the U.S. Army Medical Center and School at Fort Sam Houston, the Brooke Army Medical Center at Ft. Sam Houston, two are located at Blue Skies retirement facilities, and one, Tesoro, is located adjacent to the bank's main office location. The bank has additional AA branches located in the cities of New Braunfels, Spring Branch (Comal County), Seguin, Schertz (Guadalupe County), Boerne (Kendall County), Hondo and Castroville (Medina County).

As noted above, most branch locations also have deposit-taking ATMs. Broadway has an additional 19 stand-alone ATM-only locations in the San Antonio AA, all but one of which is deposit taking and 89 percent (17) are located on military installations.

As reflected in the branch distribution table above, Broadway has one branch in a low-income geography (3.2 percent) and four in moderate-income geographies (12.9 percent). The percentage of bank branches in low-income geographies is below the percentage of AA population in these areas. The percentage of branch offices in moderate-income geographies is also below the percentage of the AA population within moderate-income geographies. However, four of the bank's branches in middle-income areas are near low and moderate-income geographies. Also, two or 11 percent of the bank's stand-alone ATMs are located in moderate-income areas on base at Lackland AFB, and in an Army retirement facility. The remaining deposit-taking ATMs are located in or near middle or upper-income areas of Randolph AFB, Lackland AFB, Ft. Sam Houston, and Camp Bullis.

When considering the close proximity of middle-income branches to LMI geographies and the location of the bank's stand-alone ATMs, the bank's branch distributions more closely align with AA population. The bank's excellent geographic distribution of mortgage loans and good geographic distribution of small business loans in the San Antonio AA demonstrate accessibility of banking services in the AA, including LMI geographies.

The bank's online, mobile ADS also potentially expand access to bank services in the San Antonio AA, although specific utilization of these services in LMI geographies or by LMI individuals was not readily available.

As shown in the table above, Broadway did not open or close any branches in the San Antonio AA during this evaluation period.

Service hours in the San Antonio AA are consistent with hours in other AAs and are tailored to the needs and convenience of the AA customers.

Austin AA

Broadway's service delivery systems are reasonably accessible to geographies and individuals of different income levels in the Austin AA. The bank has seven branches in the Austin AA which represents 17.5 percent of all branches. Branches in this AA are located in the cities of Austin, Bee Cave (Travis County), Buda, Dripping Springs, Kyle, and Wimberly (Hays County). The bank does not have any branches in low- or moderate-income areas of this AA, however, the bank's branches in this AA are centrally located in AA business districts. The urban branches in the city of Austin are reasonably accessible on public transportation routes. The upper-income, mid-town Austin branch office also borders a low-income and a moderate-income geography, both of which are less than a mile from the bank's office. Also, the bank's upper-income, down-town Austin branch borders three low-income and two moderate-income geographies. The middle-income branch in Kyle also borders a moderate-income geography.

The AA's large number of low-income (35) and moderate-income CTs (53), is challenging to serve with current number and distribution of bank branches and the bank's limited deposit market share in the Austin market, which was less than 1 percent according to the FDIC's June 30, 2019 report. The bank's geographic distribution of mortgage loans was poor, which is partially attributed to the bank's limited market presence, strong competition, and branch distributions. However, the distribution of small business loans by geography is good, which reflects reasonable accessibility of banking services to small business customers in all areas of this AA.

Similar to the San Antonio AA, online and mobile banking services, also potentially expand access to bank services in the Austin AA, but specific data regarding utilization was not readily available for consideration.

The bank's opening and closing of branches has not adversely affected the accessibility of its delivery systems in the Austin AA. As reflected above, since the last evaluation, the bank closed one branch office in a middle-income area of San Marcos (Hays County). The bank retained a deposit taking ATM at this location. Broadway has not opened any new branches in this AA since the previous evaluation, although Broadway did open a new deposit taking ATM in a moderate-income area of San Marcos.

Community Development Services

The bank is a leader in providing CD services.

Broadway provides an excellent level of CD services and is leader in service activity in the bank's largest San Antonio AA. The bank also provides a relatively high level of service activities in the Austin AA. CD services in both of the full scope AAs are responsive to AA needs, particularly needs for financial literacy and affordable housing. The bank's responsiveness is demonstrated by the number of employees actively involved, the number of hours served, as well as the number and diversity of organizations served. Over the 2.5 year evaluation period, the bank provided approximately 5,700 community service hours through

participation in numerous community service activities and through leadership on the boards and committees of various organizations.

San Antonio AA

During the evaluation period, employees within the San Antonio AA provided an excellent level of CD service. Bank employees provided about 4,900 service hours to over 129 different qualifying community service organizations. Broadway executives and officers have provided leadership and financial expertise on the boards or committees of at least 65 different organizations during the evaluation period. The majority of service activities have focused on organizations that provide community services to LMI individuals and families, and organizations that support affordable housing, small businesses and economic development in the AA. Employees within the San Antonio AA provided at least 291 hours of financial education to various community organizations and schools in support of financial literacy and education for small businesses. Examples of organizations served have included the local Salvation Army, American Red Cross, the Boys & Girls Club of San Antonio, the local food bank, and organizations which aid homeless adults and children. Other examples of notable CD Services have included but are not limited to the following:

- A Broadway VP and SBA loan specialist served on the advisory board of the UTSA Small Business Development Center in 2019. This organization focused on job creation, growing businesses and fostering economic development in the Texas-Mexico border area by offering no-cost, business counseling and workshops.
- A Broadway SVP served on the Board of a local non-profit organization which focuses on job-training and work force development in the bank's AA. The bank's officer provided leadership and financial expertise to this organization as a member of the executive committee during 2017-2018 and as a member of the fund-raising committee in 2019. The organization provides job training in three business sectors, healthcare, business systems/information technology, manufacturing, installation, repair and maintenance. Participants who entered the program during the 2017-2018 enrollment period made average wages of \$12.9 thousand and graduates of the end of year earned an average of \$42.6 thousand per year.
- An SVP of Broadway provided approximately 354 hours and financial expertise to a senior center through service on the Loan Committee, Fundraising Committee, Finance Committee, Marketing Committee, Thrift Store Committee, and the Board of Directors. Approximately 80 percent of the individuals served through this senior center have low- and moderate-incomes.
- An SVP of Broadway provided approximately 220 hours to Communities in Schools through various committee and Board involvement. This is an organization that offers guidance and academic support to low income students at 83 local campuses throughout San Antonio and Bexar County. Approximately 86 percent of students served are considered economically disadvantaged.
- At least seven officers and bank executives have donated over 420 hours by serving on the Board various committees of the United Way of San Antonio, Bexar and Comal County. Bank employees have served on the Finance Committee, Audit Committee, Executive Committee, Board of

Directors, and Board of Trustees. Numerous bank employees have also volunteered in many events and fundraisers in support of United Way charities.

- Broadway also aids borrowers in purchasing and improving homes through two grant programs offered through the Federal Home Loan Bank of Dallas (FHLB). One of these programs, Housing Assistance for Veterans (HAVEN) assists disabled veterans with home improvements or modifications. Grant recipients must have received a Purple Heart award and be qualified as a disabled by the Veteran's Administration. During the evaluation period, Broadway assisted one borrower in obtaining this grant and the bank contributed additional money which enabled the borrower to receive the full program benefit of \$7,850. Broadway has also worked with low-income, first-time home buyers borrowers to obtain grants and/or assistance for down payments and closing costs through the FHLB's *Home Equity Leverage Partnership (HELP)* program. Families or households eligible for this program must have an income level that is 80 percent or less of the area's median income. In addition, the homebuyer must complete a homebuyer counseling program. HELP funds may not exceed \$10,000 per homebuyer. Broadway has worked in coordination with a local non-profit home builder, and the local chapter of Habitat for Humanity to obtaining 45 HELP grants during the evaluation period totaling \$869 thousand.

Austin AA

During the evaluation period, employees within this AA have provided approximately 455 service hours to at least 10 different qualifying community service organizations. Broadway executives and officers have provided leadership and financial expertise on the boards or committees of these organizations. The majority of service activities have focused on organizations that provide community services to LMI individuals and families, and organizations that support small businesses and economic development in the AA. Examples of organizations served include local food banks, organizations that aid the homeless, and United Way organizations that focus on the needs of LMI individuals and families. Notable services during the evaluation period have included but are not limited to the following.

- A Broadway SVP has served for the past two years on the Board of Business & Community Lenders (BCL) of Texas, which is a Certified Development Corporation, serving the central Texas area. The non-profit organization supports small business lending.
- A bank financial center manager has served as the Treasurer on the Board of Directors for the Hays County Food Bank, which provides, food, groceries to LMI individuals and families in the greater Hays county area. This officer provided at least 50 hours of service as a member from 2017 – 2018.
- Two bank executives have served on the President's Council Committee for Dell Seton Medical Center at the University of Texas at Austin. The medical school's clinical practice offers programs and services, for low-income individuals and families, including mobile care for children and adults experiencing homelessness.

Conclusions for Area Receiving a Limited-Scope Review

Based on a limited-scope review, the bank's performance under the Service Test in the Non-MSA AA is consistent with the bank's overall performance under the Service Test in the full-scope areas.

Appendix A: Scope of Examination

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

Time Period Reviewed:	Lending Test - July 1, 2017 – December 31, 2019 Community Development (CD) Loans, Investments, Services – October 17, 2017 – December 31, 2019	
Bank Products Reviewed:	Home Mortgage, Small Business, CD Loans, Qualified Investments, CD Services	
Affiliate(s)	Affiliate Relationship	Products Reviewed
None	Not Applicable	Not Applicable
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
Texas		
San Antonio AA	Full Scope	Part of the San Antonio-New Braunfels MSA, including Bexar, Comal, Guadalupe, Kendall, and Medina Counties
Austin AA	Full Scope	Part of the Austin-Round Rock-Georgetown MSA, including Hays, Travis Counties
Non-MSA AA	Limited Scope	Kerr, Gillespie Counties

Appendix B: Summary of MMSA and State Ratings

Broadway National Bank				
Overall Bank:	Lending Test Rating*	Investment Test Rating	Service Test Rating	Overall Bank/State/Multistate Rating
Broadway National Bank	Outstanding	Outstanding	High Satisfactory	Outstanding
MMSA or State:				
Texas	Outstanding	Outstanding	High Satisfactory	Outstanding

(*) The Lending Test is weighted more heavily than the Investment and Service Tests in the overall rating.

Appendix C: Definitions and Common Abbreviations

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

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

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

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

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

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

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

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

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals

the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into ‘male householder’ (a family with a male householder and no wife present) or ‘female householder’ (a family with a female householder and no husband present).

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

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

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

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

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

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

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

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

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

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

Metropolitan Division: As defined by Office of Management and Budget, a county or group of counties within a Core Based Statistical Area that contains an urbanized population of at least 2.5 million. A

Metropolitan Division consists of one or more main/secondary counties that represent an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

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

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

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

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

MMSA (state): Any multistate metropolitan statistical area or multistate combined statistical area, as defined by the Office of Management and Budget.

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

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

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

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

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

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

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

Appendix D: Tables of Performance Data

Content of Standardized Tables

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

- Table O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents aggregate peer data for the years the data is available.
- Table P. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MMSA/assessment area. The table also presents aggregate peer data for the years the data is available.
- Table Q. Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses that were originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) in those geographies. Because aggregate small business data are not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank’s assessment area.
- Table R. Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenue** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to: 1) the percentage distribution of businesses with revenues of greater than \$1 million; and, 2) the percentage distribution of businesses for which revenues are not available. The table also presents aggregate peer small business data for the years the data is available.
- Table S. Assessment Area Distribution of Loans to Farms by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size)

throughout those geographies. Because aggregate small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.

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

Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
San Antonio	536	212,689	71.1	81,356	4.4	4.1	1.4	23.4	15.3	12.6	29.5	20.7	31.3	42.7	59.9	54.6	0.0	0.0	0.0
Austin	196	165,094	26.0	59,535	5.5	2.0	5.0	19.1	6.6	18.9	33.5	37.8	35.5	41.6	53.1	40.3	0.3	0.5	0.3
Non MSA	22	5,057	2.9	1,888	0.0	0.0	0.0	16.5	22.7	17.4	34.0	45.5	31.2	49.4	31.8	51.4	0.0	0.0	0.0
Total	754	382,839	100.0	142,779	4.7	3.4	2.9	21.7	13.3	15.3	31.0	25.9	33.1	42.5	57.3	48.6	0.1	0.1	0.1

*Source: 2015 ACS Census; 07/01/2017 - 12/31/2019 Bank Data, 2019 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%*

Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
San Antonio	536	212,689	71.1	81,356	22.6	3.4	3.3	17.3	11.9	13.1	19.1	14.7	21.3	41.0	65.5	39.1	0.0	4.5	23.1
Austin	196	165,094	26.0	59,535	24.5	3.6	4.2	16.3	9.7	16.1	18.5	10.2	20.5	40.8	72.4	46.1	0.0	4.1	13.1
Non MSA	22	5,057	4.8	1,888	18.6	9.1	1.5	15.5	13.6	8.8	17.2	9.1	18.0	48.7	68.2	59.3	0.0	0.0	12.4
Total	754	382,839	100.0	142,779	23.1	3.6	3.7	16.9	11.4	14.3	18.9	13.4	20.9	41.1	67.4	42.3	0.0	4.2	18.8

*Source: 2015 ACS Census; 07/01/2017 - 12/31/2019 Bank Data, 2019 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%*

Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
San Antonio	1,666	309,640	83.6	37,201	4.4	3.4	4.0	20.2	18.8	19.3	29.6	30.1	29.5	45.6	47.4	47.0	0.2	0.3	0.2
Austin	282	45,890	14.2	41,126	8.5	8.2	9.0	12.5	11.7	13.8	29.1	48.9	29.4	48.2	31.2	46.8	1.6	0.0	1.0
Non MSA	44	5,896	2.2	2,249	0.0	0.0	0.0	20.9	22.7	17.7	34.9	18.2	24.8	44.2	59.1	57.5	0.0	0.0	0.0
Total	1,992	361,426	100.0	80,576	6.2	4.0	6.4	16.6	17.9	16.4	29.5	32.5	29.3	46.8	45.4	47.2	0.9	0.3	0.6

*Source: 2019 D&B Data; 07/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%*

Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
San Antonio	1,666	309,640	83.6	37,201	86.3	35.5	42.7	4.2	57.8	9.5	6.7
Austin	282	45,890	14.2	41,126	87.7	41.8	42.6	4.0	52.1	8.3	6.0
Non MSA	44	5,896	2.2	2,249	88.1	34.1	51.8	3.9	54.5	8.0	11.4
Total	1,992	361,426	100.0	80,576	87.0	36.3	42.9	4.1	56.9	8.9	6.7

*Source: 2019 D&B Data; 07/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%*