



**PUBLIC DISCLOSURE**

September 8, 2020

**COMMUNITY REINVESTMENT ACT  
PERFORMANCE EVALUATION**

The First National Bank of East Texas  
Charter Number 5288

206 US Highway 271 North  
Gilmer, TX 75644

Office of the Comptroller of the Currency

1800 NW Loop 281 Suite 306  
Longview, TX 75604

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 Community Reinvestment Act (CRA) Rating

**Institution's CRA Rating:** This institution is rated **Satisfactory**

**The lending test is rated: Satisfactory**

**The community development test is rated: Satisfactory**

The major factors that support this rating include:

- The lending test rating is based on an excellent distribution of loans in low- and moderate-income (LMI) geographies, a reasonable distribution of lending to individuals of different incomes and businesses of different sizes, a majority of loans originated or purchased in the assessment areas (AAs), and a loan-to-deposit ratio that is reasonable.
- The community development test rating is based on adequate responsiveness to community development needs in the AAs through community development lending, qualified investments, and services in the AA.

### Loan-to-Deposit Ratio

Considering the institution's size, financial condition, and credit needs of the AA(s), the institution's loan-to-deposit (LTD) ratio is reasonable.

The LTD ratio is calculated on an institution-wide basis. The First National Bank of East Texas (FNB or institution) quarterly LTD ratio since the previous CRA performance evaluation averaged 73.6 percent. We compared the institution's LTD ratio to four similarly situated financial institutions within the institution's AA. The aggregate average LTD ratio for the similar financial institutions was 79.4 percent.

### Lending in Assessment Area

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

The institution originated and purchased 70.6 percent of its total loans inside its AAs during the evaluation period. This analysis is performed at the institution rather than the AA level. This percentage does not include extensions of credit by affiliates that may be considered under the other performance criteria.

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	262	71.8	103	28.2	365	32,429	63.4	18,702	36.6	51,131
Small Business	11	55.0	9	45.0	20	1,234	26.7	3,381	73.3	4,615
Consumer	13	65.0	7	35.0	20	142	63.7	81	36.3	223
<b>Total</b>	<b>286</b>	<b>70.6</b>	<b>119</b>	<b>29.4</b>	<b>405</b>	<b>33,805</b>	<b>60.4</b>	<b>22,164</b>	<b>39.6</b>	<b>55,969</b>

Home mortgage, small business, and consumer loans are the institution's primary products based on loan originations and purchases. They also have a greater direct impact and are more responsive to credit needs of all AAs, including LMI communities in the institution's AAs. Conclusions are factored into the overall analysis of the geographic distribution of lending by income level of geography.

## **Description of Institution**

FNB is a single-state financial institution headquartered in Gilmer, Texas, with total assets of \$469 million and tier 1 capital of \$42.5 million as of December 31, 2019. The institution is wholly owned by First Gilmer Bancshares, Incorporated, a one-bank holding company located in Gilmer, Texas. FNB is a full-service community financial institution providing financial products and services to consumers and businesses with the main office located at 206 U.S. Highway 271 North, Gilmer, Texas. In addition to the main office, the institution operates nine branches in nine cities throughout East Texas and maintains automatic teller machines (ATMs) at all locations.

FNB offers a wide array of loan and deposit services to its customers. Products and services offered include checking, savings, health savings, money market, NOW, and time accounts as well as auto, personal, business, mortgage, construction, and community organization loans. Additional services include wire transfers, telephone, internet, and mobile banking, remote deposit capture, and online bill pay.

As of December 31, 2019, FNB's loan portfolio totaled \$261 million, or 55.7 percent of total assets. The portfolio consists of approximately \$91 million (34.8 percent) in residential real estate loans, \$66 million (25.4 percent) in commercial real estate loans, \$47 million (17.8 percent) in commercial loans, \$34 million (13.0 percent) in agricultural loans, and 23 million (8.9 percent) in consumer loans.

FNB has two AAs within the state of Texas, and both are rating areas. The AAs include the Upshur County AA, which is part of the Longview metropolitan statistical area (MSA), and the non-MSA AA.

There are no legal, financial, or other factors impeding the institution's ability to help meet the credit needs in its AA. A CRA performance evaluation was last prepared as of August 2, 2017, and the institution received an overall rating of "Satisfactory" under the Intermediate Small Bank (ISB) examination procedures.

## **Scope of the Evaluation**

### **Evaluation Period/Products Evaluated**

The OCC evaluated FNB's CRA performance under the ISB CRA procedures, which include the lending and community development tests. The lending test evaluates the institution's record of meeting the credit needs of the institution's AAs through its lending activities. The community development test evaluates the institution's responsiveness to community development needs in its AAs through qualified community development lending, investments and donations, and services.

The OCC based its conclusions regarding the institution's lending performance on samples of small business and consumer loans, and residential mortgage loans subject to filing under the Home Mortgage Disclosure Act during the evaluation period of January 1, 2017, through December 31, 2019. Conclusions

regarding the community development test are based on the institution's community development activities from August 2, 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. Qualifying activities will be considered in the subsequent evaluation.

### **Selection of Areas for Full-Scope Review**

In each state where the institution has an office, one or more of the AAs within that state was selected for a full-scope review. For purposes of this evaluation, institution-delineated AAs located within the same MSA, multistate metropolitan statistical area (MMSA), or combined statistical area (CSA) are combined and evaluated as a single AA. Similarly, institution-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. Refer to the "Scope" section under each State Rating for details regarding how full-scope AAs were selected. Refer to Appendix A, Scope of Examination, for a list of full- and limited-scope AAs.

### **Ratings**

FNB's overall rating is a blend of the state ratings and, where applicable, multistate ratings.

FNB has only one rating area, which is the State of Texas. The institution's overall rating is based on full-scope reviews of both AAs within the state. The institution's strategy focuses on commercial lending. Therefore, performance in commercial lending is weighted more heavily in the lending test than performance in home mortgage and consumer loans.

The MMSA rating and state ratings are based on performance in all of the institution's AAs. Refer to the "Scope" section under each state and MMSA Rating section for details regarding how the areas were weighted in arriving at the respective ratings.

### **Discriminatory or Other Illegal Credit Practices Review**

Pursuant to 12 CFR 25.28(c) or 195.28(c), respectively, in determining a national bank's or federal savings association's (collectively, financial institution) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the financial institution, or in any AA by an affiliate whose loans have been considered as part of the financial institution'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 this institution engaged in discriminatory or other illegal credit practices that require consideration in this performance 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<sup>1</sup>:** Satisfactory

**The Lending Test is rated:** Satisfactory

**The Community Development Test is rated:** Satisfactory

The major factors that support this rating include:

- The geographic distribution of loans reflects excellent distribution throughout the AA.
- The distribution of loans to individuals of different incomes and businesses of different sizes reflects reasonable distribution.
- The LTD ratio is reasonable.
- A majority of loans were originated inside the institution's AA.
- Community development activities, including lending, investments and donations, and services reflect adequate responsiveness to the needs of the communities within the institution's AA.

### Description of Institution's Operations in Texas

The institution has two AAs and operates only in the State of Texas. The information provided in the "Description of the Institution" section of this performance evaluation describes the institution's operations in Texas. While FNB's primary focus overall is commercial lending, the institution offers a variety of loan and deposit products to meet the needs of the community.

Of the institution's two AAs, the non-MSA AA has 29.4 percent of the institution's deposits and the Upshur County MSA AA has 29.4 percent of the institution's deposits, compared to total institution deposits of \$356 million as of June 30, 2019. In the non-MSA AA, the institution accounts for 6.6 percent of the included counties' deposit market share, which is the second highest percentage of deposits out of 15 financial institutions. Meanwhile, in the Upshur County MSA AA, FNB has 47.4 percent of the included county's deposit market share, ranking first out of six financial institutions. The institution's competitors among both AAs include a combination of large community banks, regional, and state-chartered financial institutions, and several national banks within the Longview MSA AA.

We conducted a community contact in conjunction with this performance evaluation to gain an understanding of the general community needs. The contact expressed the need for economic development for job creation, with more opportunities to lend to new and small businesses during the COVID-19 hardships.

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<sup>1</sup> This rating reflects performance within the state. The statewide evaluations do not reflect performance in the parts of those states contained within the MMSA.

## Non-MSA AA

Table A – Demographic Information of the Assessment Area						
Assessment Area: Non-MSA AA 2019						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	18	0.0	11.1	77.8	11.1	0.0
Population by Geography	76,864	0.0	9.7	78.5	11.8	0.0
Housing Units by Geography	37,664	0.0	8.6	78.2	13.2	0.0
Owner-Occupied Units by Geography	22,362	0.0	7.0	79.3	13.6	0.0
Occupied Rental Units by Geography	6,593	0.0	15.9	75.3	8.8	0.0
Vacant Units by Geography	8,709	0.0	7.0	79.3	13.6	0.0
Businesses by Geography	4,961	0.0	9.7	80.3	9.9	0.0
Farms by Geography	304	0.0	7.2	72.7	20.1	0.0
Family Distribution by Income Level	20,801	20.2	18.2	20.4	41.2	0.0
Household Distribution by Income Level	28,955	22.2	16.5	17.5	43.8	0.0
Median Family Income Non-MSA - TX		\$52,198	Median Housing Value			\$103,284
			Median Gross Rent			\$709
			Families Below Poverty Level			10.7%
<p><i>Source: 2015 ACS Census and 2019 D&amp;B Data</i>  <i>Due to rounding, totals may not equal 100.0</i>  <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i></p>						



## Upshur County MSA AA

Table A – Demographic Information of the Assessment Area						
Assessment Area: Upshur County AA 2019						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	7	0.0	0.0	100.0	0.0	0.0
Population by Geography	40,096	0.0	0.0	100.0	0.0	0.0
Housing Units by Geography	16,709	0.0	0.0	100.0	0.0	0.0
Owner-Occupied Units by Geography	10,916	0.0	0.0	100.0	0.0	0.0
Occupied Rental Units by Geography	2,928	0.0	0.0	100.0	0.0	0.0
Vacant Units by Geography	2,865	0.0	0.0	100.0	0.0	0.0
Businesses by Geography	2,019	0.0	0.0	100.0	0.0	0.0
Farms by Geography	102	0.0	0.0	100.0	0.0	0.0
Family Distribution by Income Level	10,104	17.8	20.6	20.5	41.1	0.0
Household Distribution by Income Level	13,844	22.3	16.8	18.1	42.8	0.0
Median Family Income MSA - 30980 Longview, TX MSA		\$56,456	Median Housing Value			\$96,725
			Median Gross Rent			\$776
			Families Below Poverty Level			9.5%
<i>Source: 2015 ACS and 2019 D&amp;B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

## Scope of Evaluation in Texas

The performance evaluation period for our review of home mortgage, small business, and consumer loans is January 1, 2017, through December 31, 2019. The evaluation period for community development loans, investments and donations, and services is from August 2, 2017, through December 31, 2019.

The non-MSA AA and Upshur County MSA AA will receive full-scope reviews. Institution-delineated non-MSA AAs within the same state are combined, analyzed, and presented as one AA for purposes of this performance evaluation.

Both AAs were selected to receive a full-scope review based on FNB's locations, deposit market share, and lending activity in the AA. Refer to Appendix A for a list of all AAs under review.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN TEXAS

### LENDING TEST

The institution's performance under the lending test in Texas is rated Satisfactory.

#### Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, the institution's lending performance in the state of Texas is reasonable.

#### Distribution of Loans by Income Level of the Geography

The institution exhibits excellent geographic distribution of loans in the state.

##### *Home Mortgage Loans*

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

##### Non-MSA AA

The geographic distribution of home mortgage loans in the AA reflects reasonable distribution. The institution did not originate any loans in low-income census tracts; however, there are no low-income census tracts in the AA. The percentage of loans in moderate-income geographies exceeds the percentage of owner-occupied housing units and is near the aggregate lending in the AA.

##### Upshur County MSA AA

Upshur County consists only of middle- and upper-income census tracts; therefore, the geographic distribution analysis of the AA would not be meaningful.

##### *Small Loans to Businesses*

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

##### Non-MSA AA

The geographic distribution of small loans to businesses in the AA reflects excellent distribution. The institution did not originate any loans in low-income census tracts; however, there are no low-income census tracts in the AA. The percentage of small loans to businesses in moderate-income geographies exceeds the percentage of businesses in those geographies and the aggregate lending level in the AA.

##### Upshur County MSA AA

Upshur County consists only of middle- and upper-income census tracts; therefore, the geographic distribution analysis of the AA would not be meaningful.

***Consumer Loans***

Refer to Table U in the state of Texas section of Appendix D for the facts and data used to evaluate the geographic distribution of the institution's consumer loan originations and purchases.

***Non-MSA AA***

The geographic distribution of consumer loans in the AA reflects excellent distribution. The institution did not originate any loans in low-income census tracts; however, there are no low-income census tracts in the AA. The percentage of loans to consumers in moderate-income geographies exceeds the percentage of households in moderate-income geographies.

***Upshur County MSA AA***

Upshur County consists only of middle- and upper-income census tracts; therefore, the geographic distribution analysis of the AA would not be meaningful.

**Distribution of Loans by Income Level of the Borrower**

FNB exhibits a reasonable distribution of loans to individuals of different income levels and businesses and farms of different sizes, given the product lines offered by FNB.

***Home Mortgage Loans***

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

***Non-MSA AA***

The borrower distribution of home loans in the AA reflects reasonable distribution. The percentage of loans to low-income borrowers is significantly lower than the percentage of low-income families; however, the percentage of loans exceeds the aggregate percentage of lending in the AA. The percentage of loans to moderate-income borrowers is near the percentage of moderate-income families and exceeds the aggregate lending in the AA.

***Upshur County MSA AA***

The borrower distribution of home loans in the AA reflects reasonable distribution. The percentage of loans to low-income borrowers is significantly lower than the percentage of low-income families; however, the percentage of loans exceeds the aggregate percentage of lending in the AA. The percentage of loans to moderate-income borrowers is near the percentage of moderate-income families and exceeds the aggregate lending in the AA.

***Small Loans to Businesses***

Refer to Table R in the state of Texas section of Appendix D for the facts and data used to evaluate the borrower distribution of the institution's originations and purchases of small loans to businesses.

Non-MSA AA

The borrower distribution of loans to small businesses reflects reasonable distribution. FNB's loans to businesses with revenues less than or equal to \$1 million is near the percentage of businesses identified as having revenues less than or equal to \$1 million in the AA, and significantly exceeds the aggregate lending for these businesses.

Upshur County MSA AA

The borrower distribution of loans to small businesses reflects reasonable distribution. FNB's loans to businesses with revenues less than or equal to \$1 million is lower than the percentage of businesses identified as having revenues less than or equal to \$1 million in the AA and exceeds the aggregate lending for these businesses.

**Consumer Loans**

Refer to Table V in the state of Texas section of Appendix D for the facts and data used to evaluate the borrower distribution of the institution's consumer loan originations and purchases.

Non-MSA AA

The borrower distribution of consumer loans in the AA reflects excellent distribution. FNB's percentage of consumer loans to low-income borrowers meets the percentage of low-income households in the AA. FNB's percentage of consumer loans to moderate-income borrowers exceeds the percentage of moderate-income households in the AA.

Upshur County MSA AA

The borrower distribution of consumer loans in the AA reflects reasonable distribution. FNB's percentage of consumer loans to low-income borrowers is near the percentage of low-income households in the AA. FNB's percentage of consumer loans to moderate-income borrowers significantly exceeds the percentage of moderate-income households in the AA.

**Responses to Complaints**

FNB did not receive any CRA-related complaints during the performance evaluation period.

**COMMUNITY DEVELOPMENT TEST**

The institution's performance under the community development test in the state of Texas is rated Satisfactory.

**Conclusions for Areas Receiving Full-Scope Reviews**

Based on a full-scope review, FNB exhibits adequate responsiveness to community development needs in the state through community development loans, qualified investments, and community development

services, as appropriate, considering the institution's capacity and the need and availability of such opportunities for community development in the institution's AAs.

### Number and Amount of Community Development Loans

The community development loans table, shown below, sets forth the information and data used to evaluate the institution's level of community development lending. The table includes all community development loans, including multifamily loans that also qualify as community development loans.

<i>Community Development Loans</i>				
Assessment Area	Total			
	#	% of Total #	\$(000's)	% of Total \$
Non-MSA AA	1	20.0	1,453	58.1
Upshur County MSA AA	4	80.0	1,049	41.9

The level of qualified community development loans in the AA indicates adequate responsiveness to the needs of the community. FNB originated five loans totaling \$2.5 million, or 5.9 percent of tier 1 capital.

#### Non-MSA AA

FNB's community development lending in the non-MSA AA demonstrates adequate responsiveness to the needs of the community. During the performance evaluation period, FNB originated one community development loan totaling \$1.5 million, representing 3.4 percent of tier 1 capital. The loan helped with job creation and retention for LMI individuals.

#### Upshur County MSA AA

FNB originated four community development loans totaling \$1.0 million, or 2.5 percent of tier 1 capital in the Upshur County MSA AA, which reflects adequate responsiveness. The loans primarily supported job creation and retention. One loan helped with the construction of a childcare center in an area where the majority of students are economically disadvantaged, creating eight full-time jobs for LMI individuals.

## Number and Amount of Qualified Investments

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Non-MSA AA	0	0	32	554	32	46.4	554	13.9	0	0
Upshur County MSA AA	0	0	33	2,429	33	47.8	2,429	61.1	0	0
Broader Statewide & Regional	0	0	4	996	4	5.8	996	25.0	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.

The level of qualified investments and donations in the AA demonstrates adequate responsiveness to the needs of the community. Community development investments totaled \$4 million and include 55 donations totaling \$34,626, and 14 investments totaling \$3.9 million.

### Non-MSA AA

FNB's performance in the non-MSA AA is adequate. During the performance evaluation period, qualified investments totaled \$554,000, and included two current period investments. Both investments were school bonds to fund the construction of schools providing service to economically disadvantaged students. In addition, FNB made 30 donations to local organizations providing services to LMI individuals. Donations were used to assist with medical needs, fund literacy initiatives, and provide meal assistance to LMI individuals and economically disadvantaged students. Total investments and donations represent 1.3 percent of tier 1 capital.

### Upshur County MSA AA

FNB's performance in the MSA AA is excellent. During the performance evaluation period, qualified investments totaled \$2.4 million, and included eight current period investments. All investments were school bonds to fund the construction of schools providing service to economically disadvantaged students. In addition, FNB made 25 donations to local organizations providing services to LMI individuals. Donations were used to facilitate medical services to LMI individuals, assist economically disadvantaged students, and promote financial literacy. Total investments and donations represent 5.7 percent of tier 1 capital.

### Broader Statewide and Regional

During the evaluation period, FNB made four current period community development investments in four different minority-owned financial institutions. The investments totaled \$996,000 and represent 2.3 percent of tier 1 capital.

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

## **Extent to Which the Bank Provides Community Development Services**

The level of qualified community development services in the AA indicates excellent responsiveness to the needs of the community. Twenty-eight officers and employees of FNB provided 2,330 service hours during the performance evaluation period. Thirteen bank officers and employees served in leadership positions in local qualifying organizations which provide community services to LMI individuals and families within the AA. In these positions, bank officers and employees provide financial and technical expertise to these organizations. Fifteen other bank officers and employees hosted financial literacy programs in local schools. Employees also assisted in fundraising events for local qualifying organizations.

### *Non-MSA AA*

Community development services which benefited the non-MSA AA include FNB employees from various lines of business that provided technical assistance or financial expertise to 10 different community development organizations totaling 289 hours during the performance evaluation period. FNB staff taught financial literacy courses and served on boards and committees for organizations that promote community services targeted to LMI individual and families. For example, an employee served on the board of an organization that assists LMI individuals obtain affordable housing.

### *Upshur County MSA AA*

Community development services which benefited the Upshur County MSA AA include employees providing technical assistance and financial expertise to 17 different community development organizations totaling 1,993 hours during the performance evaluation period. Services provided include promoting financial literacy at schools where more than 50 percent of the students are economically disadvantaged and providing banking expertise to community organizations.

### *Broader Statewide and Regional*

Community development services also included two organizations which benefited East Texas totaling 48 hours. Services provided include assistance to improve rural communities and financial expertise to at-risk LMI youth.

## Appendix A: Scope of Examination

The following table identifies the time period covered in this performance 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”.

<b>Time Period Reviewed:</b>	01/01/2017 to 12/31/2019	
<b>Bank Products Reviewed:</b>	Home mortgage, small business, and consumer loans Community development loans, qualified investments, and community development services	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
None		
<b>List of Assessment Areas and Type of Examination</b>		
<b>Rating and Assessment Areas</b>	<b>Type of Exam</b>	<b>Other Information</b>
<b>Texas</b>		
Non-MSA AA	Full-scope	Woods, Rains, Franklin, and Camp Counties
Upshur County MSA AA	Full-scope	Upshur County



## Appendix B: Summary of MMSA and State Ratings

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RATINGS		THE FIRST NATIONAL BANK OF EAST TEXAS		
Overall Bank:	Lending Test Rating*	Community Development Test Rating	Overall Bank/State/Multistate Rating	
THE FIRST NATIONAL BANK OF EAST TEXAS	Satisfactory	Satisfactory	Satisfactory	
MMSA or State:				
TEXAS	Satisfactory	Satisfactory	Satisfactory	

(\*) The lending test and community development test carry equal weight in the overall rating.

## Appendix C: Definitions and Common Abbreviations

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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 financial institution subsidiary is controlled by the financial institution and is, therefore, an affiliate.

**Aggregate Lending:** The number of loans originated and purchased by all reporting lenders (Home Mortgage Disclosure Act 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/AA.

**Census Tract:** 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:** 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:** Affordable housing (including multifamily rental housing) for LMI individuals; community services targeted to LMI 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 LMI geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas.

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

**Consumer Loan:** A loan 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 U. S. Bureau of the Census in the most recent decennial census.

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

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

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

**Limited-Scope Review:** Performance under the lending, investment, and service tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

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

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

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

**Median Family Income:** The median income determined by the U.S. Bureau of the Census 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 MSA comprises the central county or counties containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

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

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

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

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

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

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

**Small Loan to Business:** 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 to Farm:** A loan included in 'loans to small farms' as defined in the instructions for preparation of the 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

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### Content of Standardized Tables

A separate set of tables is provided for each state. All MMSAs, if applicable, are presented in one set of tables. References to the “institution” include activities of any affiliates that the institution provided for consideration (refer to Appendix A: Scope of the Examination). For purposes of reviewing the lending test tables, the following are applicable: (1) purchased are treated as originations; and (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all Home Mortgage Disclosure Act or CRA-reporting lenders in the MMSA/AA. Deposit data are compiled by the Federal Deposit Insurance Corporation and are available as of June 30<sup>th</sup> of each year. Tables without data are not included in this performance evaluation.

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 institution 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 institution to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MMSA/AA. 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 institution 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 institution loan data to aggregate data from geographic areas larger than the institution’s AA.

**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 institution to businesses with revenues of \$1 million or less to: 1) the percentage distribution of businesses with revenues of greater than \$1 million; and, 2) the percentage distribution of businesses for which revenues are not available. The table also presents aggregate peer small business data for the years the data is available.

**Table S. Assessment Area Distribution of Loans to Farms by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income

geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents aggregate peer data for the years the data is available. Because aggregate small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the institution's AA.

- 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 \$500,000) originated and purchased by the institution 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 institution 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 institution to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of households by income level in each MMSA/AA.

<b>Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography</b>																				<b>2017-19</b>	
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		
Non-MSA AA	166	20,296	63.4	2,126	0.0	0.0	0.0	7.0	10.2	11.0	79.3	66.9	77.3	13.6	22.9	11.7	0.0	0.0	0.0		
Upshur County AA	96	12,133	36.6	1,000	0.0	0.0	0.0	0.0	0.0	0.0	100.0	100.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0		
<b>Total</b>	<b>262</b>	<b>32,429</b>	<b>100.0</b>	<b>3,126</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>4.7</b>	<b>6.5</b>	<b>7.5</b>	<b>86.1</b>	<b>79.0</b>	<b>84.6</b>	<b>9.2</b>	<b>14.5</b>	<b>8.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>		

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

<b>Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower</b>																				<b>2017-19</b>	
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		
Non-MSA AA	166	20,296	63.4	2,126	20.2	8.4	3.5	18.2	12.7	10.8	20.4	19.3	18.6	41.2	52.4	52.4	0.0	7.2	14.7		
Upshur County AA	96	12,133	36.6	1,000	17.8	6.3	3.4	20.6	17.7	13.3	20.5	17.7	23.0	41.1	40.6	45.5	0.0	17.7	14.8		
<b>Total</b>	<b>262</b>	<b>32,429</b>	<b>100.0</b>	<b>3,126</b>	<b>19.4</b>	<b>7.6</b>	<b>3.5</b>	<b>19.0</b>	<b>14.5</b>	<b>11.6</b>	<b>20.5</b>	<b>18.7</b>	<b>20.0</b>	<b>41.2</b>	<b>48.1</b>	<b>50.2</b>	<b>0.0</b>	<b>11.1</b>	<b>14.7</b>		

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

<b>Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography</b>																			<b>2017-19</b>	
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	
Non-MSA AA	20	1,756	50.0	1,038	0.0	0.0	0.0	9.7	15.0	9.8	80.3	60.0	80.1	9.9	25.0	10.1	0.0	0.0	0.0	
Upshur County AA	20	3,453	50.0	539	0.0	0.0	0.0	0.0	0.0	0.0	100.0	100.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0	
<b>Total</b>	<b>40</b>	<b>5,209</b>	<b>100.0</b>	<b>1,577</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>6.9</b>	<b>10.0</b>	<b>6.5</b>	<b>86.0</b>	<b>80.0</b>	<b>86.9</b>	<b>7.1</b>	<b>16.7</b>	<b>6.7</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	

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

<b>Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues</b>												<b>2017-19</b>	
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		
Non-MSA AA	20	1,756	50.0	1,038	86.8	80.0	42.4	3.7	10.0	9.5	10.0		
Upshur County AA	20	3,453	50.0	539	88.4	65.0	52.1	3.0	25.0	8.6	10.0		
<b>Total</b>	<b>40</b>	<b>5,209</b>	<b>100.0</b>	<b>1,577</b>	<b>87.3</b>	<b>72.5</b>	<b>45.7</b>	<b>3.5</b>	<b>17.5</b>	<b>9.2</b>	<b>10.0</b>		

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



<b>Table U: Assessment Area Distribution of Consumer Loans by Income Category of the Geography</b>														<b>2017-19</b>	
Assessment Area:	Total Consumer Loans			Low-Income Tracts		Moderate-Income Tracts		Middle-Income Tracts		Upper-Income Tracts		Not Available-Income Tracts			
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans		
Non-MSA AA	20	233	50.0	0.0	0.0	9.1	15.0	78.4	80.0	12.5	5.0	0.0	0.0		
Upshur County AA	20	281	50.0	0.0	0.0	0.0	0.0	100.0	100.0	0.0	0.0	0.0	0.0		
<b>Total</b>	<b>40</b>	<b>514</b>	<b>100.0</b>	<b>0.0</b>	<b>0.0</b>	<b>6.1</b>	<b>10.0</b>	<b>85.4</b>	<b>90.0</b>	<b>8.5</b>	<b>3.3</b>	<b>0.0</b>	<b>0.0</b>		

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

<b>Table V - Assessment Area Distribution of Consumer Loans by Income Category of the Borrower</b>														<b>2017-19</b>	
Assessment Area:	Total Consumer Loans			Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Not Available-Income Borrowers			
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans		
Non-MSA AA	20	233	50.0	22.2	20.0	16.5	30.0	17.5	5.0	43.8	35.0	0.0	10.0		
Upshur County AA	20	281	50.0	22.3	15.0	16.8	40.0	18.1	20.0	42.8	25.0	0.0	0.0		
<b>Total</b>	<b>40</b>	<b>514</b>	<b>100.0</b>	<b>22.2</b>	<b>17.5</b>	<b>16.6</b>	<b>35.0</b>	<b>17.7</b>	<b>12.5</b>	<b>43.5</b>	<b>30.0</b>	<b>0.0</b>	<b>6.7</b>		

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