



PUBLIC DISCLOSURE

April 4, 2024

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Citizens National Bank of Texas
Charter Number: 13516

200 N. Elm St
Waxahachie, TX 75165

Office of the Comptroller of the Currency

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

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

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Overall CRA Rating

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

The following table indicates the performance level of Citizens National Bank of Texas (CNB or bank) with respect to the Lending, Investment, and Service Tests:

Performance Levels	Citizens National Bank of Texas Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			X
High Satisfactory	X		
Low Satisfactory		X	
Needs to Improve			
Substantial Noncompliance			

* The Lending Test is weighted more heavily than the Investment and Service Tests when arriving at an overall rating.

The major factors that support this rating include:

- The Lending Test rating is based on good responsiveness to assessment area (AA) credit needs and excellent distribution of loans to low- and moderate-income (LMI) geographies. The bank is a leader in making community development (CD) loans, which had a positive effect on the Lending Test rating. The bank originated a high percentage of its loans inside its AAs. Performance within the Dallas metropolitan statistical area (MSA) AA was given more weight in the overall rating due to the high percentage of deposits, loans, and allocated capital within that AA.
- The Investment Test rating is based primarily on the adequate performance in the Dallas and Erath AAs with a good level of qualified CD investments at the statewide level. These statewide investments benefit small businesses inside the bank’s AAs.
- The Service Test rating is based on service delivery systems that are readily accessible to geographies and individuals of different income levels and banking services that are available through alternative delivery systems (ADS), such as online banking, mobile banking, and automated teller machines (ATMs). Branch hours are tailored to the needs and convenience of the AAs. The bank provided an excellent level of CD services in the Texas AAs.

Product Innovation and Flexibility

The institution makes limited use of innovative and/or flexible lending practices in order to serve AA credit needs. CNB offers a variety of flexible mortgage products with varying terms to meet consumer needs. These mortgage loan products include construction, bridge, land purchase, and home equity. As mortgage rates increased and secondary market investors pulled back, CNB began

offering flexible products to replace those previously purchased by investors. These mortgage loan types include cash outs, vacation homes, and investment properties. CNB also participates in the Freddie Mac Home Possible program, which offers a lower down payment and provides flexible terms to low-income borrowers and first-time home buyers.

Lending in AA

A high percentage of the bank's loans are in its AAs.

The bank originated and purchased 70.7 percent of its total loans inside its AAs during the evaluation period. This analysis is performed at the bank, rather than the AA, level. This percentage does not include extensions of credit by affiliates that may be considered under the other performance criteria.

Table D - Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans				Total \$
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2021	172	67.7	82	32.3	254	45,815	57.9	33,299	42.1	79,114
2022	126	70.4	53	29.6	179	55,358	48.8	58,108	51.2	113,466
2023	67	64.4	37	35.6	104	20,328	49.2	20,988	50.8	41,315
Subtotal	365	68	172	32	537	121,501	51.9	112,394	48.1	233,895
Small Business										
2021	749	72.5	284	27.5	1,033	79,823	62.1	48,695	37.9	128,518
2022	180	69.0	81	31.0	261	28,793	51.7	26,922	48.3	55,715
2023	145	73.2	53	26.8	198	27,749	67.9	13,123	32.1	40,872
Subtotal	1,074	72	418	28	1,492	136,365	60.6	88,740	39.4	225,105
Small Farm										
2021	5	41.7	7	58.3	12	2,086	40.6	3,047	59.4	5,133
2022	3	50.0	3	50.0	6	1,029	53.6	890	46.4	1,919
2023	2	66.7	1	33.3	3	378	65.6	198	34.4	576
Subtotal	10	47.6	11	52.4	21	3,493	45.8	4,135	54.2	7,628
Total	1,449	70.7	601	29.3	2,050	261,359	56	205,269	44	466,628
<i>Source: Bank Data</i> <i>Due to rounding, totals may not equal 100.0%</i>										

The findings from this analysis factored into the overall analysis of the geographic distribution of lending by income level of geography. The loans inside the bank's AAs were included in the analysis of geographic distribution.

Description of Institution

CNB is a multistate, full-service community bank headquartered in Waxahachie, Texas, which is approximately 30 miles south of Dallas, Texas. CNB was established in 1868 and received a national bank charter in 1884. The bank is wholly owned by First Citizens Bancshares, Inc., (FCBI) which is a single bank holding company. FCBI had total assets of \$221.3 million as of December 31, 2023, and is also headquartered in Waxahachie, Texas.

As of December 31, 2023, CNB had total assets of \$1.68 billion, total deposits of \$1.46 billion, and tier 1 capital of \$206 million. Total loans were \$1.42 billion, which represents 84.5 percent of total assets. The loan portfolio consisted of commercial real estate loans totaling \$900 million or 63.3 percent of total loans, residential real estate loans totaling \$292 million or 20.5 percent of total loans, and commercial and industrial loans totaling \$141 million or 9.9 percent of total loans. The remaining 6.3 percent of loans is comprised of agricultural, consumer, and other loan types.

CNB operates in semi-rural communities south of the Dallas Fort Worth area and in Placer County, California and provides financial products to both consumers and businesses with a wide range of deposit and loan products available. The bank's business strategy emphasizes originating commercial, industrial, professional, and small business loans. Additionally, the bank originates a significant number of single-family mortgage loans, with some sold to secondary market investors.

The bank operates 11 full-service offices and one limited-service office across three AAs in the states of Texas and California, with each office having an onsite ATM. In addition, the bank has five free standing ATMs in Texas, with two in Waxahachie, one in Italy, one in Stephenville, and one in Cleburne. In January 2022, CNB opened a full-service branch and deposit taking ATM in Tahoe City, California.

CNB was particularly responsive to community credit needs during the coronavirus disease (COVID-19) pandemic through 90-day loan payment deferrals and participation in the Small Business Administration's (SBAs) Payroll Protection Program (PPP). In 2021, the bank funded 781 PPP loans, approximately \$66 million. This includes 538 loans in the Dallas MSA AA totaling \$37 million, 47 loans in the Erath non-MSA AA totaling \$1.8 million, and 196 loans outside bank AAs totaling \$27 million.

CNB received a Satisfactory rating in the last CRA Public Evaluation (PE) dated March 17, 2021. There are no legal or financial factors impeding the bank's ability to help meet the credit needs of its AAs during the evaluation period.

Scope of the Evaluation

Evaluation Period/Products Evaluated

This PE assesses the bank's CRA performance under the large retail bank Lending, Investment, and Service tests. The evaluation period is January 1, 2021, to December 31, 2023. In evaluating the lending performance, we reviewed home mortgage loans reported under the Home Mortgage Disclosure Act (HMDA), small loans to businesses reported under the CRA, and CD loans. We also evaluated retail

services, qualified investments, and CD services from January 1, 2021, through December 31, 2023. Qualifying activities performed in response to the significant impact of the COVID-19 across the United States will be considered in this evaluation. Activities that were originated or engaged in between January 1, 2021 and December 31, 2021, will be evaluated per the June 2020 CRA Rule. Activities engaged in outside of that period will be evaluated per the 1995 CRA Rule.

The volume of reported farm loans is too small to provide a meaningful analysis; however, we did include these loans in our analysis of lending activity within the bank's AA, which is detailed later in this PE.

In March 2020, the U.S. began to face a pandemic from the COVID-19 that resulted in economic uncertainties, including business shutdowns and increased unemployment. The federal government instituted several programs and initiatives to assist businesses and individuals, including the PPP, mortgage foreclosure and eviction protection programs, and extended unemployment benefits. We considered the bank's participation in addressing community and customer needs during the COVID-19 pandemic for all AAs in the Lending, Investment, and Service Tests of this evaluation. We considered loans made by the bank under the SBA's PPP as either small loans to businesses under the borrower and geographic distribution of lending analysis or as CD loans, depending on loan size and entity type.

Due to the change in census data from 2015 to 2020, we split analysis of data into two periods – 2021, which is based on 2015 American Community Survey (ACS) census data, and 2022/2023 which is based on 2020 census data.

Selection of Areas for Full-Scope Review

In each state where the bank has an office, one or more AA(s) within that state was selected for a full-scope review. For purposes of this evaluation, bank 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, 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. Refer to the "Scope" section under each State Rating section 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

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

When evaluating the bank's performance under the Lending Test, we placed greater weight on the bank's distribution of small business loans than the distribution of home mortgage loans. For most rating areas, small business loans represent the bank's primary loan product and business focus. Generally, equal emphasis is given to the geographic distribution of loans and lending by borrower income level. The state of Texas was more heavily weighted when arriving at overall conclusions, as Texas holds more than 90 percent of the bank's deposits, loans, and branches.

The MMSA and state ratings are based on performance in all bank 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 C.F.R. §25.28(c), 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 Consumer Financial Protection Bureau, 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 PE 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 ¹: Satisfactory

The Lending Test is rated: High Satisfactory

The Investment Test is rated: Low Satisfactory

The Service Test is rated: Outstanding

The major factors that support this rating include:

- CNB's lending levels reflect good responsiveness to AA credit needs.
- Based on the data in the tables and the performance context information discussed throughout this report, the overall geographic distribution of lending was excellent, and the overall borrower distribution of lending was poor.
- CNB was a leader in community development lending, which had a positive effect on the lending test rating.
- The bank made an adequate level of CD investments and grants, although rarely in a leadership position, particularly those that are not routinely provided by private investors. The bank exhibited adequate responsiveness to the credit and community economic development needs.

¹ This rating reflects performance within the multistate metropolitan statistical area. The statewide evaluations do not reflect performance in the parts of those states contained within the multistate metropolitan statistical area.

- The Service Test rating is based on service delivery systems that are readily accessible to, geographies and individuals of different income levels and banking services that are available through alternative delivery systems, such as online banking, mobile banking, and ATMs. Branch hours are tailored to the needs and convenience of the assessment areas. The bank provided an excellent level of CD services in the Texas AAs.

Description of Institution's Operations in Texas

CNB delineated two AAs within Texas. The largest AA consists of a portion of the Dallas-Fort-Worth CSA and includes the whole counties of Ellis, Parker, and Johnson, and partial counties of Dallas and Tarrant. The bank's main office is located in Ellis County. The portion of Dallas County included in the AA includes a branch located in Cedar Hill, Texas, in a moderate-income census tract. The AA extends into Dallas County to Interstate 20, which is several miles north of that branch location. There is one branch location in Burleson, Texas, which is in Johnson County and just south of the Tarrant County line. There are no branch locations in Tarrant County. The second AA located in Texas includes all of Erath County, which is a non-MSA. There is one branch located in Erath County.

Competition

Texas was CNB's largest rating area based on deposits by a significant margin. Refer to appendix A for the list of counties reviewed. Commercial and small business loans represent the bank's primary loan product and business focus. CNB also offers one- to four-family mortgage loans in this state. Due to the bank's footprint in a major metropolitan area in Texas, competitors include the largest U.S banks such as Bank of America, National Association (NA), and JPMorgan Chase, NA, along with regional banks, and small community banks.

CNB had \$1.6 billion in deposits in Texas representing 98.8 percent of the bank's total deposits as of June 30, 2023. As of December 31, 2023, the bank operated 11 branches and 16 ATMs, of which 14 were deposit-taking, within the rating area, representing 91.7 percent of total bank branches and 94.1 percent of total ATMs. The bank originated and purchased approximately \$207 million in home mortgage and small business loans within Texas representing 19.6 percent of total bank loan originations and purchases by dollar and 55.5 percent by count.

Dallas MSA AA

CNB had \$1.5 billion in deposits in the Dallas MSA AA, representing 95.5 percent of the bank's total deposits as of June 30, 2023. As of December 31, 2023, the bank operated 10 branches and 14 ATMs, of which 12 were deposit taking, representing 83.3 percent of total branches and 82.4 percent of total ATMs. The bank originated and purchased approximately 1,276 mortgage and small business loans totaling \$189 million within the Dallas MSA AA, representing 17.9 percent of total bank loan originations and purchases by dollar and 50.4 percent by count. According to FDIC deposit-market share data, as of June 30, 2023, there were 62 FDIC-insured institutions operating 167 branches in the AA. CNB ranked 4th in deposit share, with 8.7 percent. The top three banks by deposit market share were Texas Exchange Bank with 12.5 percent, JPMorgan Chase Bank, NA. with 10.1 percent, and Wells Fargo Bank, NA. with 9.6 percent. In addition to FDIC-insured institutions, this area is served by numerous credit unions, mortgage lenders and brokers, and money service businesses.

Demographics

The following tables provide a summary of the demographics, including housing, business, and economic information for the Dallas MSA AA.

Table A – Demographic Information of the Assessment Area						
Assessment Area: CNB of Texas Dallas 2021						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	127	5.5	18.9	51.2	24.4	0.0
Population by Geography	743,187	5.5	16.6	51.9	26.0	0.0
Housing Units by Geography	271,755	5.2	16.5	52.5	25.8	0.0
Owner-Occupied Units by Geography	182,071	3.1	14.0	51.4	31.5	0.0
Occupied Rental Units by Geography	69,507	10.5	22.0	55.0	12.5	0.0
Vacant Units by Geography	20,177	6.3	19.3	53.9	20.6	0.0
Businesses by Geography	66,548	5.2	12.5	50.3	32.0	0.0
Farms by Geography	2,127	2.6	9.4	52.1	35.9	0.0
Family Distribution by Income Level	191,429	21.6	18.0	20.8	39.6	0.0
Household Distribution by Income Level	251,578	22.3	17.0	18.9	41.8	0.0
Median Family Income MSA - 19124 Dallas-Plano-Irving, TX		\$71,149	Median Housing Value			\$134,902
Median Family Income MSA - 23104 Fort Worth-Arlington-Grapevine, TX		\$69,339	Median Gross Rent			\$980
			Families Below Poverty Level			10.0%
<i>Source: 2015 ACS and 2021 D&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>						

Table A – Demographic Information of the Assessment Area						
Assessment Area: CNB of Texas Dallas 2023						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	194	5.2	23.2	48.5	23.2	0.0
Population by Geography	963,000	5.3	21.6	48.3	24.9	0.0
Housing Units by Geography	321,697	4.7	23.1	48.1	24.2	0.0
Owner-Occupied Units by Geography	220,665	3.1	19.3	48.8	28.9	0.0
Occupied Rental Units by Geography	79,087	9.1	32.9	45.7	12.3	0.0
Vacant Units by Geography	21,945	4.9	25.7	49.4	20.0	0.0
Businesses by Geography	126,262	3.8	19.1	46.2	30.9	0.0
Farms by Geography	3,391	2.0	17.3	49.5	31.3	0.0
Family Distribution by Income Level	230,453	20.5	18.4	21.9	39.2	0.0
Household Distribution by Income Level	299,752	21.0	16.6	19.5	42.8	0.0
Median Family Income MSA - 19124 Dallas-Plano-Irving, TX		\$88,315	Median Housing Value			\$197,620
Median Family Income MSA - 23104 Fort Worth-Arlington-Grapevine, TX		\$82,649	Median Gross Rent			\$1,189
			Families Below Poverty Level			7.4%
<i>Source: 2020 U.S. Census and 2023 D&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>						

The OCC evaluated the disparity between the median incomes of families within the AA and the cost of housing. Based on the 2015 ACS data, the weighted average median family income for the Dallas AA in 2021 was \$69,339. Therefore, low-income families earned less than \$34,670 and moderate-income families earned less than \$55,471. The median housing value in the AA is \$134,902. One method to determine housing affordability assumes a maximum affordable monthly principal and interest payment of no more than 30 percent of the applicant's income. The calculated maximum affordable monthly mortgage payment was \$867 for a low-income borrower and \$1,387 for a moderate-income borrower. Assuming a 30-year mortgage with a 5 percent interest rate, and not considering any down payment, homeowner's insurance, real estate taxes or additional monthly expenses, the monthly mortgage payment for a home at the AA median housing value would be \$724. LMI borrowers may not have been challenged to afford a mortgage loan in this AA.

Based on the 2020 US Census data, the weighted average median family income for the Dallas AA in 2022 and 2023 combined was \$82,649. Based on this information, low-income families earned less than \$41,325 and moderate-income families earned less than \$66,119. The median housing value in the AA is \$197,620. One method to determine housing affordability assumes a maximum affordable monthly principal and interest payment of no more than 30 percent of the applicant's income. The calculated maximum affordable monthly mortgage payment was \$1,033 for a low-income borrower and \$1,652 for a moderate-income borrower. Assuming a 30-year mortgage with a 5 percent interest rate, and not considering any down payment, homeowner's insurance, real estate taxes or additional monthly expenses, the monthly mortgage payment for a home at the AA median housing value would be \$1,061. Low-income borrowers would be challenged to afford a mortgage loan in this AA.

The poverty level across the AA was considered in the evaluation of lending performance. Families living below the stated poverty rate are identified as having difficulty meeting basic financial needs and as such are less likely to have the financial resources to qualify for a home loan than those with income above poverty. In the Dallas MSA AA, the overall household poverty level was 7.4 percent as of the 2020 census data, which declined from 10 percent as of the 2015 data.

Economic Data

According to Moody's Analytics as of November 2023, the Dallas-Plano-Irving metro division (MD) has slowed in recent months, with job growth falling below the national pace. Payrolls increased slightly faster than the national average year-over-year. Private sectors have been the source of slowing, while financial, construction, and manufacturing have been robust. House prices have risen throughout the year, however new permits for single family homes have leveled off.

Banking and financial services are expected to be a source of growth over the coming year. Over the years, this MD has grown into a major financial hub, with large institutions continuing to invest locally. Residential construction is expected to fall back to pre-pandemic pace. Commercial office vacancy rates continue to be well above the long-term average, given remote work. Long-term performance in the MD is expected to be above average due to the concentration of corporate headquarters, technology businesses, financial services, and above average population growth.

According to Moody's Analytics as of November 2023, the Fort Worth-Arlington MD economy has slowed in all industries, with job growth falling below the national average in the last few months. House prices rose modestly in 2023. Military aircraft production at Lockheed will support the overall economy in 2024 and the coming years with approximately 2,000 planes to be delivered. Financial services will also be strong in the coming years, as Fort Worth has benefitted from above-average overall growth, which has driven mortgage and small business borrowing. Several community banks headquartered in other states have set up regional operations in Fort Worth.

Permits for single family homes increased steadily in 2023, and residential construction is expected to increase in 2024. Fort Worth-Arlington will advance faster than national averages in 2024, led by manufacturing and financial services. Above average population growth, a diversified manufacturing base, and lower business and living costs relative to Dallas will support above average gains.

According to the Bureau of Labor Statistics (BLS), unemployment in the Dallas MD was 6.2 percent as of January 2021 and declined to 3.3 percent as of December 2023. Pandemic related unemployment peaked at 12 percent as of April 2020. Likewise, unemployment in the Fort Worth MD was 6.4 percent as of January 2021 and declined to 3.2 percent as of December 2023. Pandemic related unemployment peaked at 12.3 percent as of April 2020.

Community Contacts

To help identify needs and opportunities in the AA, the OCC reviewed three recent regulatory agency contacts with organizations that focus on economic development, community service, and housing programs in the AA. The contacts stated the economy continues to grow, and the primary need in the AA is affordable housing. There is also a need for single family mortgages, consumer loans, and small business loans. Local banks are active in the communities and offer various special purpose programs.

Scope of Evaluation in Texas

The evaluation period for the Lending Test, Investment Test, and Service Test is January 1, 2021, through December 31, 2023.

We conducted a full scope analysis of the Dallas MSA AA and a limited scope review of the Erath non-MSA AA. The Dallas MSA AA was selected for a full scope review because it represents the market where the bank had the highest deposit and branch concentrations at 95.5 percent of bank deposits and 83.3 percent of branch locations. The Erath non-MSA AA represents 3.3 percent of deposits and 8.3 percent of branch locations. Generally, equal emphasis is given to the geographic distribution of loans and lending by borrower income level.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN TEXAS

LENDING TEST

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

Conclusions for Area Receiving a Full-Scope Review

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

Lending Activity

Lending levels reflect good responsiveness to AA credit needs.

Number of Loans*							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	% State Loans	% State Deposits
Dallas AA	309	967	7	54	1,337	91.01	96.67
Erath AA	48	79	3	2	132	8.99	3.33
Total	357	1,046	10	56	1,469	100	100

*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

Dollar Volume of Loans* (000's)							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	% State*	% State Deposits
Dallas AA	66,858	122,149	2,526	162,742	354,275	94.07	96.67
Erath AA	10,325	7,786	967	3,240	22,318	5.93	3.33
Total	77,183	129,935	3,493	165,982	376,593	100	100

*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

Dallas MSA AA

Lending levels reflected good responsiveness to AA credit needs. According to the FDIC deposit data as of June 30, 2023, the bank had a deposit market share of 8.67 percent. The bank ranked 4th among 62 depository financial institutions placing it in the top six percent of banks.

According to peer mortgage data for 2022, the bank had a market share of 0.26 percent based on the number of home mortgage loans originated or purchased. The bank ranked 81st among 780 home mortgages lenders in the AA, which placed it among the top 11 percent of banks. The top three lenders with a combined market share of 12.2 percent were 21st Mortgage (5.3 percent), Rocket Mortgage (3.8 percent), and Lakeview Loan Servicing, LLC (3.1 percent).

As of the date of this examination, peer loan data was available through 2022. CNB was not a CRA small business reporter until 2023. Therefore, we were not able to conduct a market share analysis on the bank's small business or small farm loans.

Distribution of Loans by Income Level of the Geography

The bank exhibits an excellent geographic distribution of loans in its AAs.

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.

Based on the data in the tables and considering the performance context factors discussed above, the overall geographic distribution of home mortgage loans is excellent.

2021

The bank's percentage of home mortgage loans in low-income geographies exceeded the percentage of owner-occupied homes in those geographies and exceeded the aggregate distribution of loans. The percentage of home mortgage loans in moderate-income geographies exceeded the percentage of owner-occupied homes and exceeded the aggregate distribution of loans.

2022-2023

The bank's percentage of home mortgage loans in low-income geographies exceeded the percentage of owner-occupied homes in those geographies and exceeded the aggregate distribution of loans. The percentage of home mortgage loans in moderate-income geographies was near to the percentage of owner-occupied homes and exceeded the aggregate distribution of loans.

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 bank's originations and purchases of small loans to businesses.

Based on the data in the tables and considering the performance context factors discussed above, the overall geographic distribution of small loans to businesses is excellent.

2021

The bank's percentage of small loans to businesses in low-income geographies exceeded the percentage of businesses in those geographies and exceeded the aggregate distribution of loans. The percentage of small loans to businesses in moderate-income geographies was near to the percentage of businesses in those geographies and exceeded the aggregate distribution of loans.

2022-2023

The bank's percentage of small loans to businesses in low-income geographies exceeded the percentage of businesses in those geographies and exceeded the aggregate distribution of loans. The percentage of small loans to businesses in moderate-income geographies exceeded the percentage of businesses in those geographies and exceeded the aggregate distribution of loans.

Lending Gap Analysis

The OCC analyzed geographic lending patterns of home mortgage loans and small loans to businesses by reviewing maps of loan originations and purchases throughout the AA. We did not identify any unexplained, conspicuous gaps.

Distribution of Loans by Income Level of the Borrower

The bank exhibits a poor distribution of loans among individuals of different income levels and business and farms of different sizes, given the product lines offered by the institution.

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 bank's home mortgage loan originations and purchases.

Based on the data in the tables and considering the performance context factors discussed above, the overall borrower distribution of home mortgage loans is adequate, given distribution of loans to low-income borrowers when compared to aggregate lending and considering affordability detailed above.

2021

The bank's percentage of home mortgage loans to low-income borrowers was significantly below the percentage of low-income families and approximated the aggregate distribution of loans. The bank's percentage of home mortgage loans to moderate-income borrowers was significantly below the percentage of moderate-income families and was significantly below the aggregate distribution of loans.

2022-2023

The bank's percentage of home mortgage loans to low-income borrowers was well below the percentage of low-income families and exceeded the aggregate distribution of loans. The bank's percentage of home mortgage loans to moderate-income borrowers was significantly below the percentage of moderate-income families and was well below the aggregate distribution of loans.

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 bank's origination and purchase of small loans to businesses.

Based on the data in the tables and considering the performance context factors discussed above, the overall borrower distribution of small loans to businesses is poor.

2021

The bank's percentage of loans to small businesses was significantly below the percentage of small businesses in the AA and well below the aggregate percentage of all reporting lenders. However, it is noteworthy to mention that CNB was a PPP participating lender during this period, and these loans did not require the collection of gross annual revenue data. Consequently, 73.3 percent of the bank's loans to small businesses in this AA did not report annual revenue for comparison purposes.

We reviewed the distribution of PPP loans reported by the bank, using loan size as a proxy for revenue of the borrower. Of those loans, the majority (82.9 percent) were made for amounts less than \$100,000, and 47.2 percent were for amounts \$25,000 or less, which more likely benefits small businesses.

2022-2023

The bank's percentage of loans to small businesses was well below the percentage of small businesses in the AA and well below the aggregate percentage of all reporting lenders.

Community Development Lending

The institution is a leader in making CD loans. CD lending had a positive effect on the Lending Test conclusion.

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 that also qualify as CD loans.

CNB had an excellent level of CD lending in the AA. The bank made 54 CD loans totaling \$162.7 million, which represented 82.8 percent of the allocated tier 1 capital. CD loans primarily supported economic development and community services. By dollar volume, 54 percent funded economic development, 27.5 percent funded revitalization and stabilization efforts, 12.0 percent community services targeted to LMI individuals, and 6.5 percent of these loans funded affordable housing,

Examples of CD loans include:

- The bank originated a \$4.3 million loan to support the construction of affordable housing where all units are affordable.
- The bank originated a \$9.1 million loan to support a health clinic providing services to LMI individuals.
- The bank originated a \$7 million loan to revitalize and stabilize an area in Ellis County.

Conclusions for Area Receiving a Limited-Scope Review

Based on a limited-scope review, the bank's performance under the Lending Test in the Erath non-MSA AA is consistent with the bank's overall performance under the Lending Test in the full-scope area.

Refer to Tables O in the state of Texas section of 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 Low Satisfactory.

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank's performance in the Dallas MSA AA is adequate.

The institution has an adequate level of qualified CD investments and grants, although rarely in a leadership position, particularly those that are not routinely provided by private investors.

The institution exhibits adequate responsiveness to credit and community economic development needs. The institution rarely uses innovative and/or complex investments to support CD initiatives.

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Dallas AA	0	0.0	157	854.3	157	86.3	854.3	10.2	0	0.0
Erath AA	0	0.0	20	55.8	20	11.0	55.8	0.7	0	0.0
Statewide with P/M/F to serve AA	0	0.0	5	7,487.5	5	2.7	7,487.5	89.2	5	3,512.5

* 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.

CNBs performance in the Dallas MSA AA is adequate. During the evaluation period, qualified investments totaled \$854,300. CNB made 157 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 youth.

Broader Statewide Area

In addition to the qualified donations that benefit the bank's AAs, CNB invested \$11 million in five qualified Small Business Investment Company (SBIC) funds in the broader statewide or regional area that have a purpose, mandate, or function to serve the AAs. These investments are intended to create or retain permanent jobs for lower wage workers and economic development in the community.

Conclusions for Area Receiving a Limited-Scope Review

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

SERVICE TEST

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

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank's performance in the Dallas MSA AA is excellent.

Retail Banking Services

Service delivery systems are readily accessible to geographies and individuals of different income levels in the institution's AAs.

2021 Distribution of Branch Delivery System											
Assessment Area	Deposits % of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Branches				Population			
				Location of Branches by Income of Geographies (%)				% of Population within Each Geography			
				Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Dallas AA	100.0	10	100.0	10.0	20.0	50.0	20.0	5.5	18.9	51.2	24.4
Erath AA	100.0	2	100.0	0.0	0.0	100.0	0.0	0.0	0.0	75.0	25.5

2022 - 2023 Distribution of Branch Delivery System											
Assessment Area	Deposits % of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Branches				Population			
				Location of Branches by Income of Geographies (%)				% of Population within Each Geography			
				Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Dallas AA	100.0	10	100.0	10.0	40.0	40.0	10.0	5.2	23.2	48.5	23.2
Erath AA	100.0	2	100.0	0	0	100.0	0	0.0	0.0	50.0	50.0

As of the 2020 U.S. Census data, the bank operates 12 branches, including the main office, with one branch in a low-income geography and four in moderate-income geographies. The percentage of CNB branches in low- and moderate-income geographies exceeds the demographics of the AA and represents excellent responsiveness to the needs of the AA.

CNB had several alternate delivery systems including ATMs, online banking (OLB), and mobile banking. These systems provided additional delivery availability and access to banking services to both retail and business customers.

2021-2023 Distribution of Branch Openings/Closings						
Assessment Area	# of Branch Openings	# of Branch Closings	Branch Openings/Closings			
			Net change in Location of Branches (+ or -)			
			Low	Mod	Mid	Upp
Dallas AA	0	0	0	0	0	0
Erath AA	0	0	0	0	0	0

The bank did not open or close any branches during the evaluation period.

Services, including where appropriate, business hours, are tailored to the convenience and needs of its AA, particularly low- and moderate-income geographies or individuals. The Ovilla Road branch location with a full-service ATM in Waxahachie is open by appointment only due to limited staffing and limited customer demand. This branch was impacted by road construction and high traffic levels, making it difficult to access. The bank regularly reevaluates the need for regular service hours at this location. All other branch locations are open from 8 a.m. to 5 p.m. Monday through Thursday, and 8 a.m. to 6 p.m. on Friday. Branches are not open on Saturday.

The main office and the branches have employees who speak Spanish or can readily access employees at the bank's call center, which is open seven days a week. Call center hours are Monday through Friday 7 a.m. to 10:30 p.m., Saturday 9 a.m. to 9 p.m., and Sunday 1 p.m. to 5 p.m. Telephone banking and ATM services are available in English and Spanish.

Community Development Services

The institution provides a relatively high number of CD services. CNB employees provided 1,634 qualified hours over 38 service activities to approximately 18 organizations within the AA during the evaluation period. The bank's assistance is adequately responsive to identified needs in the AA. Identified needs include home buying programs, affordable housing, and small business lending. Services provided to the AA were limited to financial expertise to non-profit organizations serving LMI individuals and geographies.

Service activity examples during the evaluation period include:

- City of Waxahachie Planning & Zoning Committee – One employee served as Vice-Chairman for the City of Waxahachie Planning & Zoning Committee. This individual was a part of the decision-making process for the City Zoning, which included developing the City's East side projects which are primarily low-income housing/residents.
- Mentors Care is a 503(c)(3) nonprofit organization creating self-sustaining pathways out of poverty for young people and families in Ellis County Texas through education, training, and job placement. Approximately 60% are economically disadvantaged.

- Waxahachie Independent School District: Bank volunteers invested time in tutorial services (math, financial literacy, word problems, reading, etc.) for elementary schools primarily serving children from LMI families. A majority of students at these schools qualify for free- or reduced-lunch programs.

Conclusions for Area Receiving a Limited-Scope Review

Based on a limited-scope review, the bank's performance under the Service Test in the Erath non-MSA AA is weaker than the bank's overall performance under the Service Test in the full-scope area. This is due to adequate branch distribution, standard hours, and accessible retail services. This had a neutral impact on the Service Test rating.

State Rating

State of California

CRA rating for the State of California ²: Needs to Improve

The Lending Test is rated: Needs to Improve

The Investment Test is rated: Needs to Improve

The Service Test is rated: Low Satisfactory

The major factors that support this rating include:

- The Lending Test rating is based on poor geographic and borrower distribution of loans.
- The bank did not originate a sufficient volume of loans to conduct a meaningful analysis.
- CNB was a leader in community development lending, which had a positive impact on the lending test rating.
- The Investment Test rating is based on a poor level of qualified investments and grants, not in a leadership position. The bank demonstrated poor responsiveness to the credit and community economic development needs.
- The Service Test rating is based on service delivery systems that are reasonably accessible to geographies and individuals of different income levels and banking services that are available through alternative delivery systems, such as online banking, mobile banking, and automated teller machines. Branch hours are tailored to the needs and convenience of the assessment area. The bank provided a very poor level of CD services in the AA.

Description of Institution's Operations in California

CNB delineated one AA within California. This AA includes a portion of the Sacramento-Roseville-Folsom MSA and is comprised solely of Placer County. The bank entered this rating area and AA in January 2022 with one branch and one ATM.

² This rating reflects performance within the multistate metropolitan statistical area. The statewide evaluations do not reflect performance in the parts of those states contained within the multistate metropolitan statistical area.

California was CNB's smallest rating area based on deposits, by a significant margin. Refer to appendix A for the list of counties reviewed. Small business and commercial loans represent the bank's primary loan product and business focus. CNB also offers one- to four-family mortgage loans in this state.

CNB had \$18.7 million in deposits in California representing 1.2 percent of the bank's total deposits as of June 30, 2023. As of December 31, 2023, the bank operated one branch and one ATM, which was deposit-taking, within the rating area, representing 8.3 percent of total bank branches and 5.9 percent of total ATMs. The bank originated and purchased approximately \$30.4 million in home mortgage and small business loans within California representing 2.9 percent of total bank loan originations and purchases by dollar and 1.4 percent by count.

Placer AA

CNB had \$18.7 million in deposits in the Placer AA, representing 1.2 percent of the bank's total deposits as of June 30, 2023. As of December 31, 2023, the bank operated one branch and one ATM, of which one was deposit taking, representing 8.3 percent of total branches and 5.9 percent of total ATMs. The bank originated and purchased approximately 36 home mortgage and small business loans totaling \$30.4 million within the Placer AA, representing 2.9 percent of total bank loan originations and purchases by dollar and 1.4 percent by count. According to FDIC deposit-market share data, as of June 30, 2023, there were 26 FDIC-insured institutions operating 70 branches in the AA. CNB ranked 24th in deposit share, with 0.14 percent. The top three banks by deposit market share were Wells Fargo Bank, NA with 23.8 percent, Bank of America, NA with 17.7 percent, and JPMorgan Chase Bank, NA with 13.1 percent. In addition to FDIC-insured institutions, this area is served by credit unions and mortgage lenders and brokers.

The following tables provide a summary of the demographics, including housing, business, and economic information for the Placer AA.

Table A – Demographic Information of the Assessment Area						
Assessment Area: CNB of Texas Placer 2021						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	85	0.0	9.4	37.6	51.8	1.2
Population by Geography	366,280	0.0	9.4	32.9	57.7	0.0
Housing Units by Geography	156,401	0.0	9.0	37.9	53.0	0.0
Owner-Occupied Units by Geography	94,966	0.0	6.3	33.7	60.0	0.0
Occupied Rental Units by Geography	40,490	0.0	16.2	47.1	36.6	0.0
Vacant Units by Geography	20,945	0.0	7.4	39.2	53.4	0.0
Businesses by Geography	39,243	0.0	10.1	33.2	56.7	0.0
Farms by Geography	1,031	0.0	8.3	30.0	61.7	0.0
Family Distribution by Income Level	94,904	16.1	13.5	18.2	52.2	0.0
Household Distribution by Income Level	135,456	19.3	13.1	16.3	51.3	0.0
Median Family Income MSA - 40900 Sacramento-Roseville-Folsom, CA MSA		\$71,829	Median Housing Value			\$380,228
			Median Gross Rent			\$1,302
			Families Below Poverty Level			6.3%
<i>Source: 2015 ACS and 2021 D&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>						

Table A – Demographic Information of the Assessment Area						
Assessment Area: CNB of Texas Placer 2023						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	92	1.1	8.7	39.1	50.0	1.1
Population by Geography	404,739	0.8	7.4	35.3	56.5	0.0
Housing Units by Geography	166,083	1.1	7.7	39.2	52.0	0.0
Owner-Occupied Units by Geography	106,894	0.6	5.4	37.2	56.8	0.0
Occupied Rental Units by Geography	38,820	1.2	16.2	42.9	39.6	0.0
Vacant Units by Geography	20,369	3.4	3.6	42.7	50.3	0.0
Businesses by Geography	48,401	0.3	8.7	31.7	59.3	0.0
Farms by Geography	1,326	0.7	5.2	36.7	57.5	0.0
Family Distribution by Income Level	102,730	14.9	13.1	19.3	52.8	0.0
Household Distribution by Income Level	145,714	19.6	12.4	16.3	51.7	0.0
Median Family Income MSA - 40900 Sacramento-Roseville-Folsom, CA MSA		\$90,500	Median Housing Value			\$530,671
			Median Gross Rent			\$1,583
			Families Below Poverty Level			5.0%
<i>Source: 2020 U.S. Census and 2023 D&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>						

The OCC evaluated the disparity between the median incomes of families within the AA and the cost of housing. Based on 2015 ACS data, the weighted average median family income for the Placer AA was \$71,829. Therefore, low-income families earned less than \$35,914, and moderate-income families earned less than \$57,463. The median housing value in the AA was \$380,228. One method to determine housing affordability assumes a maximum affordable monthly principal and interest payment of no more than 30 percent of the applicant's income. The calculated maximum affordable monthly mortgage payment was \$897 for a low-income borrower and \$1,436 for a moderate-income borrower. Assuming a 30-year mortgage with a 5 percent interest rate, and not considering any down payment, homeowner's insurance, real estate taxes or additional monthly expenses, the monthly mortgage payment for a home at the AA median housing value would be \$2,041. LMI borrowers would be challenged to afford a mortgage loan in this AA.

The 2020 US Census data shows the weighted average median family income for the Placer AA was \$90,500. Based on this information, low-income families earned less than \$45,250 and moderate-income families earned less than \$72,400. The median housing value in the AA is \$530,671. One method to determine housing affordability assumes a maximum affordable monthly principal and interest payment of no more than 30 percent of the applicant's income. The calculated maximum affordable monthly mortgage payment was \$1,131 for a low-income borrower and \$1,810 for a moderate-income borrower. Assuming a 30-year mortgage with a 5 percent interest rate, and not considering any down payment, homeowner's insurance, real estate taxes or additional monthly expenses, the monthly mortgage

payment for a home at the AA median housing value would be \$2,849. LMI borrowers would be challenged to afford a mortgage loan in this AA.

The poverty level across the AA was considered in the evaluation of lending performance. Families living below the stated poverty rate are identified as having difficulty meeting basic financial needs and as such are less likely to have the financial resources to qualify for a home loan than those with income above poverty. In the Placer AA, the overall household poverty level was 5.0 percent as of the 2020 census data, which had declined from 6.3 percent as of the 2015 data.

Economic Data

Placer County is included in the greater Sacramento metropolitan area. According to Moody's Analytics as of November 2023, Sacramento has had job growth and labor force gains outpacing the state and national average. Job growth has primarily been driven by the healthcare sector, while leisure and hospitality have also strengthened. The labor force is moderating after more than two years of growth. House prices are growing in step with the state average, and housing starts remaining high.

State government payrolls will stagnate in the near term due to budget constraints. State government employment in this area is three times the national average due to being the state capitol and presence of two public universities. Healthcare employment will continue to grow but at a more modest pace. The area has four major health systems, including the state's only level 1 trauma center north of the Bay Area. This helps attract medical students, healthcare workers, and patients from neighboring rural areas.

The area benefits from the presence of two public universities, lower living, and business costs, and being a healthcare hub for surrounding rural areas. Weaknesses include per capita income below the state average and heavy reliance on state government jobs.

According to the BLS, unemployment in Sacramento was 7.9 percent as of January 2021 and declined to 4.7 percent as of December 2023. Pandemic related unemployment peaked at 14.6 percent as of April 2020.

Community Contacts

To help identify needs and opportunities in the AA, the OCC reviewed a recent regulatory agency contact with an organization that focuses on community affairs and economic development in the AA. The contact stated the biggest need is for small business loans to support the numerous small businesses in the area. Local banks are active in the area with bankers serving on different boards in the area.

Scope of Evaluation in California

The evaluation period for the Lending Test, Investment Test, and Service Test is January 1, 2022, through December 31, 2023.

We conducted a full scope analysis of the Placer AA. This AA was selected for a full scope review, because it is located in a different rating area – the state of California. CNB's deposits in this AA represent 1.2 percent of total bank deposits. There is one branch in Placer County, which represents 8.3 percent of total branch locations.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN CALIFORNIA

LENDING TEST

The bank's performance under the Lending Test in California is rated Needs to Improve.

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank's performance in the Placer AA is poor.

Lending Activity

Lending levels reflect poor responsiveness to AA credit needs.

Number of Loans*							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	%State Loans	%State Deposits
Placer AA	8	28	0	1	37	100	100
Total	8	28	0	1	37	100	100

*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

Dollar Volume of Loans*							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	%State* Loans	%State Deposits
Placer AA	23,991	6,430	0	10,000	40,421	100	100
Total	23,991	6,430	0	10,000	40,421	100	100

*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

Placer AA

Lending levels reflected poor responsiveness to AA credit needs, given the bank's minimal home mortgage lending and small loans to businesses. According to the FDIC deposit data as of June 30, 2023, the bank had a deposit market share of 0.14 percent. The bank ranked 24th among 62 depository financial institutions placing it in the top 67 percent of banks.

According to peer mortgage data for 2022, the bank had a market share of 0.03 percent based on the number of home mortgage loans originated or purchased. The bank ranked 226 among 540 home mortgage lenders in the AA, which placed it among the top 42 percent of banks. The top three lenders with a combined market share of 16 percent were United Wholesale Mortgage (7.8 percent), Rocket Mortgage (4.6 percent), and US Bank, NA (3.6 percent).

As of the date of this examination, peer loan data was available through 2022. CNB was not a CRA small business reporter until 2023. Therefore, we were not able to conduct a market share analysis on the bank's small business or small farm loans.

Distribution of Loans by Income Level of the Geography

The bank exhibits a poor geographic distribution of loans in its AA.

Home Mortgage Loans

Refer to Table O in the state of California 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.

2022-2023

The bank did not originate a sufficient volume of loans to conduct a meaningful analysis.

Small Loans to Businesses

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

2022-2023

The bank did not originate a sufficient volume of loans to conduct a meaningful analysis.

Lending Gap Analysis

The OCC analyzed geographic lending patterns of home mortgage loans and small loans to businesses by reviewing maps of loan originations and purchases throughout the AA. No unexplained, conspicuous gaps were identified.

Distribution of Loans by Income Level of the Borrower

The bank exhibits a poor distribution of loans among individuals of different income levels and business and farms of different sizes, given the product lines offered by the institution.

Home Mortgage Loans

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

2022-2023

The bank did not originate a sufficient volume of loans to conduct a meaningful analysis.

Small Loans to Businesses

Refer to Table R in the state of California section of 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.

2022-2023

The bank did not originate a sufficient volume of loans to conduct a meaningful analysis.

Community Development Lending

The institution is a leader in making CD loans.

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 that also qualify as CD loans.

In September 2022, CNB provided a \$10 million loan for the purpose of constructing affordable, local workforce housing in Truckee, CA. The Truckee/Tahoe area is a very exclusive high-end part of California, with a median home price of \$1,250,000. Specifically, the financing helped construct 40 residential units (20 half-plexes) that would be made available to the local workforce. The land was gifted to the organization to provide a solution for the lack of affordable housing for area workers in the Tahoe-Truckee workforce. The sales price of these units was capped at an affordable amount, which was less than half of the median home sales price. Buyers had to meet strict qualifications to ensure that the units were sold to local workforce employees.

INVESTMENT TEST

The bank’s performance under the Investment Test in California is rated Needs to Improve.

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank’s performance in the Placer AA is poor.

The institution has a poor level of qualified CD investments and grants, but not in a leadership position, particularly those that are not routinely provided by private investors.

The institution exhibits poor responsiveness to credit and community economic development needs. The institution does not use innovative and/or complex investments to support CD initiatives.

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000’s)	#	\$(000’s)	#	% of Total #	\$(000’s)	% of Total \$	#	\$(000’s)
Placer AA	0	0	2	10.0	2	100.0	10.0	100.0	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.

During the evaluation period, the bank made two qualified donations totaling \$10,000. These donations helped with affordable housing and community development services.

SERVICE TEST

The bank's performance under the Service Test in California is rated Low Satisfactory.

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank's performance in the Placer AA is adequate.

Retail Banking Services

Service delivery systems are reasonably accessible to geographies and individuals of different income levels in the institution's AA, as this new branch is near the AAs only low-income census tract.

2022 - 2023 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
Placer AA	100.0	1	100.0	0	0	100.0	0	1.1	8.7	39.1	50.0

CNB had several alternate delivery systems including ATMs, OLB, and mobile banking. These systems provided additional delivery availability and access to banking services to both retail and business customers.

2023 Distribution of Branch Openings/Closings						
Assessment Area	# of Branch Openings	# of Branch Closings	Branch Openings/Closings			
			Net change in Location of Branches (+ or -)			
			Low	Mod	Mid	Upp
Placer AA	1	0	0	0	1	0

During the evaluation period, CNB opened one branch, which is located in a middle-income geography and is near the AA's only low-income census tract. The bank did not close any branches during the evaluation period.

Services, including where appropriate, business hours, do not vary in a way that inconveniences its AA, particularly low- and moderate-income geographies and/or individuals. Lobby hours are Monday through Friday, 10 a.m. to 2 p.m. The branch has a full-service deposit taking ATM and is serviced by the Texas call center with extended hours offered seven days a week.

Community Development Services

The institution provides few if any CD services. During the evaluation period, the bank had no CD service hours. The bank entered this market in January 2022 and is researching ways to get involved and help meet the community needs.

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:	01/01/21 to 12/31/23	
Bank Products Reviewed:	Home mortgage, small business Community development loans, qualified investments, community development services	
Affiliate(s)	Affiliate Relationship	Products Reviewed
n/a		
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
Texas		
Dallas AA	Full scope	Counties of Ellis, Johnson, and Parker; Partial counties of Dallas and Tarrant
Erath AA	Limited scope	County of Erath
California		
Placer AA	Full scope	County of Placer

Appendix B: Summary of MMSA and State Ratings

RATINGS Citizens National Bank of Texas				
Overall Bank:	Lending Test Rating*	Investment Test Rating	Service Test Rating	Overall Bank/State/Multistate Rating
CNB of Texas	High Satisfactory	Low Satisfactory	Outstanding	Satisfactory
MMSA or State:				
Texas	High Satisfactory	Low Satisfactory	Outstanding	Satisfactory
California	Needs to Improve	Needs to Improve	Low Satisfactory	Needs to Improve

(*) 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.

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography 2021

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
CNB of Texas Dallas 2021	146	39,586,816	84.9	51,034	3.1	5.5	2.3	14.0	15.1	9.4	51.4	52.1	52.3	31.5	27.4	36.0	0.0	0.0	0.0
CNB of Texas Erath 2021	26	6,228,401	15.1	1,323	0.0	0.0	0.0	0.0	0.0	0.0	76.2	76.9	71.2	23.8	23.1	28.8	0.0	0.0	0.0
CNB of Texas Placer 2021	0	0	0.0	39,964	0.0	0.0	0.0	6.3	0.0	6.0	33.7	0.0	24.0	60.0	0.0	70.0	0.0	0.0	0.0
Total	172	45,815,217	100.0	92,321	2.0	4.7	1.3	11.0	12.8	7.8	46.3	55.8	40.3	40.7	26.7	50.6	0.0	0.0	0.0

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

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography **2022-23**

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
CNB of Texas Dallas 2023	163	46,054,006	84.5	39,789	3.1	8.0	6.3	19.3	17.2	16.3	48.8	55.2	49.6	28.9	19.6	27.8	0.0	0.0	0.0
CNB of Texas Erath 2023	22	5,640,954	11.4	900	0.0	0.0	0.0	0.0	0.0	0.0	45.9	59.1	41.3	54.1	40.9	58.7	0.0	0.0	0.0
CNB of Texas Placer 2023	8	23,990,943	4.1	17,750	0.6	0.0	0.3	5.4	0.0	4.6	37.2	50.0	29.7	56.8	50.0	65.3	0.0	0.0	0.0
Total	193	75,685,903	100.0	58,439	2.2	6.7	4.4	14.4	14.5	12.5	45.0	55.4	43.4	38.4	23.3	39.7	0.0	0.0	0.0

Source: 2020 U.S. Census; 01/01/2022 - 12/31/2023 Bank Data, 2022 HMDA Aggregate Data, "--" data not available.
 Due to rounding, totals may not equal 100.0%

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower **2021**

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
CNB of Texas Dallas 2021	146	39,586,816	84.9	51,034	21.6	3.4	3.7	18.0	5.5	15.1	20.8	13.7	21.4	39.6	39.0	32.3	0.0	38.4	27.5
CNB of Texas Erath 2021	26	6,228,401	15.1	1,323	20.8	0.0	1.3	14.6	7.7	8.7	21.1	11.5	14.6	43.5	38.5	52.6	0.0	42.3	22.8
CNB of Texas Placer 2021	0	0	0.0	39,964	16.1	0.0	2.9	13.5	0.0	8.7	18.2	0.0	19.3	52.2	0.0	54.5	0.0	0.0	14.6
Total	172	45,815,217	100.0	92,321	19.8	2.9	3.3	16.4	5.8	12.2	20.0	13.4	20.4	43.8	39.0	42.2	0.0	39.0	21.9

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

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower **2022-23**

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
CNB of Texas Dallas 2023	163	46,054,006	84.5	39,789	20.5	7.4	3.8	18.4	8.0	14.6	21.9	9.8	22.1	39.2	37.4	34.8	0.0	37.4	24.8
CNB of Texas Erath 2023	22	5,640,954	11.4	900	13.1	4.5	1.6	14.4	9.1	9.0	21.9	13.6	17.1	50.6	40.9	54.3	0.0	31.8	18.0
CNB of Texas Placer 2023	8	23,990,943	4.1	17,750	14.9	0.0	3.3	13.1	0.0	8.6	19.3	25.0	18.7	52.8	62.5	56.8	0.0	12.5	12.6
Total	193	75,685,903	100.0	58,439	18.6	6.7	3.6	16.7	7.8	12.7	21.1	10.9	21.0	43.6	38.9	41.8	0.0	35.8	21.0

Source: 2020 U.S. Census ; 01/01/2022 - 12/31/2023 Bank Data, 2022 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography **2021**

Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
CNB of Texas Dallas 2021	675	72,162	90.1	21,964	5.2	9.2	4.4	12.5	11.6	11.5	50.3	55.6	49.9	32.0	23.7	34.2	0.0	0.0	0.0
CNB of Texas Erath 2021	58	4,315	7.7	1,072	0.0	0.0	0.0	0.0	0.0	0.0	83.5	74.1	77.2	16.5	25.9	22.8	0.0	0.0	0.0
CNB of Texas Placer 2021	16	3,346	2.1	14,411	0.0	0.0	0.0	10.1	0.0	9.7	33.2	62.5	29.3	56.7	37.5	61.0	0.0	0.0	0.0
Total	749	79,823	100.0	37,447	3.2	8.3	2.6	11.3	10.4	10.5	45.2	57.1	42.8	40.4	24.2	44.2	0.0	0.0	0.0

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

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography **2022-23**

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
CNB of Texas Dallas 2023	292	49,987	89.8	26,618	3.8	5.8	3.0	19.1	19.2	18.4	46.2	56.2	46.3	30.9	18.8	32.4	0.0	0.0	0.0
CNB of Texas Erath 2023	21	3,471	6.5	1,026	0.0	0.0	0.0	0.0	0.0	0.0	47.8	61.9	47.4	52.2	38.1	52.6	0.0	0.0	0.0
CNB of Texas Placer 2023	12	3,084	3.7	14,116	0.3	33.3	0.4	8.7	0.0	7.2	31.7	58.3	32.3	59.3	8.3	60.1	0.0	0.0	0.0
Total	325	56,542	100.0	41,760	2.7	6.5	2.0	15.8	17.2	14.1	42.4	56.6	41.6	39.1	19.7	42.2	0.0	0.0	0.0

Source: 2023 D&B Data; 01/01/2022 - 12/31/2023 Bank Data; 2022 CRA Aggregate Data, "--" data not available.
 Due to rounding, totals may not equal 100.0%

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues **2021**

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
CNB of Texas Dallas 2021	675	72,162	90.1	21,964	90.0	14.1	42.5	2.6	12.6	7.4	73.3
CNB of Texas Erath 2021	58	4,315	7.7	1,072	87.1	19.0	46.0	3.8	8.6	9.1	72.4
CNB of Texas Placer 2021	16	3,346	2.1	14,411	89.1	12.5	47.3	3.6	6.3	7.3	81.3
Total	749	79,823	100.0	37,447	89.6	14.4	44.5	3.0	12.2	7.4	73.4

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

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues **2022-23**

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
CNB of Texas Dallas 2023	292	49,987	89.8	26,618	93.6	32.9	48.5	1.5	67.1	4.8	0.0
CNB of Texas Erath 2023	21	3,471	6.5	1,026	90.4	52.4	45.6	2.6	47.6	7.0	0.0
CNB of Texas Placer 2023	12	3,084	3.7	14,116	90.8	16.7	54.4	2.9	83.3	6.3	0.0
Total	325	56,542	100.0	41,760	92.8	33.5	50.4	1.9	66.5	5.3	0.0

Source: 2023 D&B Data; 01/01/2022 - 12/31/2023 Bank Data; 2022 CRA Aggregate Data, "--" data not available.
 Due to rounding, totals may not equal 100.0%