PUBLIC DISCLOSURE

June 12, 2018

COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION

Classic Bank, National Association
Charter Number 13731

102 N. Houston
Cameron, Texas 76520-3932

Office of the Comptroller of the Currency
San Antonio North Field Office
10001 Reunion Place, Suite 250
San Antonio, TX 78216-4165

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

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Overall CRA Rating: Satisfactory

The Lending Test is rated: <u>Satisfactory</u>.

Major factors that support this rating include:

- The loan-to-deposit (LTD) ratio is more than reasonable.

- A substantial majority of the bank's loan originations are within the bank's defined assessment areas (AAs).

- Lending activities reflect reasonable penetration to borrowers of different income levels and businesses of different sizes.

- The geographic distribution of loans reflects reasonable dispersion throughout the AAs.

- There have been no complaints with respect to the bank's performance under the CRA.

Definitions and Common Abbreviations

The following terms and abbreviations are used throughout 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. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Aggregate Lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

Census Tract (CT): A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan areas. Census tracts generally have a population between 1,200 and 8,000 people, with an optimal size of 4,000 people. Their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community Development: 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; activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas; or loans, investments, and services that support, enable or facilitate projects or activities under HUD Neighborhood Stabilization Program criteria that benefit low-, moderate-, and middle-income individuals and geographies in the bank's assessment area(s) or outside the assessment area(s) provided the bank has adequately addressed the community development needs of its assessment area(s).

Community Reinvestment Act (CRA): the statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, 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, home equity 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 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, loan pricing, the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

Home Mortgage Loans: Such loans include home purchase, home improvement and refinancings, as defined in the HMDA regulation. These include loans for multifamily (five or more families) dwellings, manufactured housing and one-to-four family dwellings other than manufactured housing.

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 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 income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

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 MA/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. 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 it and half below it.

Metropolitan Area (MA): Any metropolitan statistical area or metropolitan division, as defined by the Office of Management and Budget, and any other area designated as such by the appropriate federal financial supervisory agency.

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**.**

Other Products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

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.

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

Description of Institution

Classic Bank, National Association (Classic) is an intrastate bank chartered in 1889, and headquartered in Cameron, Texas. Cameron Financial Corporation, a single-bank holding company, owns 100 percent of the bank. Classic has a total of six full-service locations, each offering automated teller machines (ATMs) and drive-through banking services. Assets totaled approximately $340 million as of March 31, 2018.

Classic's main office, headquartered in Cameron, Texas, is located 75 miles northeast of Austin, Texas. A stand-alone drive-through facility is located a few blocks from the main office. The Cameron main office facility is located in a moderate-income CT. Classic branches are located in the cities of Bastrop (Bastrop County), Giddings (Lee County), Liberty Hill (Williamson County), Rockdale (Milam County), and Rosebud, Texas (Falls County). The branches in Liberty Hill and Bastrop are the newest locations; Classic acquired the Liberty Hill branch in 2012, and opened the Bastrop location in 2009. Classic also has two stand-alone ATMs at convenience stores in Giddings. Alternative delivery channels include 24 hour "Bank-By-Phone," online banking with bill pay and mobile banking with mobile-remote check deposit.

Classic offers a full range of loan and deposit products and services, including long-term fixed rate residential mortgages, small business and agricultural loans, and free checking account products. Since the last evaluation, Classic began offering a new interest bearing "SafeLink" checking" account that has no minimum balance requirement, and no overdraft privileges. Customers with a SafeLink account are not subject to overdraft or insufficient funds fees, and are eligible to apply for a small personal unsecured line of credit up to $1,000 with no credit score. Classic charges interest on this small consumer loan product, which was 14.95 percent as of this evaluation.

Management's primary focus is to promote economic development in its AAs through lending related activities, including residential, business, and agricultural lending. Management has also focused on public finance for counties in the bank's AA, as well as other counties in Texas. Loans totaled $236 million on March 31, 2018, as compared to $181 million in the previous CRA evaluation. Total loans represent approximately 68 percent of the bank's total assets and 76 percent of total deposits. The following table summarizes the composition of Classic's loan portfolio as of March 31, 2018.

Loan Category – March 31, 2018	($000's)	% Total Loans
Real Estate - Residential (1-4)	63,211	27%
Commercial and Commercial Real Estate	63,958	27%
Agricultural Production and Farmland	49,668	21%
Obligations of Municipalities	28,692	12%
Construction Loans	20,079	8%
Consumer	6,147	3%
Real Estate - Multifamily (5 or more)	3,537	12%
Other	236	0%
Total	*$235,528*	*100%*

Classic's tier one capital base of $31 million represented 9 percent of average assets on March 31, 2018. Classic faces strong competition from area banks, credit unions, finance companies, and local investment brokerage firms, particularly in its newest markets, Bastrop and Williamson Counties. Based on its financial condition, the local economy, product offerings, competition, and prior performance, Classic has the ability to meet the various credit needs in its AAs. No legal impediments or other factors hinder the bank's ability to meet AA credit needs. The previous CRA Public Evaluation dated August 3, 2015 rated Classic "Satisfactory" under the Small Bank criteria.

Scope of the Evaluation

Evaluation Period/Products Evaluated

Examining personnel evaluated Classic under the small bank performance standards, which includes five performance criteria: loan-to-deposit ratio, lending in the AA, lending to borrowers of different income levels, geographic distribution of loans, and responses to CRA-related complaints. The evaluation period for the lending test was January 1, 2015 through December 31, 2017. The scope included a review of the bank's primary loan products in each AA. As such, the scope included HMDA reportable home mortgage loans in all AAs, a sample of 23 business loans in the Lee and Milam Counties AA, and in the Bastrop and Williamson Counties AA; and a sample of 23 agricultural loans in the Falls County AA.

To assess lending performance, examining personnel reviewed loan origination activity in the years 2015 and 2016 in relationship to the performance context and 2010 census demographic data for each relevant AA. Classic's lending performance in 2017 was evaluated in relationship to the performance context in each AA and the 2015 American Community Survey (ACS) census data, which was first published in 2017.

Data Integrity

Examiners verified the accuracy of home-mortgage loan data in accordance with HMDA reporting requirements. Classic is not required to record CT and revenue information on non-public business and agricultural loans, therefore examiners verified this information by sampling loans in each AA. The public and non-public data derived from loan samples and included in this evaluation is accurate.

Selection of Areas for Full-Scope Review

This evaluation includes full-scope reviews for each AA. Refer to the tables in Appendix A, B, and C for more information.

Ratings

Classic's rating is based on performance in all AAs. In our analysis, we placed emphasis on performance in the larger markets and in the distressed AAs of Milam County.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 C.F.R. 25.28(c) or 195.28(c), respectively, in determining a national bank's or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any AA 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 has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

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

Conclusions with Respect to Performance Tests

LENDING TEST

Classic's performance under the Lending Test is Satisfactory. Lending activity is reasonable given the bank's size, financial condition and AA credit needs. A significant majority (76 percent) of loan originations are within the bank's defined AAs. The loan-to-deposit ratio is more than reasonable and exceeds most similarly situated institutions. Classic's distribution of loans by borrower income and geography is reasonable, particularly small business and small farm loan distributions.

Loan-to-Deposit Ratio

The LTD ratio is more than reasonable and exceeds the standard for satisfactory performance, particularly when considering the bank's size, resources, financial capacity, and competitive environment. Since the last CRA evaluation, Classic's total loan portfolio has increased $55 million.

Classic's quarterly average LTD ratio since the last CRA evaluation period is 75 percent, a slight increase from 70 percent reported in the 2015 CRA evaluation. The bank's LTD ratio is above average and ranks third compared to 10 other similarly situated institutions in the AA's. LTD ratios for the other banks averaged 56 percent and ranged from a low of 25 percent to a high of 83 percent.

BANK NAME	CITY	STATE	COUNTY	TOTAL ASSETS (000s)	% AVG. LTD Ratio
Frontier Bank of Texas	Elgin	TX	Bastrop County	228,526	83
R Bank	Round Rock	TX	Williamson County	464,629	81
Classic Bank, National Association	*Cameron*	*TX*	*Milam County*	*339,627*	*75*
The City National Bank of Taylor	Taylor	TX	Williamson County	194,341	66
The First National Bank of Bastrop	Bastrop	TX	Bastrop County	567,435	64
First National Bank of Giddings	Giddings	TX	Lee County	199,275	57
Union State Bank	Florence	TX	Williamson County	496,555	52
Citizens National Bank	Cameron	TX	Milam County	400,931	49
Buckholts State Bank, The	Buckholts	TX	Milam County	74,499	47
First Texas Bank	Georgetown	TX	Williamson County	646,686	37
The Granger National Bank	Granger	TX	Williamson County	32,717	25

Lending in Assessment Area

Lending in the bank's AAs exceeds standard for satisfactory performance. Classic originated a substantial number and dollar volume of loans within its AAs. As reflected in the table below, 76 percent of the number and 60 percent of the dollar volume of loans originated in Classic's AAs.

Table D - 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 2017	83	77	25	23	108	10,649	65	5,628	35	16,277
Home Mortgage 2015-2016	131	72	50	28	181	16,101	49	16,527	51	32,628
Small Business	258	77	78	23	336	33,355	60	22,163	40	55,518
Small Farm	285	76	88	24	373	21,960	66	11,444	34	33,404
Total	757	76	241	24	998	82,065	60	55,762	40	137,827
Source: HMDA Data 2015-2017; Bank Loan Data 2015-2017										

Geographic Distribution of Loans

Classic's loan distributions reflect a reasonable dispersion of loans throughout its AAs including moderate-income and distressed middle-income areas. We placed the most weight on performance in the Lee and Milam Counties AA, which is the bank's largest market in terms of both loans and deposits. Home mortgage and business loan dispersions in this AA were reasonable. The geographic distribution of residential and business loans in the Bastrop-Williamson Counties AA were excellent as were farm loan distributions in the Falls County AA.

Refer to Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography, Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography, and Table S: Assessment Area Distribution of Loans to Farms by Income Category of the Geography in Appendix C for the facts and data used to evaluate the bank's lending activity.

Lee and Milam Counties AA

The distribution of home and business loans in Lee and Milam Counties reflects a reasonable dispersion throughout the AA. There are no low-income CTs in this AA, and only one large moderate-income CT, which includes the entire community of Cameron, Texas. During 2015, four of the seven CTs in Milam County (57 percent), were distressed middle-income CTs due to high poverty rates. The Classic branch office in Lee County is located in Giddings, Texas, which is a middle-income CT.

Home Mortgage Lending

Overall, the geographic distribution of home-mortgage loans in Lee and Milam Counties is reasonable. During 2015 and 2016, Classic's home loan dispersions were excellent in the moderate-income CT. Classic originated 11 percent of its home loans within the moderate-income CT of Milam County, exceeding AA demographics and performance of aggregate lenders in this AA. Approximately 7 percent of owner occupied homes are located in the moderate-income CT and the bank originated 11 percent of its loans in this CT. In 2015-2016, the bank's performance in middle-income CTs was just slightly below AA demographics and 2016 aggregate lenders. Mortgage loans in middle-income areas numbered 37, representing 42 percent of total originations, which is slightly lower than AA demographics. Eight of the loans in middle-income CTs or 22 percent were in distressed middle-income CTs. Lending performance in upper-income CTs was consistent with AA demographics.

Classic's performance in 2017 was poor in the moderate-income CT of Milam County. The bank only originated 3 percent of its home loans in this CT, which was below comparable AA demographics and performance of aggregate lenders. Loans were predominately located in the middle-income CTs exceeding AA demographics and aggregate lenders. Only 7 percent of AA housing units are in the moderate-income CT, although this represents a reasonable number of 1-4 family units (1,544), 2015 ASC demographic data indicates that the median age of homes in this area is 43 years.

Business Lending

The geographic distribution of business loans in the Lee and Milam Counties AA is reasonable, when considering AA demographics, including the large size of the CTs and the number of competing financial institutions in this rural AA. The majority of businesses in this AA are in the middle-income CTs of Giddings and nearby Rockdale. During 2015, two of the sampled business loans (9 percent) were in distressed middle-income CTs near Rockdale. Classic did not originate any of the sampled 2015-2016 business loans in the moderate-income CT; although in 2017, 8 percent of the sampled loans were in the Milam County moderate-income CT. The bank's performance in 2017 was below AA demographics, but higher than performance of aggregate lenders in this AA.

The majority of the sampled loans in 2015-2016 were in upper-income areas of Lee County, and the bank's performance in these areas exceeded demographics and peer data. Community contacts in other performance evaluations indicated that small business lending activity in Giddings and in Lee County has helped to support economic growth and employment opportunities within the bank's AA.

Bastrop and Williamson Counties AA

Overall, the distribution of loans in Bastrop and Williamson Counties reflects an excellent geographic dispersion, particularly when considering the bank's small market share in this competitive AA. During 2015-2016, there were no low-income CTs in this AA; and only two low-income CTs in 2017. As such, our primary focus was on lending performance in the moderate-income CTs of this AA.

Home Mortgage Lending

Classic's geographic distribution of home-mortgage loans in the Bastrop-Williamson Counties AA is excellent. During 2015-2016, the dispersion of home loans in moderate-income CTs was just slightly below AA demographics, although the bank's performance significantly exceeded aggregate lenders. In 2017, the percentage of the bank's home loan dispersions in moderate-income CTs increased and significantly exceeded AA demographics and performance of aggregate lenders.

Business Lending

Similarly, Classic's geographic distribution of business loans in the Bastrop-Williamson Counties AA is excellent. During 2015-2016, Classic originated 25 percent of the sampled business loans in moderate-income CTs, significantly exceeding AA demographics and aggregate lenders in 2016. In 2017, Classic's loan distributions in moderate-income CTs was even higher at 43 percent, which also significantly exceeded 2016 aggregate lenders. Our 2017 analysis compared the bank's performance to 2016 aggregate lender data, because 2017 data was not published at the time of the evaluation.

Falls County AA

Classic's loan distributions in the Falls County AA were excellent and similar to AA demographics. During 2015 through 2016, all of the CTs in the Falls County AA were middle-income areas; as such, a geographic analysis of loans during this period was not meaningful.

In 2017, updated census information categorized two of the three CTs as middle-income areas and one as an upper-income area. The bank had an insufficient volume of home mortgage loans for analysis during 2017; therefore, our geographic loan distribution analysis for the Falls County AA focused primarily on agriculture and farm loans during 2017.

Home Mortgage Lending

Although there was an insufficient volume of home loan originations for analysis in 2017, seven of the bank's eight home mortgage loans in this AA were in middle-income CTs. The insufficient loan volume in 2017 did not have a significant negative impact on the overall rating as Classic originated 20 loans totaling $2.4 million in this AA during 2015-2016.

Classic's home lending volume in 2015-2016 represented about 20 percent of the total home-mortgage market share in this small rural AA, according to 2016 aggregate data. The total volume of lending during the entire evaluation period also represented about 25 percent of all Classic home-mortgage-loans, which is reasonable in comparison to the bank's total deposits in this AA (15 percent).

Farm Lending

As mentioned above, a geographic analysis of loan distribution during 2015-2016 was not meaningful; however, analysis of the sampled 2017 agriculture or farm loans in the Falls County AA revealed an excellent dispersion in both middle- and upper-income CTs. Seventy percent of the loans sampled during 2017 were in middle-income CTs, which slightly exceeds AA demographics. Dunn and Bradstreet's 2017 demographics show that about 69 percent of AA farms are in middle-income CTs.

Lending to Borrowers of Different Incomes and to Businesses of Different Sizes

Overall, the distribution of loans to borrowers of different income levels and to businesses of different sizes is reasonable. Classic's distribution of loans to small businesses is reasonable in the Lee and Milam Counties AA, and in the Bastrop and Williamson Counties AA. The distribution of loans to small farms is excellent in the Falls County AA. Home loan distributions are reasonable when considering competitive factors, local real estate market, and economic conditions.

Refer to Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower, Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues, and Table T: Assessment Area Distribution of Loans to Farms by Gross Annual Revenues in Appendix C for the facts and data used to evaluate the bank's lending activity.

Lee and Milam Counties AA

The distribution of loans to borrowers of different income levels is reasonable in the Lee and Milam Counties AA. Our analysis focused on the bank's primary loan products for this AA, which includes home mortgage and small business loans.

Home Mortgage Lending

The majority (68 percent) of Classic's home-mortgage loan originations, which totaled $9.6 million during 2015-2016 and $6.2 million in 2017, are in Milam and Lee Counties. During 2015-2016, the penetration of home loans among both low- and moderate-income borrowers in Milam and Lee Counties was below AA demographics, but Classic's performance exceeded that of other HMDA reportable aggregate lenders in 2016. Demographics for this AA indicated that the middle-income areas were distressed in 2015, and census data reported very few new building permits during the entire evaluation period. Demographic data and community contacts also indicated that the average age of homes in this AA, exceeding 30 years, could present challenges for low- and moderate-income borrowers in renovating and maintaining older properties. When considering the competitive factors in this rural AA, the lack of new residential development, and the challenges presented by high poverty rates in the Lee and Milam Counties AA, the bank's overall performance is considered reasonable.

Classic's home-mortgage lending performance in 2017 was similar to that in 2015-2016. The penetration of loans among low- and moderate-income borrowers is below AA demographics although the bank's performance exceeded aggregate lenders in home loans to low-income borrowers. Aggregate lenders had better performance in lending to moderate-income borrowers. Recent lay-offs and the Luminant power plant closure announced in fourth quarter 2017 could also have negatively affected demand for home-mortgage loans in the latter part of 2017.

Small Business Lending

During the 2015-2017 evaluation period, Classic originated approximately $23 million in small business loans in the Lee and Milam Counties AA. The sample of business loans from 2015-2016 reflects a reasonable distribution of loans among small businesses with revenues less than $1 million. The 2017 business loan sample reflected an excellent distribution of loans among small businesses.

During 2015-2016, 70 percent of the sampled business loans were to businesses with revenues less than $1 million. This level of performance is slightly less than AA demographics, but significantly higher than performance of aggregate lenders. The 2016 aggregate small business loan data in this AA shows that 35 percent of loan originations were to businesses with revenues less than $1 million, which is much lower than 70 percent reflected in the sample of Classic's business loans. Further analysis of loans to business with revenues greater than $1 million revealed that most of these businesses had less than 50 employees and are categorized as "small" under guidelines established by the Small Business Administration.

As mentioned above, Classic's small business lending performance in 2017 was excellent. Eighty-three percent of the sampled loans were to businesses with revenues less than $1 million. This performance slightly exceeds AA demographics and is reflective of the bank's willingness to lend to small businesses. The 2017 aggregate lender data was not published or available for review during this evaluation; however, the bank's performance compared favorably to the 2016 aggregate small business loan data. Classic's 2017 small business loan distributions significantly exceeded 2016 aggregate data in this AA.

Bastrop and Williamson Counties AA

The distribution of loans to borrowers of different income levels is reasonable in the Bastrop and Williamson Counties AA, particularly when considering the bank's limited deposit and residential loan market shares in this competitive environment. Our analysis in this AA focused primarily on the bank's small business loan products as well as home mortgage loans.

Bastrop and Williamson Counties are part of the Austin-Round Rock MSA and Classic's deposits in these two counties totaled $28 million, representing only 0.34 percent of the total deposit market share, according to the FDIC's Deposit Market Share Report in June of 2017. Classic's market share of mortgage lending in 2017 was only 0.05 percent in this AA according to the 2017 aggregate HMDA information.

Home Mortgage Lending

Classic's home-mortgage loans in Bastrop and Williamson Counties represented about 17 percent of the bank's mortgage loan originations during 2015-2016. Classic's mortgage lending activity in this AA is in line with the volume of deposits in this AA, which represented about 10 percent of the bank's total deposits. Overall, the distribution of mortgage loans in this AA was reasonable due primarily to the bank's excellent performance among low-income borrowers during 2015-2016. The penetration of home loans among low-income borrowers was excellent, exceeding AA demographics as well as peer aggregate data. Classic's loan distribution among moderate-income borrowers was below AA demographics and 2016 peer aggregate data.

Classic originated 15 home-mortgage loans totaling $3.8 million in this AA in 2017 which is not a sufficient number for a meaningful analysis. Three of the 15 loans (20 percent) totaling $404,000; however, were to moderate-income borrowers. The lack of home-mortgage lending activity during this year did not have a significant negative impact on the overall rating, when considering the very strong competitive environment, and the bank's limited deposit share in this market (1.6 percent in Bastrop County and 0.17 percent in Williamson County).

Business Lending

During the 2015-2017 evaluation period, Classic originated approximately $9 million in business loans in the Bastrop and Williamson Counties AA. Our sample of these loans in 2015-2016, reflects an excellent distribution of loans among small businesses with revenues less than $1 million. Over 80 percent of the loans sampled were to small businesses with revenues less than $1 million, which closely aligns with AA demographics. The bank's performance significantly exceeds 2016 aggregate lenders.

The bank's small business lending performance in 2017 is consistent with performance in 2015-2015, although slightly below AA demographics. Approximately 78 percent of the sampled business loans were to small businesses with less than $1 million in revenue. The dollar volume of sampled loans approximated 83 percent, which closely aligns with AA demographics. Classic's loan distributions in 2017 also significantly exceeded aggregate lenders.

Falls County AA

Overall, the distribution of loans to borrowers of different income levels in the Falls County AA is reasonable. Significant majorities of loans in this AA are agricultural or farm related; therefore, our analysis focused primarily on these products as well as home loans reported pursuant to HMDA requirements. The bank's home loan distribution among low- and moderate-income borrowers is poor, and agriculture loan distributions are excellent.

Home Mortgage Lending

During the evaluation period, Classic originated 25 home-mortgage loans totaling $3 million in the Falls County AA. Classic's distribution of home-mortgage loans among borrowers of different income levels in Falls County is poor. The largest volume of home loan originations during 2015-2016 (65 percent) were to upper-income borrowers, exceeding AA demographics as well as 2016 aggregate lenders. However, Classic did originate two home loans (10 percent) totaling $136,000 to low-income borrowers. The percentage of loans to low-income borrowers was below AA demographics but exceeded that of aggregate lenders. The bank did not originate any home loans to moderate-income borrowers during 2015-2016. High poverty levels and aging housing stock negatively affected the bank's performance in this AA.

Classic originated eight home loans totaling $648,000 in the Falls County AA in 2017. This loan volume is insufficient for a meaningful analysis, but one of the eight home loans was to a low-income borrower and two loans were to moderate-income borrowers. Lending activity in this AA was limited, although commensurate to the percentage of AA deposits.

Farm Lending

Classic originated 62 agriculture or farm related loans totaling $7.3 million in the Falls County AA during the evaluation period. The significant majority of sampled loan originations were to farms with annual revenues less than $1 million. The bank's performance is reasonable and similar to AA demographics. During 2015-2016, Classic originated 96 percent of its agriculture related loans to farms with revenues less than $1 million, which is just slightly less than AA demographics. Aggregate data was not available for farm lending activity. Lending performance in 2017 was the same as in 2015-2016.

Responses to Complaints

The bank has not received any complaints regarding its CRA performance during the evaluation period.

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 metropolitan and nonmetropolitan areas that received comprehensive examination review (designated by the term "full-scope") and those that received a less comprehensive review (designated by the term "limited-scope").

Time Period Reviewed	Lending Test (excludes CD loans): (01/01/2015 to 12/31/2017) Investment and Service Tests and CD Loans: N/A		
Financial Institution		**Products Reviewed**	
Classic Bank, National Association (Classic) Cameron, Texas		Home Mortgage Loans Business Loans Agriculture Loans	
Affiliate(s)	**Affiliate Relationship**	**Products Reviewed**	
None	None	N/A	
List of Assessment Areas and Type of Examination			
Assessment Area	**Type of Exam**	**Other Information**	
Lee and Milam Counties AA	Full Scope	All of Lee and Milam Counties, Non-MSAs. Including Cities of Cameron, Rockdale, and Giddings, Texas	
Bastrop and Williamson Counties AA	Full Scope	Part of the Austin-Round Rock MSA (12420), all of Williamson and Bastrop Counties, including Cities of Liberty Hill, and Bastrop, Texas	
Falls County AA	Full Scope	Part of the Waco MSA (47380), Three CTs in Falls County, including the City of Rosebud, Texas	

Appendix B: Community Profiles for Full-Scope Areas

Table A – Demographic Information of the Assessment Area						
Assessment Area: Lee and Milam Counties AA 2017						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	11	0	9	54	36	0
Population by Geography	41,008	0	8	59	33	0
Housing Units by Geography	18,893	0	9	57	35	0
Owner-Occupied Units by Geography	10,620	0	7	55	38	0
Occupied Rental Units by Geography	4,722	0	11	61	28	0
Vacant Units by Geography	3,551	0	10	56	34	0
Businesses by Geography	2,453	0	11	60	29	0
Farms by Geography	211	0	6	60	34	0
Family Distribution by Income Level	10,303	19	16	19	46	0
Household Distribution by Income Level	15,342	25	15	15	45	0
Median Family Income Non-MSAs - TX		$52,076	Median Housing Value			$95,081
Lee County – 2016 ACS		$56,605	Median Gross Rent			$670
Milam County – 2016 ACS		$66,419	Families Below Poverty Level			12.6%
Source: 2015 ACS Census and 2017 D&B Data Due to rounding, totals may not equal 100.0 (*) The NA category consists of geographies that have not been assigned an income classification.						

This AA includes Milam County and Lee County, two rural adjacent non-MSA counties. These counties were combined as one AA for analytical purposes in this evaluation. The AA meets the requirements of the regulation and does not arbitrarily exclude low- or moderate-income geographies. Classic has two locations in Milam County, the main office in Cameron and a branch location in Rockdale. Classic's branch location in Lee County is in Giddings. Cameron and Giddings are both county seats in their respective counties. These counties are within an hour of the Austin-Round Rock MSA.

Classic's deposit base in Milam County is the largest of all bank locations at $136 million according to the FDIC's June 30, 2017 Summary of Deposits. The branch in Lee County is the second largest with $75 million in total deposits. Collectively total deposits in these two counties represent about 75 percent of the bank's total deposits.

Classic faces competition in this AA from at least six other state and national banks according to the FDIC's June 30, 2017 Deposit Market Share Report, which does not include other financial institutions competing in the market such as mortgage companies, credit unions, and finance companies. Classic's market share of deposits in Milam County is second at 38 percent, behind another local community bank, also headquartered in Cameron, Texas. Classic's deposit market share in Lee County is third at 16 percent, behind two other local community banks.

Primary industries in the AA include light manufacturing, agribusiness, government services, and oil-field services in Lee County. The local city, county governments and the local school districts are major employers in both counties. In Milam County, other major employers include Affordable Interior Systems, Inc., Standards Home Health, EBCO General Contractor, Butler Weldments, Ideal Poultry Breeding Farm, Charlotte Pipe, and two nursing, rehabilitation homes. Other major employers in Lee County include the Texas Juvenile Justice Department State School of Giddings, Pumpco Oilfield Services, and Blue Bonnet Electric Cooperative. The City of Giddings and Lee County are within the North - East sector of the Eagle Ford Shale Region and the area benefits from employment associated with the oil and gas industry. Information from the Giddings Economic Development Corporation indicates the most common occupations for residents of Lee County are those that involve construction or oil and gas extraction activities, which generally pays above average wages.

Business demographic information from Dunn and Bradstreet in June 2017 and the 2015 ACS data indicates that of the 2,664 businesses in this AA, 87 percent are single location businesses, with 73 percent reporting fewer than five employees. Only 2 percent of the businesses reported 50 or more employees. Updated July 2017 U.S. Census data indicated that median housing values in Milam County were $82,400 as compared to $127,000 in Lee County.

Economic growth has been slow in Cameron and in Milam County, although manufacturing activity has increased in recent years. The region, slow to recover from the closure of ALCOA beginning 2008 through 2014, faced the closure of another large employer, Luminant, in January 2018. Luminant closed two coal-fired power plants in Central Texas, affecting Milam and Bastrop Counties. Luminant projected closing the power plant in Milam County and the coalmine in Bastrop County would result in the loss of over 450 jobs. Future tax revenues in Milam County could be negatively impacted as 2017 Milam County Appraisal Reports show that the Luminant Sandow Power Plant was Milam County's top taxpayer.

The Milam County estimated population in July 2017 was 25,000 according to updated information from the U.S. Census Bureau, whereas the estimated population in Lee County was 17,000. Estimates from the 2016 ACS indicate that the median family income in Milam County was $56,605 and in Lee County was $66,419. Updated July 2017 data from the U.S. Census Bureau estimates that about 16 percent of the persons in Milam County and 13 percent of persons in Lee County live below poverty levels.

The U.S. Bureau of Labor Statistics reported an unemployment rate of 6 percent in Milam County in March 2018. This level of unemployment is the highest of all of the bank's AAs and higher than national and state unemployment rates of 4.1 percent and 4 percent, respectively. Lee County has experienced consistently low unemployment rates and employment growth for the past 10 years according to the Giddings Economic Development Corporation. The March 2018 unemployment rate in Lee County was 3.5 percent. This rate compares favorably to the national and state unemployment rates of 4.1 percent and 4 percent, respectively.

Community Contacts

As part of this evaluation, we assessed community credit needs in the bank's AA by reviewing CRA Public Evaluations of other banks operating in the same area, and examining personnel met with a local economic development organization serving Milam County to gain perspective on credit needs in the AA. The contact identified opportunities in this AA for retail and housing. New businesses are growing and recruiting employees, but many are choosing to commute because of the age and limited supply of housing. The 2015 ACS data reported the median age of housing in Milam County at 32 years as compared to 27 years in Lee County. Further July 2017 U.S. Census data only reported eight new housing permits in Milam County and nine in Lee County. Public evaluations and the community organization indicated that local institutions are doing a good job meeting the needs of the community, particularly supporting small business needs and local economic development.

Table A – Demographic Information of the Assessment Area						
Assessment Area: Bastrop and Williamson County AA 2017						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	99	2	18	52	28	0
Population by Geography	550,540	1	16	54	29	0
Housing Units by Geography	201,635	1	17	55	27	0
Owner-Occupied Units by Geography	130,669	1	12	56	32	0
Occupied Rental Units by Geography	56,578	2	28	53	18	0
Vacant Units by Geography	14,388	1	24	55	20	0
Businesses by Geography	36,664	2	17	50	32	0
Farms by Geography	1,108	1	18	58	23	0
Family Distribution by Income Level	135,735	18	18	22	42	0
Household Distribution by Income Level	187,247	18	16	19	47	0
Median Family Income MSAs – 12420 Austin-Round Rock, TX MSA		$78,997	Median Housing Value			$187,560
Bastrop County – 2016 ACS		$67,559	Median Gross Rent			$1,053
Williamson County – 2016 ACS		$88,161	Families Below Poverty Level			6.0%
Source: 2015 ACS Census and 2017 D&B Data *Due to rounding, totals may not equal 100.0* *(*) The NA category consists of geographies that have not been assigned an income classification.*						

Classic's AA includes Bastrop and Williamson Counties, two of the five counties that make up the Austin-Round Rock MSA. Classic's two branches in this AA are located in Bastrop, (Bastrop County) and in Liberty Hill (Williamson County). This AA meets the requirement of the regulation and does not arbitrarily exclude low- or moderate-income geographies.

Classic's deposits in Bastrop County approximate $16 million, while deposits in Williamson County approximate $12 million. Collectively total deposits in these counties represent about 10 percent of the bank's total deposits.

Banking competition in Bastrop and Williamson Counties is strong. The FDIC's June 30, 2017 Deposit Market Share Report includes 34 banks operating in Bastrop and Williamson Counties. The FDIC's report does not include other financial institutions such as mortgage companies, credit unions, and private investors also competing in this growing market. According to the FDIC's report, Classic's deposit market share in Bastrop County is 1.63 percent and only 0.17 percent in Williamson County.

The Austin-Round Rock MSA has a diverse economy including government, education, and high-tech firms such as semiconductors and software. The city of Austin is the capital of Texas. Some of the MSAs largest employers include the state of Texas, the United States government, the University of Texas at Austin, Advanced Micro Devices, Apple Inc., IBM, and Freescale Semiconductor. Top employers in Williamson County include a mix of healthcare, high tech, education, utilities, agriculture, and manufacturing. Other major employers in Williamson County include Dell Inc. in Round Rock, Sears Teleserv, Emerson Process Management, Round Rock Premium Outlets, National Oilwell Varco, Scott & White Healthcare, and Southwestern University in Georgetown, Texas.

The largest industries in Bastrop County include retail trade, education, health care, social assistance, food services, recreation, construction, office administrative support and retail trade. Major employers include the local school district, county, Hyatt Regency Lost Pines Resort & Spa, MD Anderson Cancer Center (Research), HEB Food Store, Walmart, and the Bastrop Federal Correctional Institution. The city of Bastrop is the county seat for Bastrop County.

Business demographic information from Dunn and Bradstreet in June 2017 and the 2015 ACS data indicates that of the 36,664 total businesses in this AA, 91 percent are single location businesses, with 74 percent reporting fewer than five employees. Only 2 percent of the businesses reported 50 or more employees.

The estimated population of Bastrop County is 84,761 according to U.S. Census Bureau data in July 2017, whereas the estimated population in Williamson County is 547,545. Persons living below poverty levels were very low in Williamson County at 6 percent and 13 percent in Bastrop County. According to 2016 ACS data, the estimated median family income in Bastrop County is $67,559 and $88,161 in Williamson County.

According to the US Bureau of Labor Statistics, the seasonally-adjusted unemployment rate for the nation was 4.1 percent as of March 2018, while the unemployment rate for the state of Texas was 4 percent. The Bastrop County unemployment rate of 3.7 percent and the unemployment rate for Williamson County at 3.2 percent were both lower than both the state and national unemployment rates. Unemployment in Williamson County is the lowest of all of the bank's AAs.

Community Contacts

As part of this evaluation, we assessed community credit needs in the bank's AA by reviewing CRA Public Evaluations of other banks operating in the same area, and reviewing three community contacts with local governmental and non-profit organizations focused on small business and economic development in the Austin-Round Rock MSA. Our review determined the most pressing credit needs in the AA are affordable housing and small business lending. Other identified needs included financial literacy, ongoing training for small businesses, and education for homebuyers.

Table A – Demographic Information of the Assessment Area						
Assessment Area: Falls County AA 2017						
Demographic Characteristics	**#**	**Low % of #**	**Moderate % of #**	**Middle % of #**	**Upper % of #**	**NA* % of #**
Geographies (Census Tracts)	3	0	0	67	33	0
Population by Geography	7,899	0	0	66	34	0
Housing Units by Geography	3,448	0	0	72	28	0
Owner-Occupied Units by Geography	1,996	0	0	70	30	0
Occupied Rental Units by Geography	469	0	0	64	36	0
Vacant Units by Geography	983	0	0	79	21	0
Businesses by Geography	325	0	0	68	32	0
Farms by Geography	78	0	0	69	31	0
Family Distribution by Income Level	1,701	24	14	18	44	0
Household Distribution by Income Level	2,465	24	16	16	44	0
Median Family Income MSAs – 47380 Waco, TX		$54,026	Median Housing Value			$74,800
Median Family Income Falls County - 2016 ACS		$49,967	Median Gross Rent			$566
			Families Below Poverty Level			14.3%

Source: 2015 ACS Census and 2017 D&B Data
Due to rounding, totals may not equal 100.0
(*) The NA category consists of geographies that have not been assigned an income classification.

Falls County is a rural area located in Central Texas and part of the Waco MSA beginning in 2014. The largest town and county seat is Marlin, approximately 24 miles south of Waco. Classic's Falls County AA includes only a portion of the County, consisting of three large rural CTs west of the Brazos River. The bank's AA includes the communities of Rosebud, Lott, and Chilton. In the prior CRA evaluation period, all three CTs in the bank's AA were considered distressed middle-income areas due to high poverty rates. During 2015 through 2016, the CTs were still categorized as middle-income areas, although no longer distressed. In 2017, one of the three CTs in the bank's AA was considered an upper-income area. This upper-income CT is primarily rural farmland, and includes the community of Lott, Texas.

Classic has one full service branch in the Falls County AA, located in Rosebud, which is approximately 16 miles from the head office location in Cameron. Approximately 15 percent of the bank's deposits are from this AA. According to the FDIC's June 30, 2017 Deposit Market Share Report, Classic ranks second in Falls County with 25 percent of the deposit market share. The market leader in this county is a much larger community bank with two offices in Falls County.

Information from Texas A & M Agrilife Extension Education in Falls County indicates that about 55 percent of the county economy is dependent on agriculture. The remaining 45 percent is associated with local and county government, correctional institutions, educational institutions, nursing homes, hospitals, small businesses and independent manufacturers. Dunn and Bradstreet's 2017 demographic data indicates that about 19

percent of businesses in the bank's AA are farms. Further 94 percent of AA businesses have single locations in Falls County and 80 percent have fewer than five employees. As reflected in the chart above, the estimated population for the bank's AA in Falls County was 7,899. The entire population of Falls County was only 17,437 according to updated July 2017 information from the U.S. Census Bureau. The July 2017 Census data reported 14 percent of persons living below poverty levels in the bank's AA, which has improved from 19 percent reported in the previous CRA evaluation. Poverty levels for the entire County; however, are still very high at about 25 percent. The estimated median family income in Falls County is $49,967 according to 2016 data from ACS data.

Median home values approximated $63,678 just slightly higher than values in the previous evaluation period. Housing in this AA has a median age of 41 years. There was only one residential building permit in 2017 according to the updated 2017 U.S. Census Data.

Data from the BLS in March 2018 indicates that AA unemployment rates are similar to state and national levels at about 4 percent, which is an improvement from the previous evaluation.

Community Contacts

As part of this evaluation, we assessed community credit needs in the bank's AA by reviewing CRA Public Evaluations of other banks operating in the same area and reviewing three community contacts with local governmental and non-profit organizations focused on economic development and housing in the Waco MSA. Our review determined the most pressing credit need in this AA is economic development and affordable housing.

Appendix C: Tables of Performance Data

Content of Standardized Tables

A separate set of tables is provided for each AA within the state rating areas. For purposes of reviewing the lending test tables, the following are applicable: (1) purchased loans are treated as originations/purchases; (2) "*Aggregate*" is the percentage of the aggregate number of reportable loans originated and purchased by all lenders in the assessment area; (3) the *"% Total"* represents the percentage of all bank HMDA loans during the relevant evaluation period; (4) the *"Overall Market"* represents the number of loans in the relevant AA by Aggregate lenders. 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 MA/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 by number of small loans (less than or equal to $1 million) to businesses 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) throughout those geographies. Because 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 (less than or equal to $1 million) originated and purchased by the bank to businesses with revenues of $1 million or less to the percentage distribution of businesses with revenues of $1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. The table also presents aggregate peer data for the years the data is available.

Table S.   **Assessment Area Distribution of Loans to Farms by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to $500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. Because small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.

Table T.   **Assessment Area Distribution of Loans to Farms by Gross Annual Revenues** - Compares the percentage distribution of the number of small loans (less than or equal to $500,000) originated and purchased by the bank to farms with revenues of $1 million or less to the percentage distribution of farms with revenues of $1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm. The table also presents aggregate peer data for the years the data is available.

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography   2015-2016

Assessment Area:	#	$ (000)	% of Total	Overall Market	Low-Income Tracts % of Owner-Occupied Housing Units	% Bank Loans	Aggregate	Moderate-Income Tracts % of Owner-Occupied Housing Units	% Bank Loans	Aggregate	Middle-Income Tracts % of Owner-Occupied Housing Units	% Bank Loans	Aggregate	Upper-Income Tracts % of Owner-Occupied Housing Units	% Bank Loans	Aggregate	Not Available-Income Tracts % of Owner-Occupied Housing Units	% Bank Loans	Aggregate
Lee & Milam Counties AA	89*	9,560	68	739	0	0	0	7	11	7	45	42	50	48	47	43	0	0	0
Bastrop & Williamson Counties AA	22	4,135	17	28,806	0	0	0	15	14	9	56	82	56	29	5	35	0	0	0
Falls County AA	20	2,406	15	98	0	0	0	0	0	0	100	100	100	0	0	0	0	0	0

*Source: 2010 U.S Census; 01/01/2015 - 12/30/2016 Bank HMDA Data, 2016 HMDA Aggregate Data; * 8 Loans (9%) were in Distressed Middle-Income CT*
Due to rounding, totals may not equal 100

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

Assessment Area:	#	$ (000)	% of Total	Overall Market	Low-Income Tracts % of Owner-Occupied Housing Units	% Bank Loans	Aggregate	Moderate-Income Tracts % of Owner-Occupied Housing Units	% Bank Loans	Aggregate	Middle-Income Tracts % of Owner-Occupied Housing Units	% Bank Loans	Aggregate	Upper-Income Tracts % of Owner-Occupied Housing Units	% Bank Loans	Aggregate	Not Available-Income Tracts % of Owner-Occupied Housing Units	% Bank Loans	Aggregate
Lee & Milam Counties AA	60	6,233	72.	694	0	0	0	7	3	5	55	68	53	38	28	42	0	0	0
Bastrop & Williamson Counties AA	15	3,768	18	30,326	1	0	0	12	27	8	56	73	54	32	0	38	0	0	0
Falls County AA	8	648	10	113	0	0	0	0	0	0	70	87	68	30	13	32	0	0	0

Source: 2015 ACS Census; 01/01/2017 - 12/30/2017 Bank HMDA Data, 2017 HMDA Aggregate Data
Due to rounding, totals may not equal 100

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower 2015-2016

Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	$ (000)	% of Total	Overall Market	% of Families	% Bank Loans	Aggregate	% of Families	% Bank Loans	Aggregate	% of Families	% Bank Loans	Aggregate	% of Families	% Bank Loans	Aggregate	% of Families	% Bank Loans	Aggregate
Lee & Milam Counties AA	89	9,560	68	739	18	8	3	17	10	8	17	18	19	48	60	52	0	4	18
Bastrop & Williamson Counties AA	22	4,135	17	28,806	16	17	3	18	9	14	24	23	22	42	50	42	0	9	18
Falls County AA	20	2,406	15	98	23	10	2	21	0	11	20	25	18	36	65	54	0	0	14

Source: 2010 U.S Census; 01/01/2015 - 12/30/2016 Bank HMDA Data, 2016 HMDA Aggregate Data;
Due to rounding, totals may not equal 100

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower 2017

Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	$ (000)	% of Total	Overall Market	% of Families	% Bank Loans	Aggregate	% of Families	% Bank Loans	Aggregate	% of Families	% Bank Loans	Aggregate	% of Families	% Bank Loans	Aggregate	% of Families	% Bank Loans	Aggregate
Lee & Milam Counties AA	60	6,233	72	694	18	5	4	16	7	10	19	23	17	46	63	53	0	2	16
Bastrop & Williamson Counties AA	15	3,768	18	30,326	18	0	4	18	20	15	22	13	239	42	67	44	0	0	14
Falls County AA	8	648	10	113	24	12	2	14	25	14	18	12	18	44	50	51	0	0	15

Source: 2015 ACS Census; 01/01/2017 - 12/30/2017 Bank HMDA Data, 2017 HMDA Aggregate Data
Due to rounding, totals may not equal 100

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography   2015-2016

Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts		
	#	$ (000)	% of Total	Overall Market	% of Businesses	% Bank Loans	Aggregate	% of Businesses	% Bank Loans	Aggregate	% of Businesses	% Bank Loans	Aggregate	% of Businesses	% Bank Loans	Aggregate
Lee & Milam Counties AA	23	3,622	68	555	0	0	0	12	0	6	53	48	52	35	52	42
Bastrop & Williamson Counties AA	23	2,348	26	12,766	0	0	0	18	25	16	53	75	52	29	0	32

Source: 2016 D&B Data; 01/01/2015 - 12/31/2016 Bank Data; 2016 CRA Aggregate Data. Due to rounding, totals may not equal 100

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

2017

Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts		
	#	$ (000)	% of Total	Overall Market	% of Businesses	% Bank Loans	Aggregate	% of Businesses	% Bank Loans	Aggregate	% of Businesses	% Bank Loans	Aggregate	% of Businesses	% Bank Loans	Aggregate
Lee & Milam Counties AA	23	1,405	51	555	0	0	0	11	8	6	60	72	60	35	20	33
Bastrop & Williamson Counties AA	23	4,762	39	12,766	2	0	2	17	43	14	50	52	50	32	4	34

Source: 2017 D&B Data; 01/01/2017 - 12/31/2017 Bank Data; 2016 CRA Aggregate Data. Due to rounding, totals may not equal 100

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues　　　　　**2015 - 2016**

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
Lee & Milam Counties AA	23	3,623	68	555	80	70	35	4	22	16	9
Bastrop & Williamson Counties AA	23	2,348	26	12,766	84	83	41	3	17	13	- -

Source: 2016 D&B Data; 01/01/2015 - 12/30/2016 Bank Sample Data; 2016 CRA Aggregate Data,
Due to rounding, totals may not equal 100.0.
The "% of Total" represents the share of business loan originations in this AA.

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues　　　　　~~**2017**~~

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
Lee & Milam Counties AA	23	1,405	51	555	82	83	35	5	17	13	- -
Bastrop & Williamson Counties AA	23	4,762	39	12,766	88	78	41	4	22	9	- -

Source: 2017 D&B Data; 01/01/2017 - 12/30/2017 Bank Sample Data; 2016 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100. The "% of Total" represents the share of business loan originations in this AA.
The "% of Total" represents the share of business loan originations in this AA.

Table S - Assessment Area Distribution of Loans to Farms by Income Category of the Geography　　　**2015 - 2016**

Assessment Area:	Total Loans to Farms		Low-Income Tracts		Moderate- Income Tracts		Middle-Income Tracts		Upper-Income Tracts		Not Available- Income Tracts	
	#	$	% Farms	% Bank Loans	% Farms	% Bank Loans	% Farms	% Bank Loans	% Farms	% Bank Loans	% Farms	% Bank Loans
Falls County AA	23	1,622	0	0	0	0	100	100	0	0	0	0

Source: 2016 D&B Data; 01/01/2015 - 12/31/2016 Bank Data.
Due to rounding, totals may not equal 100.0

Table S - Assessment Area Distribution of Loans to Farms by Income Category of the Geography　　　**2017**

Assessment Area:	Total Loans to Farms		Low-Income Tracts		Moderate- Income Tracts		Middle-Income Tracts		Upper-Income Tracts		Not Available- Income Tracts	
	#	$	% Farms	% Bank Loans	% Farms	% Bank Loans	% Farms	% Bank Loans	% Farms	% Bank Loans	% Farms	% Bank Loans
Falls County AA	23	2,400	0	0	0	0	69	70	31	30	0	0

Source: 2017 D&B Data; 01/01/2017 - 12/31/2017 Bank Data.
Due to rounding, totals may not equal 100.0

Table T: Assessment Area Distribution of Loans to Farms by Gross Annual Revenues | | | | | | | | **2015 - 2016**

Assessment Area:	Total Loans to Farms		Farms with Revenues <= 1MM			Farms with Revenues > 1MM		Farms with Revenues Not Available	
	#		%Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	% Farms	% Bank Loans
Falls County AA	23	1,622	100	96	- -	0	4	1	- -

Source: 2016 D&B Data; 01/01/2015 - 12/31/2016 Bank Data; "--" data not available.
Due to rounding, totals may not equal 100.0

Table T: Assessment Area Distribution of Loans to Farms by Gross Annual Revenues | | | | | | | | **2017**

Assessment Area:	Total Loans to Farms		Farms with Revenues <= 1MM			Farms with Revenues > 1MM		Farms with Revenues Not Available	
	#		%Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	% Farms	% Bank Loans
Falls County AA	23	2,400	99	96	- -	0	4	1	- -

Source: 2016 D&B Data; 01/01/2017 - 12/31/2017 Bank Data; "--" data not available.
Due to rounding, totals may not equal 100.0