



CRA PUBLIC FILE

April 1, 2026

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The Community Reinvestment Act Overview

Under the Community Reinvestment Act (CRA), the Federal Deposit Insurance Corporation (FDIC) evaluates Ozona Bank's record of helping to meet the credit needs of the communities we serve consistent with safe and sound banking practices. The FDIC takes the Bank's record into consideration when evaluating applications to open, relocate, or close branches, as well as regarding applications for bank mergers or acquisitions.

Public Information Available for Inspection

In compliance with the requirements of the Community Reinvestment Act, the following information must be maintained in a public file, current as of April 1 of each year.

Comments or Questions

Comments or questions about information contained in this file, as well as Ozona Bank's CRA performance may be addressed to:

Ozona Bank

Tommy Forsythe, President

P.O. Box 528

Wimberley, TX 78676

Mission and CRA Philosophy

It is the Bank and the Board of Directors goal to ensure that our CRA objectives are in harmony with the Bank's mission statement:

Mission Statement: We provide our neighbors with a relationship they can trust!

Core Values: Trustworthy, Dependable, Professional, and Caring.

In accordance with this mission, the Bank's CRA philosophy embodies the following principles:

- Ozona Bank is a responsible lender, and will make all loans, investments, and donations in accordance with safe and sound banking practices.
- Ozona Bank strives to attract customers and businesses from throughout our assessment areas using customer service and competitively priced deposit and lending products.
- Ozona Bank recognizes that good customers and credit worthy borrowers come from all areas of the Bank's footprint, including low and moderate income and minority neighborhoods.
- Ozona Bank recognizes that one of the best ways to understand the needs of customers in low and moderate income and minority areas within its assessment area is through local involvement and input from community-based organizations who promote affordable housing, small business development, economic development, pathways to home ownership, financial education, and higher education.

Written Comments Received

Ozona Bank has not received any comments during the current year or each of the prior two calendar years that specifically relate to the bank's performance in helping to meet community credit needs of the communities it resides in.

CRA Performance Evaluation

See Public Disclosure Attached.

Branch Information

Distribution Of Branches

BRANCH NAME	BRANCH ADDRESS	DRIVE THRU	ATM	BRANCH HOURS	CENSUS & INCOME TRACT
Ozona (Main Office)	503 11 th Street P.O. Box 430 Ozona, TX 76943 Phone: (325) 392-1300 Toll-free: (877) 847-8250 Fax: (325) 392-2995 Motor Bank: (325) 392-1322	Y	Y	9:00AM-12:00PM 1:00PM-4:30PM M-F MOTOR BANK 8:00AM-5:00PM M-F	9501.00 MIDDLE INCOME TRACT
Wimberley	101 River Road P.O. Box 528 Wimberley, TX 78676 Phone: (512) 847-8200 Toll-free: (877) 847-8250 Fax: (512) 847-2497 Motor Bank: (512) 847-8220	Y	Y	9:00AM-4:30PM M-F MOTOR BANK 7:30AM-6:00PM M-F 8:00AM-12:00PM SATURDAY	0108.10 MIDDLE INCOME TRACT
San Marcos	1917 Dutton Drive, Suite #205 San Marcos, TX 78666 Phone: (512) 754-2600 Toll-free: (877) 847-8250 Fax: (512) 754-2651 Motor Bank: (512) 754-2630	Y	Y	9:00AM-5:00PM M-F MOTOR BANK 8:00AM-5:00PM M-F	0105.00 MODERATE INCOME TRACT
San Antonio	14100 San Pedro, Suite #100 San Antonio, TX 78232 Phone: (210) 319-3500 Toll-free: (877) 847-8250 Fax: (210) 319-3520	Y	N	9:00AM-5:00PM M-F MOTOR BANK 8:00AM-5:00PM M-F	1211.23 MODERATE INCOME TRACT

Opened and Closed Branches

There were no branches that were opened or closed during the current year and previous two years (2024 & 2025).

Name Change

On June 25, 2021, the bank changed from Ozona National Bank to Ozona Bank with a charter change.

Products and Services

Deposit Services:

- Personal Checking Accounts, including Senior Checking & Student Checking
- Business Checking Accounts
- Community First Checking (for non-profit organizations, etc.)
- Personal Savings Accounts, including Tiered Money Market Accounts & Minor Savings
- Business Savings Accounts, including Tiered Money Market Accounts
- Certificate of Deposits (for personal & business)
- Investment Accounts (3rd party brokerage firm)

Loan Services:

- Consumer loans
- Mortgage Loans
- Home Equity Loans
- Agricultural Loans
- Commercial Loans
- Equipment/Inventory Loans
- Business Line-Of-Credit Loans
- Commercial Owner-Occupied Real Estate Loans
- SBA Loans
- Letters of Credit

Other Services:

- Cashier's checks
- ACH transactions
- Commercial cash management services
- Internet banking services
- Remote deposit capture
- Mobile banking services
- Mobile Deposit
- Email Alerts (Notify Me)
- Secure Lock
- Night depository

- Savings bond redemption
- Merchant services
- Cash advances
- Debit cards
- Wire transfers
- 24-hour ATMs
- Safe deposit boxes
- Notary Public Services
- Medallion Guarantee

Fee Schedule:

Transaction Type:	Fee Amount:
ACCOUNT FEES	
Check printing	Fees vary by the style of check ordered
Account activity printout / Statement reprint	\$3.00
Account research printout	\$1.00 (per page)
Account research	\$20.00 (per hour – minimum of 1 hour)
Account balancing assistance	\$20.00 (per hour)
Account balance inquiry by telephone (person to person)	\$3.00
Telephone transfer between accounts	\$1.00
Special statement cutoff date	\$50.00 (per account – per month)
Stop payment request (Check/ACH/Draft – ATM/Debit card NOT eligible)	\$30.00
Early closing fee • Consumer (account closed within 90 days of opening date) • Commercial (account closed within 180 days of opening date)	\$20.00 \$60.00
Temporary checks (2 pages)	\$4.00
Cashier's check • Customers • Non-customers (consumers only)	\$5.00 \$10.00
Chargeback (deposited item returned unpaid)	\$5.00
Inactive account fee	\$5.00 (per month after 12 months without account activity)
Dormant account fee	\$5.00 (per month after 24 months without account activity)
OVERDRAFTS & NSF's	
Overdraft protection (ODP) transfer	\$5.00
Overdraft Privilege (Authorized Overdraft) fee	\$29.00 (per presentation)
NSF fee – Item paid	\$29.00 (per presentation)
NSF fee – Item returned	\$29.00 (per presentation)

ATM / DEBIT CARDS	
MasterCard Debit card - Initial card - Reissue/replacement - Additional card (Commercial accounts)	\$0.00 \$5.00 \$5.00
ATM Cash Withdrawal - ATM owned by Ozona Bank - ATM NOT owned by Ozona Bank	\$0.00 \$1.50 plus other ATM owner's or service provider fees may apply
WIRE TRANSFERS	
Customers - Incoming wire transfer - Consumer - Commercial - Outgoing branch originated wire transfer - Outgoing online banking originated wire transfer (commercial only) - Incoming international wire transfer - Consumer - Commercial - Outgoing international wire transfer	\$0.00 \$5.00 \$20.00 \$15.00 \$0.00 \$10.00 \$50.00
Non-customers (consumer only) - Incoming wire transfer - Outgoing wire transfer	\$20.00 \$30.00
ONLINE BANKING & BILL PAY (consumer only)	
Online banking & mobile banking access	\$0.00
Online bill pay	\$0.00
Online transfer between Ozona Bank accounts	\$0.00
Online external transfer between Ozona Bank and other domestic financial institutions	\$0.00
ONLINE BANKING & TREASURY MANAGEMENT* (commercial only)	
Online banking cash management	\$10.00 (monthly)
Online banking & mobile banking access	\$0.00
Online transfer between Ozona Bank accounts	\$0.00
ACH origination access	\$10.00 (monthly)
Wire origination access	\$10.00 (monthly)
Remote deposit capture	\$10.00 (monthly)
<i>*Additional fees may apply. Refer to service agreements</i>	
SAFE DEPOSIT BOXES	
Safe Deposit Box contents NOT insured by FDIC. Please visit our local Bank location for details regarding available sizes and pricing. Key replacement and drilling fees will be assessed at cost. Annual Safe Deposit Box rent must be auto-debited from an account at Ozona Bank.	

OTHER SERVICES & FEES	
Non-customer check cashing	\$10.00 (per item)
Items sent for collection – Customer	\$10.00 (per item – international items may require additional fees)
Items sent for collection – Non-customer	\$20.00 (per item – international items may require additional fees)
Medallion stamp (Customers only)	\$0.00 (Limitations apply – speak with Bank representative at your banking location for further details)
Garnishments & Court Orders	\$100.00 (in addition to applicable attorney fees)
Levies & Freezes	\$100.00
Photocopies	\$0.25 (per page)

- Note – All limits and fees are subject to change. Effective April 1, 2026.

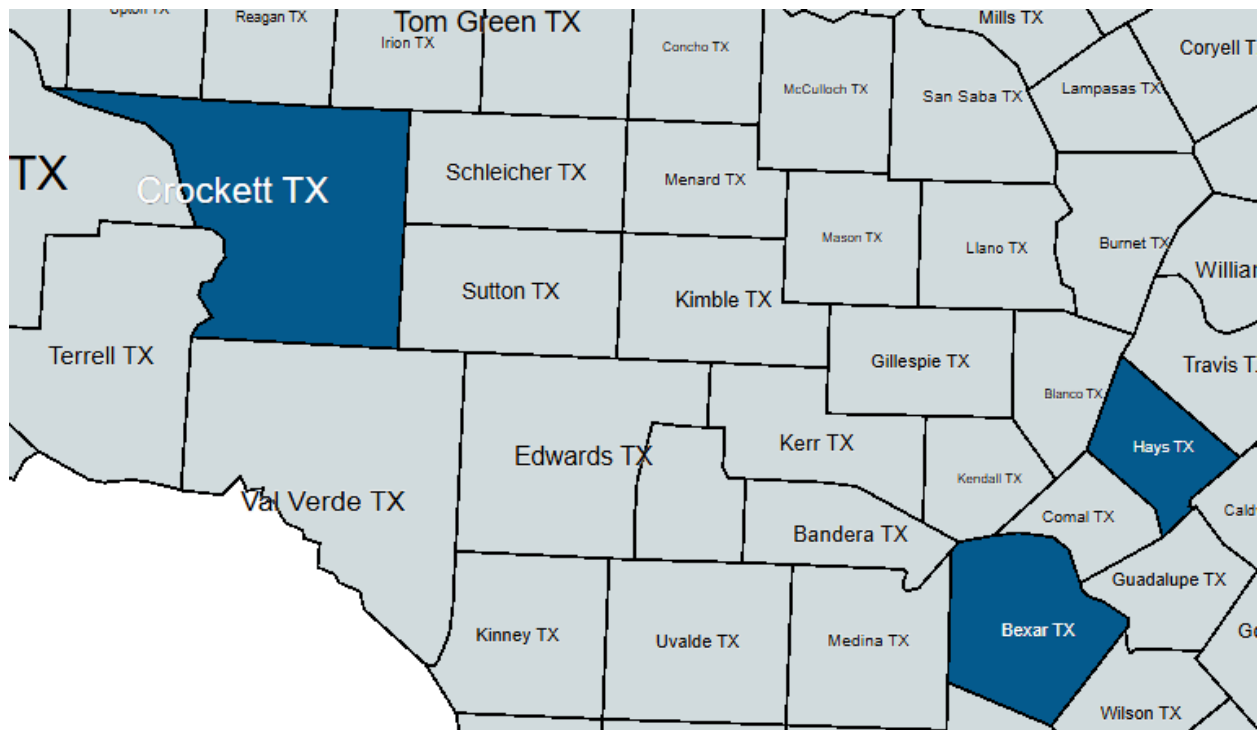
Loan-To-Deposit Ratio

QUARTER	LOAN TO DEPOSIT RATIO
4Q2025	56.92%
3Q2025	54.16%
2Q2025	49.89%
1Q2025	48.46%

Assessment Areas

The primary trade areas of the Ozona Bank are Crockett, Hays, and Bexar Counties. Secondary trade areas include counties bordering our primary trade area counties. The Bank also continues to service the needs of customers retained after the 2014 sale of the Bowie Branch in Montague County.

Ozona Bank's assessment area include Crockett County Texas for the Ozona office, Hays County Texas for the Wimberley and San Marcos branches, and Bexar County Texas for the San Antonio branch. Wimberley and San Marcos branches are located in the Austin-Round Rock, TX MSA. The San Antonio branch is located in the San Antonio, TX MSA.



MSA code	State code	County code	State Abbr	County Name	Tract code
99999	48	105	TX	CROCKETT COUNTY	9501.00
41700	48	029	TX	BEXAR COUNTY	1101.00
41700	48	029	TX	BEXAR COUNTY	1103.00
41700	48	029	TX	BEXAR COUNTY	1105.00
41700	48	029	TX	BEXAR COUNTY	1106.00
41700	48	029	TX	BEXAR COUNTY	1107.00
41700	48	029	TX	BEXAR COUNTY	1110.00
41700	48	029	TX	BEXAR COUNTY	1111.00
41700	48	029	TX	BEXAR COUNTY	1201.00
41700	48	029	TX	BEXAR COUNTY	1203.01
41700	48	029	TX	BEXAR COUNTY	1203.02
41700	48	029	TX	BEXAR COUNTY	1204.01
41700	48	029	TX	BEXAR COUNTY	1204.02
41700	48	029	TX	BEXAR COUNTY	1205.02
41700	48	029	TX	BEXAR COUNTY	1205.03
41700	48	029	TX	BEXAR COUNTY	1205.04
41700	48	029	TX	BEXAR COUNTY	1206.01
41700	48	029	TX	BEXAR COUNTY	1206.02
41700	48	029	TX	BEXAR COUNTY	1207.01
41700	48	029	TX	BEXAR COUNTY	1207.02
41700	48	029	TX	BEXAR COUNTY	1208.00
41700	48	029	TX	BEXAR COUNTY	1209.01
41700	48	029	TX	BEXAR COUNTY	1209.02
41700	48	029	TX	BEXAR COUNTY	1210.00
41700	48	029	TX	BEXAR COUNTY	1211.10
41700	48	029	TX	BEXAR COUNTY	1211.11
41700	48	029	TX	BEXAR COUNTY	1211.12
41700	48	029	TX	BEXAR COUNTY	1211.15
41700	48	029	TX	BEXAR COUNTY	1211.16
41700	48	029	TX	BEXAR COUNTY	1211.17
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41700	48	029	TX	BEXAR COUNTY	1211.19
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41700	48	029	TX	BEXAR COUNTY	1212.03
41700	48	029	TX	BEXAR COUNTY	1212.04
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41700	48	029	TX	BEXAR COUNTY	1212.06
41700	48	029	TX	BEXAR COUNTY	1213.00
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MSA code	State code	County code	State Abbr	County Name	Tract code
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41700	48	029	TX	BEXAR COUNTY	1219.12
41700	48	029	TX	BEXAR COUNTY	1302.00
41700	48	029	TX	BEXAR COUNTY	1303.00
41700	48	029	TX	BEXAR COUNTY	1304.01
41700	48	029	TX	BEXAR COUNTY	1304.02
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41700	48	029	TX	BEXAR COUNTY	1307.00
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MSA code	State code	County code	State Abbr	County Name	Tract code
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41700	48	029	TX	BEXAR COUNTY	1811.00
41700	48	029	TX	BEXAR COUNTY	1812.00
41700	48	029	TX	BEXAR COUNTY	1813.01
41700	48	029	TX	BEXAR COUNTY	1813.02
41700	48	029	TX	BEXAR COUNTY	1813.03
41700	48	029	TX	BEXAR COUNTY	1814.02
41700	48	029	TX	BEXAR COUNTY	1814.03

MSA code	State code	County code	State Abbr	County Name	Tract code
41700	48	029	TX	BEXAR COUNTY	1814.04
41700	48	029	TX	BEXAR COUNTY	1815.03
41700	48	029	TX	BEXAR COUNTY	1815.04
41700	48	029	TX	BEXAR COUNTY	1815.05
41700	48	029	TX	BEXAR COUNTY	1815.06
41700	48	029	TX	BEXAR COUNTY	1816.01
41700	48	029	TX	BEXAR COUNTY	1816.02
41700	48	029	TX	BEXAR COUNTY	1817.03
41700	48	029	TX	BEXAR COUNTY	1817.04
41700	48	029	TX	BEXAR COUNTY	1817.05
41700	48	029	TX	BEXAR COUNTY	1817.11
41700	48	029	TX	BEXAR COUNTY	1817.12
41700	48	029	TX	BEXAR COUNTY	1817.13
41700	48	029	TX	BEXAR COUNTY	1817.15
41700	48	029	TX	BEXAR COUNTY	1817.16
41700	48	029	TX	BEXAR COUNTY	1817.18
41700	48	029	TX	BEXAR COUNTY	1817.20
41700	48	029	TX	BEXAR COUNTY	1817.21
41700	48	029	TX	BEXAR COUNTY	1817.22
41700	48	029	TX	BEXAR COUNTY	1817.23
41700	48	029	TX	BEXAR COUNTY	1817.24
41700	48	029	TX	BEXAR COUNTY	1817.25
41700	48	029	TX	BEXAR COUNTY	1817.26
41700	48	029	TX	BEXAR COUNTY	1817.27
41700	48	029	TX	BEXAR COUNTY	1817.29
41700	48	029	TX	BEXAR COUNTY	1817.30
41700	48	029	TX	BEXAR COUNTY	1817.31
41700	48	029	TX	BEXAR COUNTY	1817.32
41700	48	029	TX	BEXAR COUNTY	1817.33
41700	48	029	TX	BEXAR COUNTY	1818.08
41700	48	029	TX	BEXAR COUNTY	1818.09
41700	48	029	TX	BEXAR COUNTY	1818.11
41700	48	029	TX	BEXAR COUNTY	1818.13
41700	48	029	TX	BEXAR COUNTY	1818.14
41700	48	029	TX	BEXAR COUNTY	1818.15
41700	48	029	TX	BEXAR COUNTY	1818.16
41700	48	029	TX	BEXAR COUNTY	1818.17
41700	48	029	TX	BEXAR COUNTY	1818.18
41700	48	029	TX	BEXAR COUNTY	1818.19
41700	48	029	TX	BEXAR COUNTY	1818.20
41700	48	029	TX	BEXAR COUNTY	1818.21
41700	48	029	TX	BEXAR COUNTY	1818.22
41700	48	029	TX	BEXAR COUNTY	1818.23

MSA code	State code	County code	State Abbr	County Name	Tract code
41700	48	029	TX	BEXAR COUNTY	1818.24
41700	48	029	TX	BEXAR COUNTY	1818.25
41700	48	029	TX	BEXAR COUNTY	1818.26
41700	48	029	TX	BEXAR COUNTY	1819.01
41700	48	029	TX	BEXAR COUNTY	1819.02
41700	48	029	TX	BEXAR COUNTY	1820.01
41700	48	029	TX	BEXAR COUNTY	1820.02
41700	48	029	TX	BEXAR COUNTY	1820.03
41700	48	029	TX	BEXAR COUNTY	1821.01
41700	48	029	TX	BEXAR COUNTY	1821.02
41700	48	029	TX	BEXAR COUNTY	1821.03
41700	48	029	TX	BEXAR COUNTY	1821.05
41700	48	029	TX	BEXAR COUNTY	1821.06
41700	48	029	TX	BEXAR COUNTY	1901.00
41700	48	029	TX	BEXAR COUNTY	1902.00
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41700	48	029	TX	BEXAR COUNTY	1908.00
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41700	48	029	TX	BEXAR COUNTY	1910.03
41700	48	029	TX	BEXAR COUNTY	1910.04
41700	48	029	TX	BEXAR COUNTY	1910.05
41700	48	029	TX	BEXAR COUNTY	1910.06
41700	48	029	TX	BEXAR COUNTY	1911.01
41700	48	029	TX	BEXAR COUNTY	1911.02
41700	48	029	TX	BEXAR COUNTY	1912.01
41700	48	029	TX	BEXAR COUNTY	1912.02
41700	48	029	TX	BEXAR COUNTY	1913.03
41700	48	029	TX	BEXAR COUNTY	1913.04
41700	48	029	TX	BEXAR COUNTY	1914.05
41700	48	029	TX	BEXAR COUNTY	1914.06
41700	48	029	TX	BEXAR COUNTY	1914.08
41700	48	029	TX	BEXAR COUNTY	1914.09
41700	48	029	TX	BEXAR COUNTY	1914.10
41700	48	029	TX	BEXAR COUNTY	1914.11
41700	48	029	TX	BEXAR COUNTY	1914.12

MSA code	State code	County code	State Abbr	County Name	Tract code
41700	48	029	TX	BEXAR COUNTY	1914.13
41700	48	029	TX	BEXAR COUNTY	1915.03
41700	48	029	TX	BEXAR COUNTY	1915.04
41700	48	029	TX	BEXAR COUNTY	1915.05
41700	48	029	TX	BEXAR COUNTY	1915.06
41700	48	029	TX	BEXAR COUNTY	1917.01
41700	48	029	TX	BEXAR COUNTY	1917.02
41700	48	029	TX	BEXAR COUNTY	1918.04
41700	48	029	TX	BEXAR COUNTY	1918.06
41700	48	029	TX	BEXAR COUNTY	1918.07
41700	48	029	TX	BEXAR COUNTY	1918.08
41700	48	029	TX	BEXAR COUNTY	1918.09
41700	48	029	TX	BEXAR COUNTY	1918.10
41700	48	029	TX	BEXAR COUNTY	1918.11
41700	48	029	TX	BEXAR COUNTY	1918.12
41700	48	029	TX	BEXAR COUNTY	1918.13
41700	48	029	TX	BEXAR COUNTY	1918.14
41700	48	029	TX	BEXAR COUNTY	1918.15
41700	48	029	TX	BEXAR COUNTY	1918.16
41700	48	029	TX	BEXAR COUNTY	1918.18
41700	48	029	TX	BEXAR COUNTY	1918.19
41700	48	029	TX	BEXAR COUNTY	1919.00
41700	48	029	TX	BEXAR COUNTY	1920.00
41700	48	029	TX	BEXAR COUNTY	1921.00
41700	48	029	TX	BEXAR COUNTY	1922.00
41700	48	029	TX	BEXAR COUNTY	1923.00
41700	48	029	TX	BEXAR COUNTY	9800.01
41700	48	029	TX	BEXAR COUNTY	9800.02
41700	48	029	TX	BEXAR COUNTY	9800.03
41700	48	029	TX	BEXAR COUNTY	9800.04
41700	48	029	TX	BEXAR COUNTY	9800.05
41700	48	029	TX	BEXAR COUNTY	9801.00
12420	48	209	TX	HAYS COUNTY	0101.00
12420	48	209	TX	HAYS COUNTY	0102.00
12420	48	209	TX	HAYS COUNTY	0103.02
12420	48	209	TX	HAYS COUNTY	0103.05
12420	48	209	TX	HAYS COUNTY	0103.06
12420	48	209	TX	HAYS COUNTY	0103.07
12420	48	209	TX	HAYS COUNTY	0103.08
12420	48	209	TX	HAYS COUNTY	0103.09
12420	48	209	TX	HAYS COUNTY	0104.01
12420	48	209	TX	HAYS COUNTY	0104.02
12420	48	209	TX	HAYS COUNTY	0105.00

MSA code	State code	County code	State Abbr	County Name	Tract code
12420	48	209	TX	HAYS COUNTY	0106.01
12420	48	209	TX	HAYS COUNTY	0106.02
12420	48	209	TX	HAYS COUNTY	0106.03
12420	48	209	TX	HAYS COUNTY	0107.02
12420	48	209	TX	HAYS COUNTY	0107.03
12420	48	209	TX	HAYS COUNTY	0107.04
12420	48	209	TX	HAYS COUNTY	0108.06
12420	48	209	TX	HAYS COUNTY	0108.07
12420	48	209	TX	HAYS COUNTY	0108.09
12420	48	209	TX	HAYS COUNTY	0108.10
12420	48	209	TX	HAYS COUNTY	0108.11
12420	48	209	TX	HAYS COUNTY	0108.12
12420	48	209	TX	HAYS COUNTY	0108.13
12420	48	209	TX	HAYS COUNTY	0108.14
12420	48	209	TX	HAYS COUNTY	0108.15
12420	48	209	TX	HAYS COUNTY	0108.16
12420	48	209	TX	HAYS COUNTY	0108.17
12420	48	209	TX	HAYS COUNTY	0108.18
12420	48	209	TX	HAYS COUNTY	0109.05
12420	48	209	TX	HAYS COUNTY	0109.09
12420	48	209	TX	HAYS COUNTY	0109.11
12420	48	209	TX	HAYS COUNTY	0109.12
12420	48	209	TX	HAYS COUNTY	0109.13
12420	48	209	TX	HAYS COUNTY	0109.14
12420	48	209	TX	HAYS COUNTY	0109.15
12420	48	209	TX	HAYS COUNTY	0109.16
12420	48	209	TX	HAYS COUNTY	0109.17
12420	48	209	TX	HAYS COUNTY	0109.18
12420	48	209	TX	HAYS COUNTY	0109.19
12420	48	209	TX	HAYS COUNTY	0109.20
12420	48	209	TX	HAYS COUNTY	0109.21
12420	48	209	TX	HAYS COUNTY	0109.22
12420	48	209	TX	HAYS COUNTY	0109.23
12420	48	209	TX	HAYS COUNTY	0109.24
12420	48	209	TX	HAYS COUNTY	0109.25

PUBLIC DISCLOSURE

May 22, 2023

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Ozona Bank
Certificate Number: 3376

503 11th Street
Ozona, Texas 76943

Federal Deposit Insurance Corporation
Division of Depositor and Consumer Protection
Dallas Regional Office

600 North Pearl Street, Suite 700
Dallas, Texas 75201

This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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INSTITUTION RATING

INSTITUTION'S CRA RATING: This institution is rated **Satisfactory**.

An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

Ozona Bank demonstrated a satisfactory record regarding the Lending Test. The following points summarize the applicable performance factors, discussed in detail elsewhere.

- The loan-to-deposit (LTD) ratio is reasonable (considering seasonal variations and taking into account lending-related activities) given the institution's size, financial condition, and assessment area (AA) credit needs.
- A majority of loans and other lending related activities are in the institution's AAs.
- The geographic distribution of loans reflects reasonable dispersion throughout the AAs.
- The distribution of borrowers reflects, given the demographics of the AAs, reasonable penetration among businesses of different sizes.
- The bank did not receive any Community Reinvestment Act (CRA)-related complaints since the previous evaluation. Therefore, this factor did not affect the Lending Test rating.

DESCRIPTION OF INSTITUTION

Ozona Bank, a retail institution headquartered in rural Ozona, Texas, lies approximately 200 miles northwest of San Antonio, Texas. ONB Bancshares, Inc., Ozona, Texas, a one-bank holding company, wholly owns Ozona Bank. The bank does not maintain any affiliate relationships or subsidiaries. During the previous CRA evaluation, performed by the Office of the Comptroller of the Currency (OCC) and dated October 19, 2020, the bank received a Satisfactory rating based on the Federal Financial Institutions Examination Council's (FFIEC) Small Bank CRA Examination Procedures.

Ozona Bank operates from four offices in the following cities within the State of Texas: Ozona, Wimberley, San Marcos, and San Antonio. The Description of Institution's Operations sections depict the offices' specific locations. The institution maintains banking hours typical for its area and the industry. In addition, the bank's Wimberley office offers extended drive-thru hours on Saturdays from 8:00 am to 12:00 pm. The bank did not experience any branch opening or closure activity nor did they participate in any merger or acquisition activity since the previous evaluation.

Ozona Bank offers a broad array of financial products and services to consumers and businesses. The bank continues to offer commercial, residential, agricultural, and consumer loans; however, the bank's primary business focus is that of commercial lending. The bank also provides a variety of

deposit services including checking, savings, and certificate of deposit accounts as well as investment services through Cetera. Alternative services include debit cards, automated teller machines (ATMs), drive-thru banking, wire transfers, internet banking, and mobile banking. The bank's product offerings, hours of operation, and financial condition enable the institution to serve the credit needs of the community adequately.

As of the March 31, 2023, Report of Condition and Income, the bank reported total assets of \$345.2 million, net loans of \$135.2 million, and total deposits of \$324.6 million. Since the previous CRA evaluation, total assets increased by 13.1 percent, net loans increased by 5.2 percent, and total deposits increased by 19.6 percent.

As seen in the following table, the mix of outstanding loans as of the March 31, 2023, Report of Condition and Income reflects a similar distribution to that shown for originated loans under the Scope of Evaluation. Commercial loans (Secured by Nonfarm Nonresidential Properties and Commercial and Industrial) represent the largest loan category of outstanding loans at 58.0 percent, followed by residential loans (Secured by 1-4 Family and Multifamily Residential Properties) at 20.6 percent, and Construction and Land Development at 14.3 percent.

Loan Portfolio Distribution as of 03/31/2023		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	19,596	14.3
Secured by Farmland	2,272	1.7
Secured by 1-4 Family Residential Properties	28,268	20.6
Secured by Multifamily (5 or more) Residential Properties	1,683	1.2
Secured by Nonfarm Nonresidential Properties	59,262	43.2
Total Real Estate Loans	111,081	81.0
Commercial and Industrial Loans	20,272	14.8
Agricultural Production and Other Loans to Farmers	3,037	2.2
Consumer Loans	2,649	1.9
Obligations of State and Political Subdivisions in the U.S.	0	0.0
Other Loans	36	<0.1
Lease Financing Receivable (net of unearned income)	0	0.0
Less: Unearned Income	8	<0.1
Total Loans	137,067	100.0
<i>Source: Reports of Condition and Income</i>		
<i>Due to rounding, totals may not equal 100.0%</i>		

Based on the information discussed in this section, as well as other regulatory data, the institution's financial condition, size, product offerings, prior performance, and status of any legal impediments did not affect its ability to meet the AAs' credit needs.

DESCRIPTION OF ASSESSMENT AREAS

The CRA requires each financial institution to define one or more AAs for which examiners will evaluate its CRA performance. Ozona designated three AAs: 1) Crockett County in the Texas

Non-Metropolitan Statistical Area (Texas Non-MSA), 2) Hays County, part of the Austin-Round Rock-Georgetown MSA (Austin MSA), and 3) Bexar County, part of the San Antonio-New Braunfels MSA (San Antonio MSA). The AAs encompass 422 census tracts reflecting the following income designations as of the 2020 U.S. Census: 41 low-, 147 moderate-, 123 middle-, 105 upper-income tracts, and 6 tracts with no income designation. The areas conform to CRA regulatory requirements. Refer to the individual discussions of the AAs for more details.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from October 19, 2020, the date of the previous CRA evaluation through May 22, 2023, the date of this evaluation. As in the previous performance evaluation, examiners applied FFIEC's Small Bank CRA Examination Procedures to evaluate performance. These procedures include the Lending Test. The Appendix lists the applicable test's criteria.

As seen in the table below, the Austin MSA AA comprises the majority of lending, deposits, and branches. Consequently, examiners performed full-scope procedures and weighed performance more heavily in the Austin MSA AA when arriving at overall conclusions and ratings. Examiners also performed full-scope procedures on the Texas Non-MSA AA due to this AA housing the main office. Examiners performed a limited-scope review on the San Antonio MSA AA.

Assessment Area Breakdown of Loans, Deposits, and Branches						
Assessment Area	Loans		Deposits		Branches	
	\$(000s)	%	\$(000s)	%	#	%
Austin MSA	58,937	56.7	211,933	64.2	2	50.0
San Antonio MSA	30,669	29.5	5,645	1.7	1	25.0
TX Non-MSA	14,354	13.8	112,364	34.1	1	25.0
Total	103,960	100.0	329,942	100.0	4	100.0

Source: Bank Records; FDIC Summary of Deposits (06/30/2022)

Activities Reviewed

For the Lending Test, CRA Small Bank procedures require examiners to determine the bank's major product lines for review. As an initial matter, examiners may select from among the same loan categories used for CRA Large Bank evaluations: home mortgage, small business, small farm, and consumer loans.

Examiners considered the bank's lending strategy as well as the dollar and number volume of loans originated in 2022. Examiners determined commercial lending represents the bank's major product line comprising 50.4 percent of the bank's dollar volume. Home mortgage (secured by 1-4 family and multi-family) lending accounts for 15.0 percent of the bank's dollar volume; however, the bank is not subject to reporting requirements pursuant to the Home Mortgage Disclosure Act (HMDA) nor does the bank consider home mortgage lending a primary product or part of the bank's strategy. By dollar volume, no other loan products comprised a relatively significant portion of the bank's 2022 lending;

consequently, this performance evaluation does not include a discussion of them. Therefore, examiners will focus on the bank's small business lending when evaluating the bank's CRA performance.

The following table shows the bank's 2022 lending activity by loan category, which reflects a generally consistent pattern with the lending emphasis since previous evaluation.

Loans Originated or Purchased				
Loan Category	\$(000s)	%	#	%
Construction and Land Development	20,671	28.2	41	13.4
Secured by Farmland	120	0.2	1	0.3
Secured by 1-4 Family Residential Properties	10,953	15.0	25	8.1
Multi-Family (5 or more) Residential Properties	0	0.0	0	0.0
Commercial Real Estate Loans	20,768	28.4	15	4.9
Commercial and Industrial Loans	16,129	22.0	76	24.8
Agricultural Loans	2,961	4.0	13	4.2
Consumer Loans	1,656	2.3	136	44.3
Other Loans	0	0.0	0	0.0
Total Loans	73,258	100.0	307	100.0
<i>Source: Bank Records (01/01/2022 to 12/31/2022)</i>				

Bank records indicate that the lending focus and product mix remained consistent throughout the evaluation period and therefore, examiners considered this 12-month period representative of the bank's performance during the entire review period. Consequently, this evaluation considers the universe of 91 commercial loans originated in 2022 totaling \$36.9 million. Of the 91 commercial loans, 82 loans totaling \$9.7 million qualified as small business loans. Examiners used all 82 small business loans to arrive at applicable conclusions for the bank's combined AA concentration. However, out of the 82 small business loans, only 54 loans totaling \$5.7 million were inside the combined AA and used to arrive at applicable conclusions for the geographic distribution and borrower profile performance factors. Examiners based the sample on a 95 percent confidence interval with a greater than 5 percent precision level. D&B data for 2022 provided a standard of comparison for the sampled small business loans.

Based on the bank's overall loan origination activity, and lending concentrations by AA, examiners will evaluate and present conclusions for small business lending within each AA. Since this evaluation only discusses small business loans, this loan category received all of the weighting when arriving at overall conclusions.

The performance evaluation presents information regarding the number and dollar volume of small business loans; however, examiners emphasized performance by number of loans because the number of loans is a better indicator of the number of businesses served.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

Ozona demonstrated a satisfactory overall record regarding the Lending Test. The reasonable geographic distribution and borrower profile primarily support this conclusion. The bank also demonstrated a reasonable LTD ratio and originated a majority of loans inside the AAs.

Loan-to-Deposit Ratio

The LTD ratio is reasonable given the institution's size, financial condition, and AA credit needs. The bank's LTD ratio, calculated from Report of Condition and Income data, averaged 36.2 percent over the past 10 calendar quarters since the prior evaluation, considerably lower than the average, net LTD ratio of 61.4 percent reported at previous evaluation. The bank's quarterly net LTD ratios ranged from a low of 30.8 percent on March 31, 2022, to a high of 41.7 percent on March 31, 2023, with an overall increasing trend.

Examiners identified and listed, in the following table, three similarly situated institutions operating in the bank's general area and reflecting similar asset sizes and lending emphases. As shown, Ozona's ratio ranks third among all ratios of similarly situated institutions. Specifically, the bank's ratio lands 30.2 percentage points below the lowest listed ratio.

Loan-to-Deposit (LTD) Ratio Comparison		
Bank	Total Assets as of 03/31/2023 (\$000s)	Average Net LTD Ratio (%)
Ozona Bank, Ozona, TX	345,172	36.2
Lone Star Capital Bank, San Antonio, TX	482,932	66.4
Austin County State Bank, Bellville, TX	343,464	85.2
<i>Source: Reports of Condition and Income 12/31/2019 - 03/31/2023</i>		

Despite the low LTD ratio, several factors support the reasonable LTD conclusion. Ozona's concentration level of commercial lending decreased in recent years. Additionally, an influx of liquidity brought into the financial system during the pandemic contributed to an increase in loan pay downs. Furthermore, the bank experienced a surge in deposit growth for the first two years of the pandemic. Specifically, deposits increased from June 2020 to June 2021 by 23.0 percent. Moreover, while the commercial lending market started to rebound during the first half of 2022, as rates spiked during the latter half of 2022, new loan requests started to decline.

Lastly, Ozona Bank continues to make small dollar loans, particularly in an effort to support the number of low- and moderate-income residents in its Ozona, Wimberley, and San Marcos markets. In 2022, the bank originated 60 small dollar loans, which accounted for 19.5 percent of the bank's loan portfolio for 2022 by number.

Assessment Area Concentration

The bank originated a majority of loans in the institution's AAs. The majority of small business loans originated inside the bank's combined AA primarily supports this conclusion. Examiners considered the bank's asset size and office structure as well as the loan category reviewed relative to the combined size and economy of its AAs when arriving at this conclusion.

The following table shows that Ozona originated a majority of its small business lending inside its AA by number and by dollar volume of loans.

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		
	#	%	#	%		\$	%	\$	%	
Small Business	54	65.9	28	34.1	82	5,662	58.5	4,012	41.5	9,674
Source: Bank Records. Due to rounding, totals may not equal 100.0%										

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the AAs for the institution as a whole. The Austin MSA AA and the San Antonio MSA AA demonstrate consistent performance with the overall record. The Texas Non-MSA AA does not include any low- and moderate-income geographies, and a review of the Geographic Distribution criterion for that AA would not result in meaningful conclusions. Therefore, this criterion was not evaluated for the Texas Non-MSA AA. Please see the AA review sections that follow for more details about each individual AA.

Borrower Profile

The distribution of borrowers reflects, given the demographics of the AAs, reasonable penetration among businesses of different sizes for the institution as a whole. The Austin MSA AA and San Antonio MSA AA demonstrate consistent performance with the overall record. The Texas Non-MSA AA demonstrates inconsistent performance, falling below the overall bank record. Please see the AA review sections that follow for more details about each individual AA.

Response to Complaints

The institution has not received any CRA-related complaints since the previous evaluation; therefore, this criterion did not affect the Lending Test rating.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

The bank's compliance with the laws relating to discrimination and other illegal credit practices was reviewed, including the Fair Housing Act and the Equal Credit Opportunity Act. Examiners did not identify any discriminatory or other illegal credit practices.

AUSTIN MSA AA – Full-Scope Review

DESCRIPTION OF INSTITUTION'S OPERATIONS IN AUSTIN MSA AA

The Austin MSA AA includes all of Hays County. Hays County is one of five counties that make up the Austin-Round Rock-Georgetown MSA AA. The bank operates two full-service offices in this AA within the cities of San Marcos and Wimberley as well as two ATMs, one at each location. As of the 2020 U.S. Census, the San Marcos and the Wimberley offices operated in a moderate- and a middle-income census tract, respectively.

Economic and Demographic Data

The Austin MSA AA encompass 46 census tracts reflecting the following income designations as of the 2020 U.S. Census: 6 low-, 10 moderate-, 20 middle-, 8 upper-income tracts, and 2 tracts with no income designation.

The area's major employers include Amazon, Texas State University, the Premium Outlets, and various independent school districts. Service industries represent the largest portion of the area's businesses at 32.1 percent; followed by non-classifiable establishments at 27.9 percent; and finance, insurance, and real estate at 10.5 percent. About 61.4 percent of the businesses hire four or fewer employees.

The following table shows additional demographic and economic characteristics of the area.

Demographic Information of the Assessment Area Austin MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	46	13.0	21.7	43.5	17.4	4.3
Population by Geography	241,067	11.3	21.9	44.5	18.5	3.8
Housing Units by Geography	81,696	12.7	22.9	44.5	17.4	2.5
Owner-Occupied Units by Geography	47,715	4.7	17.9	51.8	25.3	0.4
Occupied Rental Units by Geography	29,009	25.4	30.9	33.2	4.9	5.6
Vacant Units by Geography	4,972	16.2	23.7	40.3	15.4	4.4
Businesses by Geography	25,426	4.9	16.4	44.7	31.9	2.0
Farms by Geography	763	2.8	13.4	44.7	38.3	0.9
Family Distribution by Income Level	51,047	23.4	21.6	22.6	32.4	0.0
Household Distribution by Income Level	76,724	27.6	19.4	19.2	33.8	0.0
Median Family Income MSA - 12420 Austin-Round Rock-Georgetown, TX MSA		\$100,215	Median Housing Value			\$255,881
			Median Gross Rent			\$1,192
			Families Below Poverty Level			6.4%
Source: 2020 U.S. Census and 2022 D&B Data Due to rounding, totals may not equal 100.0% (*) The NA category consists of geographies that have not been assigned an income classification.						

As illustrated in the table below, since previous evaluation, the Austin MSA AA unemployment rate remained lower than both the state and national averages.

Unemployment Rates Austin MSA AA			
Area	2020	2021	2022
	%	%	%
Hays County	6.3	4.2	3.0
State of Texas	7.7	5.6	3.9
National Average	8.1	5.4	3.6
Source: Bureau of Labor Statistics.			

Competition

The area contains a moderate level of competition from other chartered banks, with 44 offices representing 22 institutions. Ozona ranks 5th in deposit market share by capturing 6.4 percent of the area's deposits, as of June 30, 2022, based on FDIC Deposit Market Share report.

Community Contact

Examiners utilized an existing community contact to help assess the area's current economic conditions, community credit needs, and potential opportunities for bank involvement. The contact,

who represents an economic development organization, noted that the area's economic conditions are stable and local institutions are meeting credit needs. Overall, the contact felt that financial institutions have been responsive to the credit and community development needs of the area.

The contact noted that small business lending continues to be in demand. The area experienced increases in new residents and new businesses during the review period. The number of businesses in the area is growing so rapidly that opportunities for bank involvement remain high. The contact also stated that the area benefitted from strong and active local banks.

Credit Needs

Considering information from the community contact, bank management, and demographic and economic data, examiners determined that small business lending presents the primary credit need of the AA. The significant percentage of businesses with gross annual revenues of \$1 million or less supports this conclusion.

CONCLUSIONS ON PERFORMANCE CRITERIA IN AUSTIN MSA AA

LENDING TEST

Within the Austin MSA AA, the bank displayed a satisfactory record regarding the Lending Test. The reasonable geographic distribution and borrower profile support this conclusion. Examiners considered the loan product type reviewed relative to the available comparative data and any performance context issues.

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion in the Austin MSA AA. A reasonable record regarding the distribution of small business loans, in this AA, supports this conclusion. This factor only considered loans granted inside the bank's AA.

Small Business Loans

The geographic distribution of small business loans reflects reasonable dispersion in the Austin MSA AA. The analysis focused on the bank's loan number percentage in low- and moderate-income census tracts relative to the percentage of businesses, within the Austin MSA AA, when arriving at this conclusion.

The following table shows that while the bank did not originate any of the small business loans in low-income census tracts, the bank's performance, by number, falls below D&B data by only 4.9 percentage points, reflecting reasonable performance. The table also shows that the bank's small business lending, by number, within the moderate-income census tracts, exceeds D&B data by 8.0 percentage points, reflecting reasonable performance.

Geographic Distribution of Small Business Loans Austin MSA AA					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low	4.9	0	0.0	0	0.0
Moderate	16.4	10	24.4	367	8.5
Middle	44.7	17	41.5	2,192	50.6
Upper	31.9	14	34.1	1,771	40.9
Not Available	2.0	0	0.0	0	0.0
Totals	100.0	41	100.0	4,330	100.0
<i>Source: 2022 D&B Data; Bank Data</i> <i>Due to rounding, totals may not equal 100.0%</i>					

Borrower Profile

The distribution of borrowers reflects reasonable penetration among businesses of different sizes in the Austin MSA AA. Reasonable performance regarding small business loans, in this AA, supports this conclusion. This factor only considered loans granted inside the bank's AA.

Small Business Loans

The distribution of borrowers, in the Austin MSA AA, reflects reasonable penetration among businesses of different sizes. The analysis focused on the bank's loan number percentage relative to the percentage of businesses with gross annual revenues of \$1 million or less, within the Austin MSA AA, when arriving at this conclusion.

The following table shows that to businesses reporting gross annual revenues of \$1 million or less, the bank's level of lending, by number, trails D&B data by just 7.2 percentage points, reflecting reasonable performance.

Detailed Distribution of Small Business Loans by Gross Annual Revenues Austin MSA AA					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
< \$100,000	29.0	7	17.1	1,374	31.7
\$100,000 - \$249,999	25.7	5	12.2	132	3.0
\$250,000 - \$499,999	9.3	10	24.4	865	20.0
\$500,000 - \$1,000,000	4.2	3	7.3	147	3.4
Subtotal <= \$1,000,000	68.2	25	61.0	2,518	58.1
>\$1,000,000	4.7	14	34.1	1,791	41.4
Revenue Not Available	27.1	2	4.9	20	0.5
Total	100.0	41	100.0	4,330	100.0
<i>Source: 2022 D&B Data; Bank Records.</i> <i>Due to rounding, totals may not equal 100.0%</i>					

TEXAS NON-MSA AA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN TEXAS NON-MSA AA

The Texas Non-MSA AA includes all of Crockett County. Crockett County consists of one census tract located approximately 200 miles northwest of San Antonio, Texas. As per the 2020 U.S. Census the bank operates one full-service office and an ATM, in this AA, in a middle-income census tract. In 2022, the sole census tract in Crockett County received an underserved designation.

Economic and Demographic Data

As of the 2020 U.S. Census and 2022 D&B Data, the sole census tract in the Texas Non-MSA AA holds a middle-income designation.

The area’s major employers include Elastotech Southwest, Inc., Quantex Instruments, Alloy Polymers, and Vulcraft. Service industries represent the largest portion of the area’s businesses at 27.3 percent; followed by retail trade at 13.0 percent and non-classifiable establishments at 12.2 percent. About 63.0 percent of the businesses hire four or fewer employees.

The following table shows additional demographic and economic characteristics of the area.

Demographic Information of the Assessment Area Texas Non-MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	1	0.0	0.0	100.0	0.0	0.0
Population by Geography	3,098	0.0	0.0	100.0	0.0	0.0
Housing Units by Geography	1,963	0.0	0.0	100.0	0.0	0.0
Owner-Occupied Units by Geography	923	0.0	0.0	100.0	0.0	0.0
Occupied Rental Units by Geography	471	0.0	0.0	100.0	0.0	0.0
Vacant Units by Geography	569	0.0	0.0	100.0	0.0	0.0
Businesses by Geography	214	0.0	0.0	100.0	0.0	0.0
Farms by Geography	24	0.0	0.0	100.0	0.0	0.0
Family Distribution by Income Level	995	16.6	22.3	31.6	29.5	0.0
Household Distribution by Income Level	1,394	27.2	14.3	25.2	33.4	0.0
Median Family Income Non-MSAs - TX		\$61,785	Median Housing Value			\$102,200
			Median Gross Rent			\$559
			Families Below Poverty Level			14.5%
Source: 2020 U.S. Census and 2022 D&B Data Due to rounding, totals may not equal 100.0% (*) The NA category consists of geographies that have not been assigned an income classification.						

As illustrated in the table below, for all years presented, the Texas Non-MSA AA unemployment rate remained higher than the national and state average.

Unemployment Rates Texas Non-MSA AA			
Area	2020	2021	2022
	%	%	%
Crockett County	8.9	6.6	4.0
State of Texas	7.7	5.6	3.9
National Average	8.1	5.4	3.6
Source: Bureau of Labor Statistics.			

Competition

As of the June 30, 2022, FDIC Summary of Deposits, one other depository institution operates one office in Crockett County. Ozona Bank ranks first in deposit market share by capturing 55.1 percent of the area's deposits.

Credit Needs

Considering information from bank management, and demographic and economic data, examiners determined that small business lending represents the primary credit need of the AA. The significant percentage of businesses with gross annual revenues of \$1 million or less supports this conclusion.

CONCLUSIONS ON PERFORMANCE CRITERIA IN TEXAS NON-MSA AA

LENDING TEST

Within the Texas Non-MSA AA, the bank displayed needs to improve performance regarding the Lending Test. The bank's poor borrower profile penetration, among businesses of different sizes, primarily support this conclusion. Examiners considered the loan product type reviewed relative to the available comparative data and any performance context issues.

Geographic Distribution

The Texas Non-MSA AA does not include any low- and moderate-income geographies, and a review of the Geographic Distribution criterion would not result in meaningful conclusions. Therefore, this criterion was not evaluated.

Borrower Profile

The distribution of borrowers reflects poor penetration among businesses of different sizes in the Texas Non-MSA AA. Poor performance regarding small business loans, in this AA, supports this conclusion. This factor only considered loans granted inside the bank's AA.

Small Business Loans

The distribution of borrowers, in the Texas Non-MSA AA, reflects poor penetration among businesses of different sizes. The analysis focused on the bank's loan number percentage relative to the percentage of businesses with gross annual revenues of \$1 million or less, within the Texas Non-MSA AA, when arriving at this conclusion.

The following table shows that to businesses reporting gross annual revenues of \$1 million or less, the bank's level of lending, by number, falls below D&B data by 49.8 percentage points, reflecting poor performance.

Detailed Distribution of Small Business Loans by Gross Annual Revenues Texas Non-MSA AA					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
< \$100,000	70.0	3	25.0	45	4.5
\$100,000 - \$249,999	16.4	1	8.3	75	5.8
\$250,000 - \$499,999	3.5	0	0.0	0	0.0
\$500,000 - \$1,000,000	1.6	1	8.3	45	3.5
Subtotal <= \$1,000,000	91.5	5	41.7	165	12.8
>\$1,000,000	1.8	6	50.0	881	68.4
Revenue Not Available	6.7	1	8.3	243	18.8
Total	100.0	12	100.0	1,288	100.0
<i>Source: 2022 D&B Data; Bank Records. Due to rounding, totals may not equal 100.0%</i>					

SAN ANTONIO MSA AA – Limited-Scope Review

DESCRIPTION OF INSTITUTION'S OPERATIONS IN SAN ANTONIO MSA AA

The San Antonio MSA AA includes all of Bexar County. Bexar County is one of eight counties that make up the San Antonio-New Braunfels MSA AA in south-central Texas. The bank operates one full-service office and one ATM in this AA. As per the 2020 U.S. Census, the San Antonio office operates in a moderate-income census tract.

Economic and Demographic Data

The 375 census tracts in this AA consist of 35 low-, 137 moderate-, 102 middle-, 97 upper-income tracts, and 4 tracts with no income designation.

The area's largest employers include the Joint Base San Antonio, H-E-B, and USAA. Service industries represent the largest portion of the area's businesses at 35.3 percent; followed by non-classified establishments at 26.0 percent; and finance, insurance, and real estate at 11.6 percent.

About 60.8 percent of the businesses hire four or fewer employees. The following table shows additional demographic and economic characteristics of the area.

Demographic Information of the Assessment Area San Antonio MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	375	9.3	36.5	27.2	25.9	1.1
Population by Geography	2,009,324	7.0	32.3	29.4	31.3	0.0
Housing Units by Geography	699,646	7.5	35.6	28.3	28.6	0.0
Owner-Occupied Units by Geography	377,055	4.9	29.8	30.6	34.7	0.0
Occupied Rental Units by Geography	267,506	10.6	42.7	26.2	20.6	0.0
Vacant Units by Geography	55,085	10.4	41.1	22.5	26.0	0.0
Businesses by Geography	207,279	6.0	25.4	24.9	43.5	0.2
Farms by Geography	3,801	4.3	20.5	24.4	50.7	0.1
Family Distribution by Income Level	421,271	23.9	17.9	19.6	38.6	0.0
Household Distribution by Income Level	644,561	25.8	16.5	18.7	39.0	0.0
Median Family Income MSA - 41700 San Antonio-New Braunfels, TX MSA		\$74,284	Median Housing Value			\$191,026
			Median Gross Rent			\$1,059
			Families Below Poverty Level			11.9%
Source: 2020 U.S. Census and 2022 D&B Data Due to rounding, totals may not equal 100.0% (*) The NA category consists of geographies that have not been assigned an income classification.						

As illustrated in the table below, the San Antonio MSA AA unemployment rate remained, for the most part, at or lower than the national and state average.

Unemployment Rates San Antonio MSA AA			
Area	2020	2021	2022
	%	%	%
Bexar County	7.7	5.4	3.7
State of Texas	7.7	5.6	3.9
National Average	8.1	5.4	3.6
Source: Bureau of Labor Statistics.			

CONCLUSIONS ON PERFORMANCE CRITERIA IN SAN ANTONIO MSA AA

LENDING TEST

The institution's lending performance in the San Antonio MSA AA is consistent with the institution's lending performance overall.

Geographic Distribution

Geographic Distribution of Small Business Loans San Antonio MSA AA					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low	6.0	0	0.0	0	0.0
Moderate	25.4	1	100.0	43,715	100.0
Middle	24.9	0	0.0	0	0.0
Upper	43.5	0	0.0	0	0.0
Not Available	0.2	0	0.0	0	0.0
Totals	100.0	1	100.0	43,715	100.0
Source: 2022 D&B Data; Bank Records. Due to rounding, totals may not equal 100.0%					

Borrower Profile

Detailed Distribution of Small Business Loans by Gross Annual Revenues San Antonio MSA AA					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
< \$100,000	66.2	0	0.0	0	0.0
\$100,000 - \$249,999	17.8	1	100.0	44	100.0
\$250,000 - \$499,999	4.1	0	0.0	0	0.0
\$500,000 - \$1,000,000	2.0	0	0.0	0	0.0
Subtotal <= \$1,000,000	90.0	1	100.0	44	100.0
>\$1,000,000	2.6	0	0.0	0	0.0
Revenue Not Available	7.4	0	0.0	0	0.0
Total	100.0	1	100.0	44	100.0
Source: 2022 D&B Data; Bank Records. Due to rounding, totals may not equal 100.0%					

APPENDICES

SMALL BANK PERFORMANCE CRITERIA

Lending Test

The Lending Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by considering the following criteria:

- 1) The bank's loan-to-deposit ratio, adjusted for seasonal variation, and, as appropriate, other lending-related activities, such as loan originations for sale to the secondary markets, community development loans, or qualified investments;
- 2) The percentage of loans, and as appropriate, other lending-related activities located in the bank's assessment area(s);
- 3) The geographic distribution of the bank's loans;
- 4) The institution's record of lending to and, as appropriate, engaging in other lending-related activities for borrowers of different income levels and businesses and farms of different sizes; and
- 5) The bank's record of taking action, if warranted, in response to written complaints about its performance in helping to meet credit needs in its assessment area(s).

GLOSSARY

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

American Community Survey (ACS): A nationwide United States Census survey that produces demographic, social, housing, and economic estimates in the form of five year estimates based on population thresholds.

Area Median Income: The median family income for the MSA, if a person or geography is located in an MSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

Assessment Area: A geographic area delineated by the institution under the requirements of the Community Reinvestment Act.

Census Tract: A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

Combined Statistical Area (CSA): A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

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

Core Based Statistical Area (CBSA): The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family. Other family is further classified into “male householder” (a family with a male householder and no wife present) or “female householder” (a family with a female householder and no husband present).

FFIEC-Estimated Income Data: The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

Full-Scope Review: A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (e.g, geographic distribution, borrower profile, 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 do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants; the amount of loan requested; and the disposition of the application (approved, denied, and withdrawn).

Home Mortgage Loans: Includes closed-end mortgage loans or open-end line of credits as defined in the HMDA regulation that are not an excluded transaction per the HMDA regulation.

Housing Unit: Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

Limited-Scope Review: A limited-scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is often analyzed using only quantitative factors (e.g, geographic distribution, borrower profile, total number and dollar amount of investments, and branch distribution).

Low-Income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent in the case of a geography.

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

Median Income: The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

Metropolitan Division (MD): A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary

counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area (MSA): CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

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

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

Multi-family: Refers to a residential structure that contains five or more units.

Nonmetropolitan Area (also known as non-MSA): All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

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

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

Rural Area: Territories, populations, and housing units that are not classified as urban.

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

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

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

Urban Area: All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, “urban” consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

“Urban” excludes the rural portions of “extended cities”; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.