

Community Reinvestment Act Public File

Community Reinvestment Act Statement

Under the federal Community Reinvestment Act (CRA), the Federal Deposit Insurance Corporation (FDIC) evaluates our record of helping to meet the credit needs of this community consistent with safe and sound operations. The FDIC also takes this record into account when deciding on certain applications submitted by us.

Your involvement is encouraged.

You are entitled to certain information about our operations and our performance under the CRA, including, for example, information about our branches, such as their location and services provided at them; the public section of our most recent CRA Performance Evaluation, prepared by the FDIC; and comments received from the public relating to our performance in helping to meet community credit needs, as well as our responses to those comments. You may review this information today.

At least 30 days before the beginning of each quarter, the FDIC publishes a nationwide list of the banks that are scheduled for CRA examination in that quarter. This list is available from the Regional Director, FDIC 2200 N. Pearl St, Dallas, TX 75201. You may send written comments about our performance in helping to meet community credit needs to CRA Officer, First Bank, 4110 Kell Blvd, Wichita Falls TX 76309 and FDIC Regional Director. You may also submit comments electronically through the FDIC's Web site at www.fdic.gov/regulations/cra. Your letter, together with any response by us, will be considered by the FDIC in evaluating our CRA performance and may be made public.

You may ask to look at any comments received by the FDIC Regional Director. You may also request from the FDIC Regional Director an announcement of our applications covered by the CRA filed with the FDIC. We are an affiliate of First Bank Burkburnett Bancshares, Inc., a bank holding company. You may request from the FDIC, 2200 N. Pearl St, Dallas, TX 75201 an announcement of applications covered by the CRA filed by bank holding companies.

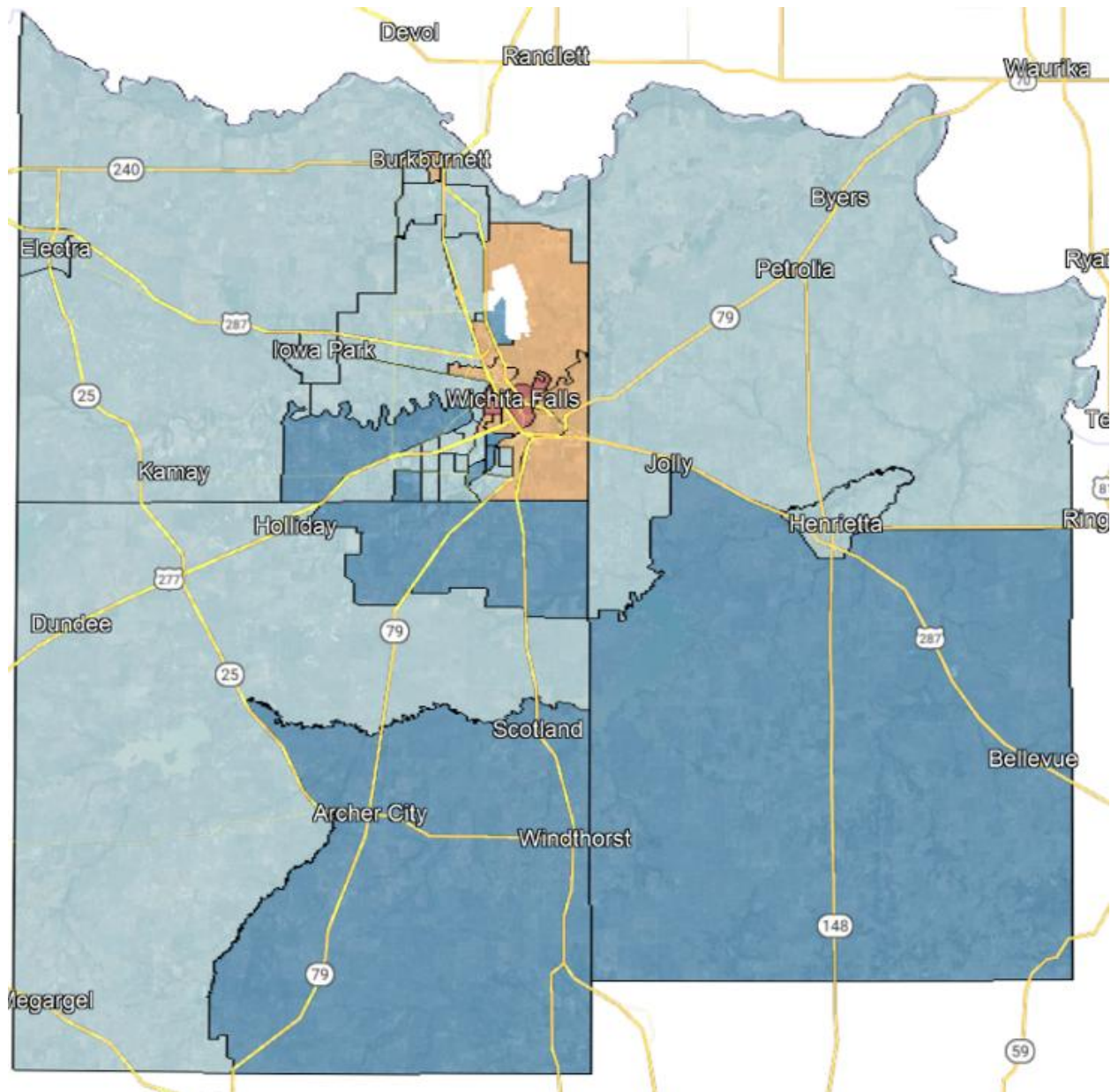
Public Information Available for Inspection

In compliance with the requirements of the Community Reinvestment Act, the following information is maintained in a public file, current as of April 1 of each year. The following components are detailed in this file:

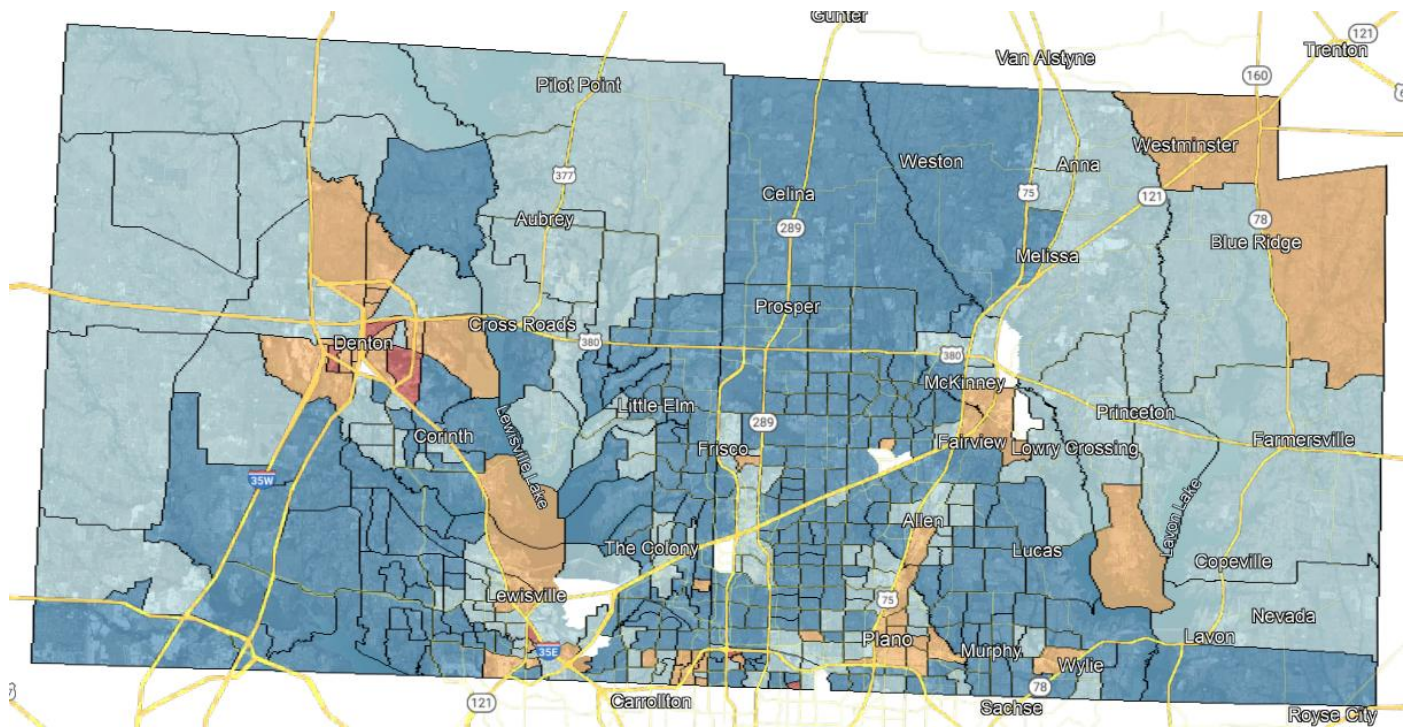
- I. Assessment Areas
- II. Branch Information
- III. Branches Opened and Closed
- IV. List of Products and Services Limits and Fees
- V. Loan to Deposit Ratio
- VI. Written Comments or Complaints
- VII. CRA Performance Evaluation
- VIII. HMDA Notice
- IX. Contact Information for Comments or Questions
- X. Census Tract Demographics of Assessment Area

I. Assessment Areas

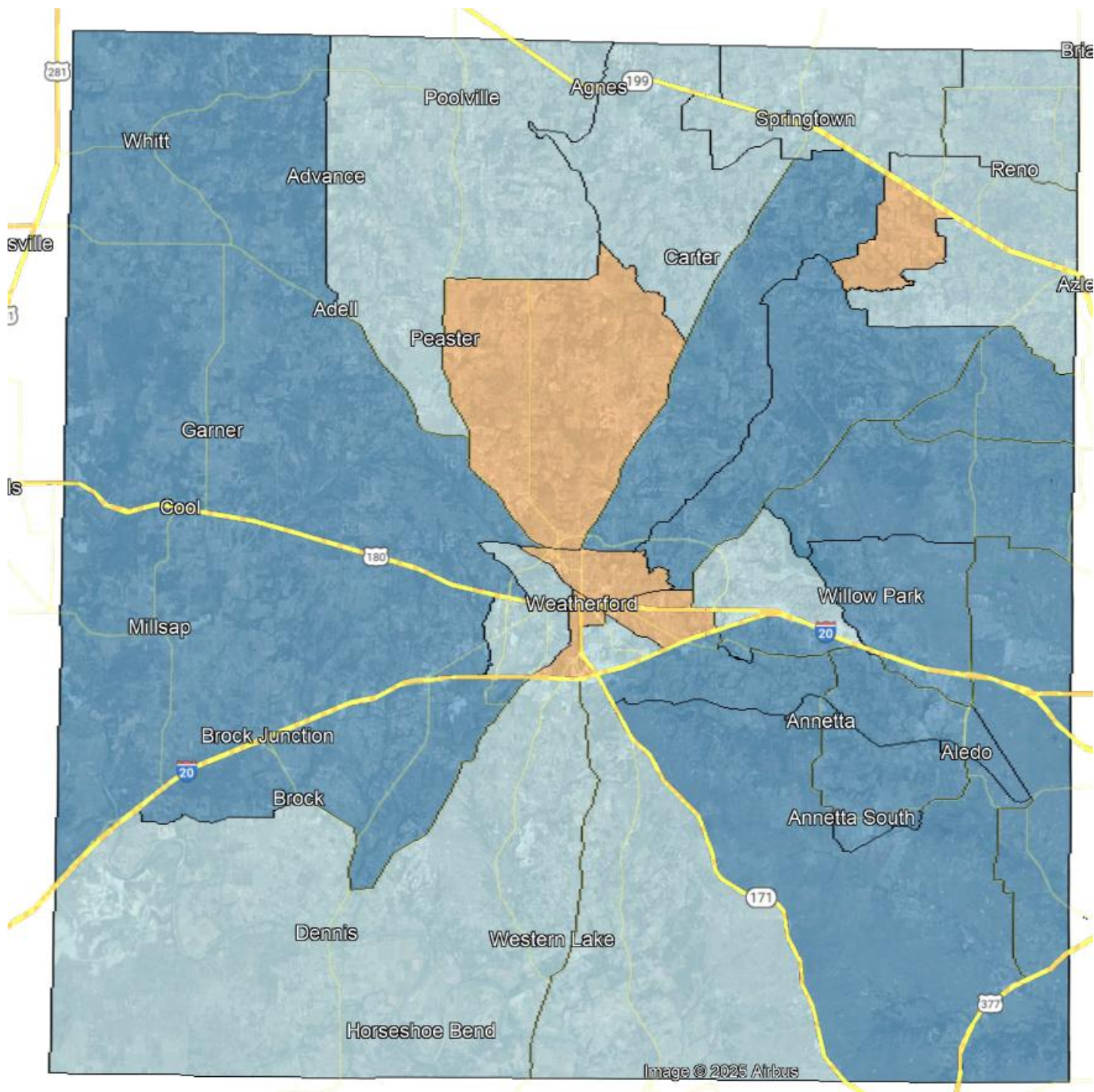
Assessment Area #1: Wichita Falls MSA in Texas (Wichita, Clay, and Archer Counties):



Assessment Area #2: Collin County & Denton County in Texas:



Assessment Area #3: Parker County in Texas:



II. Branch Information

Wichita County Assessment Area

Burkburnett Main Location

2022 FFIEC Geocode Census:

300 E 3RD ST

BURKBURNETT, TX, 76354

MSA: 48660 - WICHITA FALLS, TX

State: 48 - TEXAS

County: 485 - WICHITA COUNTY

Tract Code: 0135.04

Phone Number: (940) 569-2221
(866) 944-2265

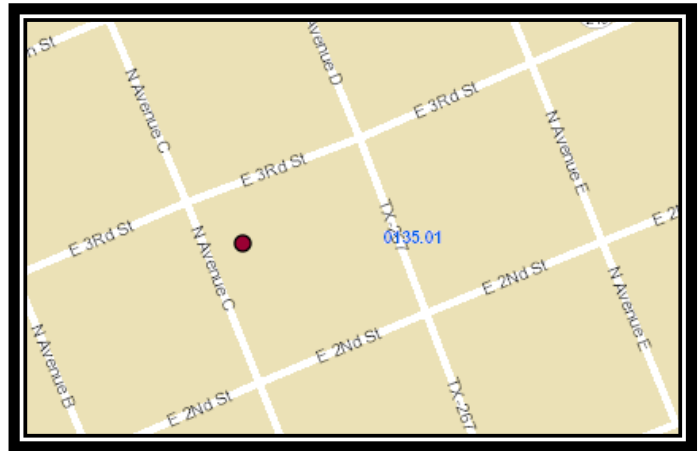
Lobby Hours: 9am–5 pm Monday – Friday

Drive Through Hours: 8am–6pm Monday – Friday

8am–12pm Saturday

ATM: Located in front of
United Supermarket

311 S. Ave D, Burkburnett, TX



Downtown Branch Location

2022 FFIEC Geocode Census:

901 LAMAR ST

WICHITA FALLS, TX, 76301

MSA: 48660 - WICHITA FALLS, TX

State: 48 - TEXAS

County: 485 - WICHITA COUNTY

Tract Code: 0101.00

Phone Number: (940) 687-2265

Lobby Hours: 9am–5pm Monday – Friday

Drive Through Hours: 9am–6pm Monday – Friday

ATM: Located in Drive Through



Iowa Park Branch Location

2022 FFIEC Geocode Census:

318 W PARK AVE

IOWA PARK, TX, 76367

MSA: 48660 - WICHITA FALLS, TX

State: 48 - TEXAS

County: 485 - WICHITA COUNTY

Tract Code: 0136.00

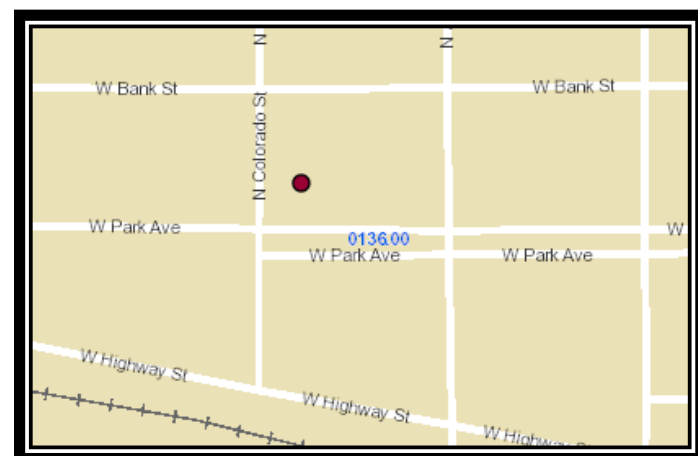
Phone Number: (940) 592-4619

Lobby Hours: 9am–5pm Monday – Friday

Drive Through Hours: 8am–6pm Monday – Friday

9am–12pm Saturday

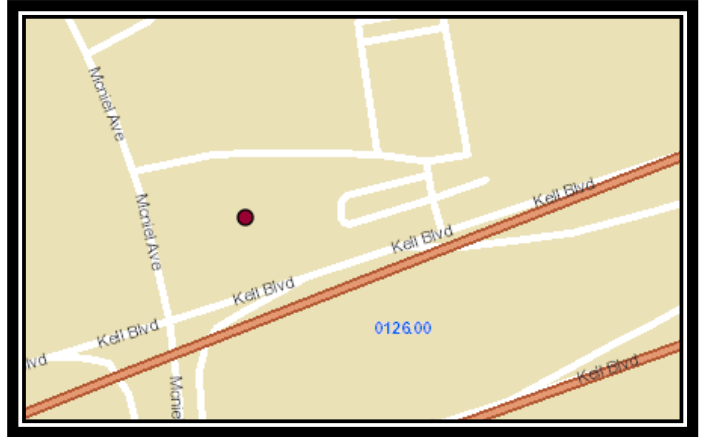
ATM: Located in Drive Through



Kell Branch Location**2022 FFIEC Geocode Census:**

4110 KELL BLVD
WICHITA FALLS, TX, 76309
MSA: 48660 - WICHITA FALLS, TX
State: 48 - TEXAS
County: 485 - WICHITA COUNTY
Tract Code: 0126.00
Phone Number: (940) 691-0000
1-866-944-2265

Lobby Hours: 9am–5pm Monday – Friday
Drive Through Hours: 8am–6pm Monday – Friday
9am–12pm Saturday
ATM: Located in Drive-Through

**Plaza Branch Location****2022 FFIEC Geocode Census:**

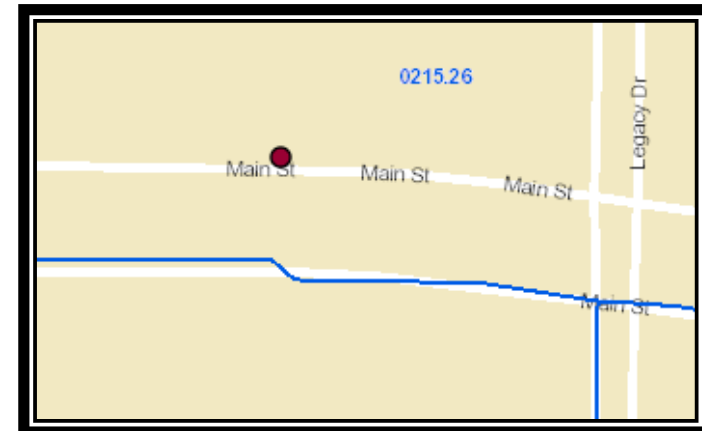
2801 MIDWESTERN PKWY
WICHITA FALLS, TX, 76308
MSA: 48660 - WICHITA FALLS, TX
State: 48 - TEXAS
County: 485 - WICHITA COUNTY
Tract Code: 0120.02
Phone Number: (940) 696-0000
Lobby Hours: 9am–5pm Monday – Friday

Drive Through Hours: 8am–6pm Monday – Friday
9am–12pm Saturday
ATM: Located in Drive-Through

**Collin & Denton County Assessment Area****Frisco Branch Location****2022 FFIEC Geocode Census:**

4400 MAIN ST
FRISCO, TX, 75033
MSA: 19124 - DALLAS-PLANO-IRVING, TX
State: 48 - TEXAS
County: 121 - DENTON COUNTY
Tract Code: 0215.26
Phone Number: (469) 277-3511

Lobby Hours: 9am–4pm Monday – Friday
Drive Through Hours: 9am–5pm Monday – Friday
ATM: Located in Drive-Through



Parker County Assessment Area

Aledo Branch Location

2022 FFIEC Geocode Census:

900 BAILEY RANCH RD

ALEDO, TX, 76008

MSA: 23104 - FORT WORTH-ARLINGTON-GRAPEVINE, TX

State: 48 - TEXAS

County: 367 - PARKER COUNTY

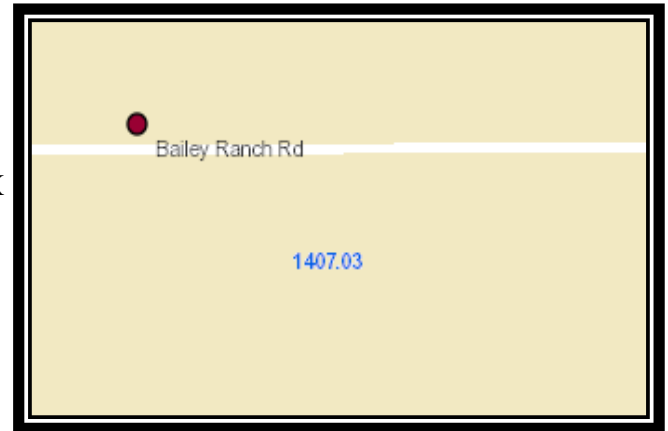
Tract Code: 1407.07

Phone Number: (817) 953-8727

Lobby Hours: 9am–5pm Monday – Friday

Drive Through Hours: 8am–5pm Monday – Friday

ATM: Located in branch parking lot



III. Branches Opened and Closed

Branches opened and closed by the bank during the current year and each of the prior two calendar years.

Branch Location	Tract Code	Action	Action Date

IV. List of Products and Services

Below is a list of the bank's products and services offered.

Checking Accounts – Non-interest Bearing:	eChecking Star Checking Star Plus Checking
Checking Accounts – Interest Bearing:	Star Platinum Checking Star Platinum Plus Checking
Savings Accounts:	First Savings
Money Market Accounts:	Money Market T-Fund Money Market T-Fund Plus Money Market
Certificates of Deposit:	3 to 60 months
I.R.A.s:	3 to 60 months
Lending:	Consumer Commercial Real Estate Mortgage Agricultural
24 Hour Banking:	Debit Cards Access 24 (Telephone Automated Banking) Online Banking – www.firstbankweb.com Mobile Device Banking Mobile Device Wallet – Apple Pay, Google Pay and Samsung Pay
Safe Deposit Boxes:	Available at our Burkburnett, Kell, Downtown, Frisco and Aledo branches

IV. Limits and Fees

Limits and fees - The following fees may be assessed against your account and the following transaction limitations, if any, apply to your account:

Replace Debit card	\$5.00
ATM foreign transactions	\$1.00
Check printing	Fee depends on style of check ordered
Temporary Checks - printed 4 temporary checks per page	\$1.00 per page
Cashier's check	\$3.00
Money order (customer)	\$1.00
NSF/Overdraft Charge (per item paid or returned)	\$30.00

Courtesy Overdraft Privilege Program

First Bank offers a courtesy overdraft privilege on select consumer checking accounts. These accounts must be open and held in good standing for a minimum of (30) business days to qualify for this privilege. These overdraft privileges are a discretionary courtesy to our customers who qualify for this program and are extended to provide additional flexibility and convenience when managing your funds. We do authorize and pay overdrafts for the following types of transactions: checks, automatic bill payments and other transactions using your checking account number.

A non-sufficient (NSF)/overdraft (OD) item may be created by check, in-person withdrawal, ATM withdrawal or other electronic means when there is not enough money in your account to cover the item or transaction presented for payment. There will be a maximum total daily overdraft charge limit of \$180.00 per business day, per account, for OD/NSF charges for consumer accounts and a \$750.00 per business day maximum daily charge for commercial accounts.

The following fees will apply if the negative ending balance is:

\$0.01 thru \$10.00 - No Charge

\$10.01 and above - \$30.00 per overdraft item

You maintain the right to opt-out of the Courtesy Overdraft Privilege Program at your discretion.

ATM and Debit Card transactions will not be included in the program, unless you request First Bank to pay overdrafts stemming from your ATM and Debit Card transactions. If it your desire to do so, it will be necessary for you to complete and sign an Authorization Request Form.

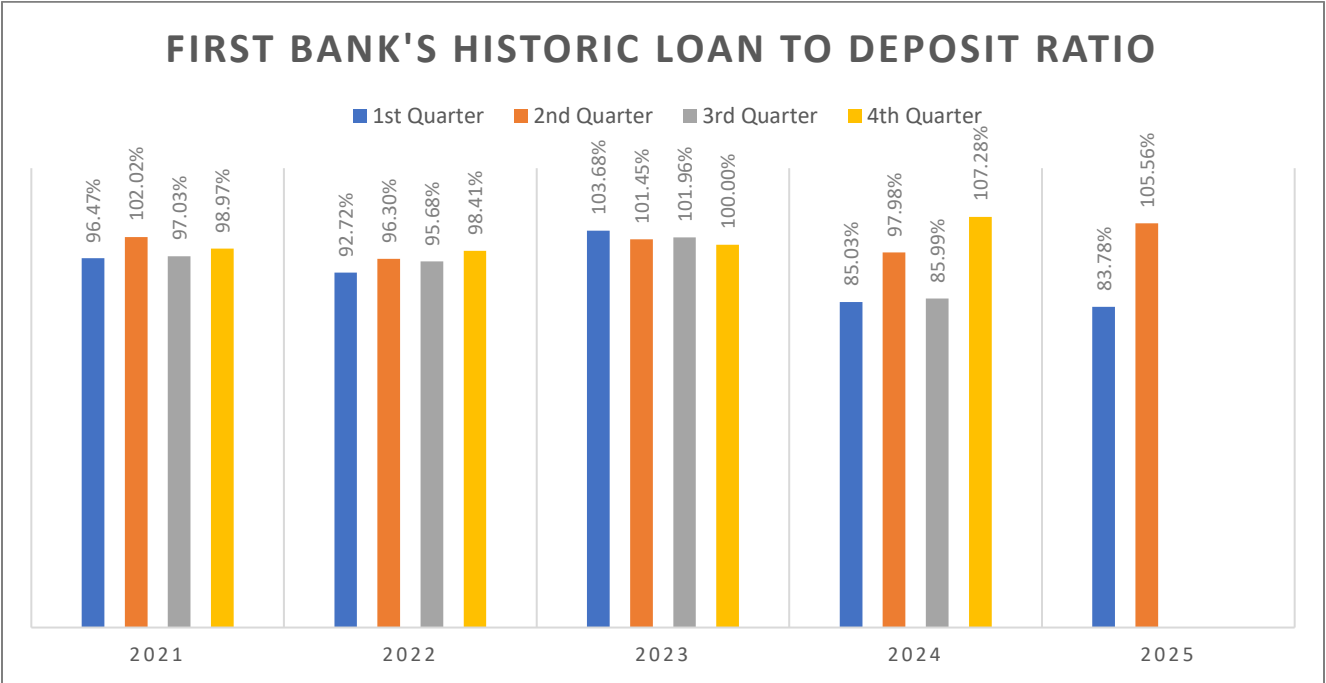
Deposited checks returned unpaid	\$5.00
Account activity printout	\$1.00
Account research	\$25.00 per hour (min 1 hour)
Copy of statement	\$5.00
Photocopies	\$.25 per copy
Copy of statement item (1st item no charge)	\$.25 per copy
ACCESS 24	FREE
Telephone transfer from checking or savings	\$2.00
FAX local	\$2.00 per page
FAX long distance	\$5.00 per page
Online Bank Bill Payment (per month Consumer)	\$5.95
Online Bank Bill Payment (per month Commercial)	\$10.00
Online Bank inquiries	FREE
Stop Payment - all items	\$25.00
Wire transfer (incoming Domestic) – customer	\$5.00
Wire transfer (outgoing Domestic) – customer	\$15.00
Wire transfer (incoming International) -- customer	\$25.00
Wire transfer (outgoing International) -- customer	\$50.00
Garnishments	Some attorney fees may apply
New account closed within 90 days	\$10.00
Zipper bag (medium)	\$5.00
Locking zipper bag	\$35.00

Safe Deposit Boxes - Boxes are not available at all First Bank locations and box rental fees are based upon box availability and size."There is no insurance coverage provided on box contents either by FDIC or this Financial Institution"

Safe Deposit Box - replace one lost key	\$35.00
Safe Deposit Box - replace 2 lost keys (requires box to be drilled, new locks installed & new keys issued)	\$135.00

V. Loan to Deposit Ratio

	2021	2022	2023	2024	2025
1st Quarter	96.47%	92.72%	103.68%	85.03%	83.78%
2nd Quarter	102.02%	96.30%	101.45%	97.98%	105.56%
3rd Quarter	97.03%	95.68%	101.96%	85.99%	
4th Quarter	98.97%	98.41%	100.00%	107.28%	





VI. Written Comments or Complaints

First Bank has not received any CRA-related comments or complaints for the current year or the prior two calendar years.

VII. CRA Performance Evaluation

First Bank's most recent CRA Performance Evaluation was conducted by the FDIC in January 2023. First Bank's overall CRA Rating was Satisfactory. The written evaluation will be appended to this file.

VIII. HMDA Notice

Effective January 1, 2018, the HMDA data about our residential mortgage lending are available online for review. The data show geographic distribution of loans and applications; ethnicity, race, sex, age and income of applicants and borrowers; and information about loan approvals and denials. This data is available online at the Consumer Financial Protection Bureau's Website at: www.consumerfinance.gov/hmda beginning with calendar years 2017 forward. HMDA data for many other financial institutions are also available at this Website.

IX. Contact Information for Comments or Questions

Comments or questions about First Bank's CRA performance may be addressed to:

First Bank
Attention: CRA Officer
4110 Kell Blvd.
Wichita Falls, TX 76309

X. Census Tracts

Assessment Area #1 Wichita Falls MSA (48660) in Texas (48)

MSA = Wichita Falls, TX (48660)							
State Code	County Code	Tract Code	Tract Income	Tract % Minority	Households	Families	Low Income Families
48	009	0201.00	Upper	0-10%	1,055	876	80
48	009	0202.00	Middle	0-10%	1,020	750	80
48	009	0203.00	Middle	10-20%	1,275	860	168
48	077	0302.00	Middle	0-10%	1,193	817	146
48	077	0303.01	Middle	0-10%	1,802	1,307	227
48	077	0303.02	Middle	10-20%	1,151	773	140
48	485	0101.00	Mod	60-70%	567	225	100
48	485	0102.00	Mod	40-50%	424	171	80
48	485	0104.00	Low	70-80%	976	570	284
48	485	0106.00	Middle	40-50%	997	486	135
48	485	0107.00	Mod	50-60%	1,047	629	213
48	485	0108.00	Mod	60-70%	874	543	194
48	485	0109.00	Middle	10-20%	747	365	73
48	485	0110.00	Mod	30-40%	1,059	653	219
48	485	0111.00	Low	60-70%	497	268	153
48	485	0112.00	Low	30-40%	911	510	260
48	485	0113.00	Mod	60-70%	570	353	119
48	485	0114.00	Low	60-70%	850	610	330
48	485	0115.00	Mod	30-40%	820	604	181
48	485	0116.00	Mod	40-50%	1,832	1,136	499
48	485	0117.00	Upper	0-10%	906	599	45
48	485	0118.00	Upper	20-30%	821	591	47
48	485	0119.00	Upper	20-30%	1,839	750	79
48	485	0120.00	Upper	20-30%	2,830	1,262	213
48	485	0121.00	Mod	20-30%	1,279	835	266
48	485	0122.00	Middle	20-30%	2,375	1,596	230
48	485	0123.00	Upper	30-40%	2,760	2,219	206
48	485	0124.00	Upper	20-30%	3,103	1,971	328
48	485	0126.00	Upper	20-30%	1,660	964	98
48	485	0127.00	Mod	40-50%	1,034	570	228
48	485	0128.00	Upper	20-30%	1,738	1,242	223
48	485	0129.00	Upper	10-20%	873	573	41
48	485	0130.00	Mod	30-40%	883	596	224
48	485	0131.00	Middle	50-60%	1,650	1,254	182

48	485	0132.00	Middle	40-50%	2,303	1,697	303
48	485	0133.00	Middle	50-60%	392	341	25
48	485	0134.01	Upper	30-40%	217	179	17
48	485	0135.01	Mod	10-20%	2,267	1,419	532
48	485	0135.02	Upper	10-20%	2,002	1,524	91
48	485	0136.00	Middle	0-10%	2,287	1,583	346
48	485	0137.00	Middle	10-20%	1,245	849	218
48	485	0138.00	Upper	0-10%	1,306	1,054	147
48	485	9800.00	NA	NA	0	0	0

Assessment Areas #2 Collin (085) and Denton (121) Counties in Texas (48)

County = COLLIN (085), TEXAS (48)							
State Code	County Code	Tract Code	Tract Income	Tract % Minority	Households	Families	Low Income Families
48	085	0301.00	Middle	0-10%	2,117	1,698	303
48	085	0302.01	Upper	10-20%	993	854	25
48	085	0302.02	Upper	10-20%	748	632	104
48	085	0302.03	Middle	30-40%	5,213	4,651	786
48	085	0303.01	Upper	30-40%	1,591	1,379	52
48	085	0303.02	Upper	10-20%	783	723	21
48	085	0303.03	Upper	10-20%	2,123	1,631	129
48	085	0303.04	Upper	10-20%	912	862	191
48	085	0303.05	Upper	10-20%	2,961	2,483	244
48	085	0304.03	Upper	30-40%	1,766	1,537	232
48	085	0304.04	Upper	30-40%	2,141	1,581	156
48	085	0304.05	Middle	40-50%	2,008	1,423	168
48	085	0304.06	Mod	50-60%	1,208	779	213
48	085	0304.07	Upper	20-30%	1,340	1,202	94
48	085	0304.08	Middle	50-60%	2,602	1,834	283
48	085	0305.04	Upper	40-50%	1,301	818	153
48	085	0305.05	Middle	40-50%	1,876	917	114
48	085	0305.06	Upper	20-30%	953	843	24
48	085	0305.07	Upper	30-40%	604	548	9
48	085	0305.08	Upper	20-30%	2,155	1,690	201
48	085	0305.09	Upper	40-50%	832	649	19
48	085	0305.10	Upper	40-50%	1,031	841	87
48	085	0305.11	Upper	30-40%	1,778	1,482	152
48	085	0305.12	Upper	30-40%	1,246	1,158	39
48	085	0305.13	Upper	40-50%	3,113	2,025	204
48	085	0305.14	Upper	30-40%	2,286	1,828	56

48	085	0305.15	Upper	30-40%	2,058	1,687	159
48	085	0305.16	Upper	40-50%	1,859	1,581	231
48	085	0305.17	Upper	20-30%	1,976	1,597	220
48	085	0305.18	Upper	40-50%	818	810	22
48	085	0305.19	Upper	40-50%	819	659	46
48	085	0305.20	Upper	50-60%	1,848	1,529	116
48	085	0305.21	Upper	50-60%	1,014	910	37
48	085	0305.22	Upper	40-50%	1,972	1,875	119
48	085	0305.23	Upper	30-40%	3,253	2,795	160
48	085	0305.24	Upper	40-50%	767	638	53
48	085	0305.25	Upper	20-30%	2,036	1,671	105
48	085	0305.26	Upper	20-30%	3,164	2,568	349
48	085	0305.27	Upper	30-40%	1,444	1,327	52
48	085	0305.28	Upper	20-30%	2,657	2,184	288
48	085	0305.29	Upper	30-40%	1,142	835	47
48	085	0305.30	Upper	10-20%	2,317	1,910	172
48	085	0305.31	Upper	20-30%	2,060	1,815	97
48	085	0306.01	Upper	10-20%	3,455	2,498	304
48	085	0306.03	Middle	40-50%	2,824	1,965	210
48	085	0306.04	Upper	30-40%	595	543	33
48	085	0306.05	Middle	40-50%	2,248	1,804	172
48	085	0307.01	Mod	50-60%	1,077	644	224
48	085	0307.02	Mod	40-50%	1,843	1,176	376
48	085	0308.01	Middle	30-40%	1,757	1,020	298
48	085	0308.02	Mod	50-60%	2,128	1,468	613
48	085	0309.00	Mod	70-80%	2,985	2,064	982
48	085	0310.01	Middle	30-40%	2,565	1,922	446
48	085	0310.03	Mod	30-40%	1,648	1,210	410
48	085	0310.04	Middle	30-40%	2,175	1,631	453
48	085	0311.00	Middle	20-30%	3,170	2,492	507
48	085	0312.01	Middle	20-30%	1,695	1,375	228
48	085	0312.02	Upper	20-30%	1,397	1,173	115
48	085	0313.08	Upper	30-40%	2,057	1,726	226
48	085	0313.09	Upper	40-50%	3,082	2,208	122
48	085	0313.10	Middle	20-30%	3,209	2,662	242
48	085	0313.11	Upper	30-40%	3,602	2,861	162
48	085	0313.12	Upper	30-40%	2,220	1,932	31
48	085	0313.13	Upper	40-50%	3,529	3,198	140
48	085	0313.14	Upper	10-20%	857	753	46
48	085	0313.15	Upper	40-50%	5,320	4,551	615
48	085	0313.16	Upper	60-70%	1,887	1,723	63
48	085	0313.17	Upper	40-50%	2,618	2,363	132
48	085	0314.05	Upper	30-40%	6,163	5,486	107

48	085	0314.06	Upper	30-40%	5,729	4,658	407
48	085	0314.07	Upper	0-10%	2,872	2,404	403
48	085	0314.08	Upper	30-40%	1,121	922	116
48	085	0314.09	Upper	30-40%	3,508	3,013	232
48	085	0314.10	Upper	30-40%	2,982	2,484	336
48	085	0314.11	Upper	40-50%	1,568	1,434	50
48	085	0315.04	Upper	20-30%	2,345	1,879	246
48	085	0315.05	Upper	30-40%	2,914	2,376	128
48	085	0315.06	Mod	40-50%	3,172	2,135	744
48	085	0315.07	Upper	30-40%	2,033	1,288	113
48	085	0315.08	Middle	30-40%	2,299	1,704	465
48	085	0316.11	Middle	50-60%	1,395	923	169
48	085	0316.12	Middle	20-30%	2,263	1,842	310
48	085	0316.13	Upper	20-30%	2,053	1,633	91
48	085	0316.21	Upper	20-30%	2,478	1,510	276
48	085	0316.22	Upper	30-40%	2,160	1,641	151
48	085	0316.23	Upper	40-50%	1,158	674	75
48	085	0316.24	Mod	60-70%	1,536	1,025	340
48	085	0316.25	Upper	20-30%	1,760	1,405	215
48	085	0316.26	Upper	20-30%	915	735	63
48	085	0316.27	Middle	20-30%	1,875	1,551	214
48	085	0316.28	Middle	30-40%	1,413	987	106
48	085	0316.29	Middle	40-50%	1,303	1,068	384
48	085	0316.30	Upper	20-30%	1,598	1,277	74
48	085	0316.31	Upper	40-50%	1,807	1,287	223
48	085	0316.32	Upper	40-50%	2,560	1,388	240
48	085	0316.33	Middle	30-40%	1,429	1,016	62
48	085	0316.34	Middle	40-50%	1,253	832	89
48	085	0316.35	Middle	50-60%	1,690	1,113	202
48	085	0316.36	Upper	30-40%	2,567	1,917	178
48	085	0316.37	Upper	30-40%	2,248	1,991	96
48	085	0316.38	Upper	50-60%	2,222	2,045	79
48	085	0316.39	Upper	40-50%	2,448	1,730	103
48	085	0316.40	Upper	40-50%	3,298	2,029	227
48	085	0316.41	Upper	60-70%	2,086	1,790	115
48	085	0316.42	Upper	30-40%	1,649	1,390	37
48	085	0316.43	Upper	30-40%	1,837	1,324	220
48	085	0316.45	Upper	20-30%	663	620	15
48	085	0316.46	Upper	30-40%	2,015	1,690	47
48	085	0316.47	Upper	20-30%	1,392	756	41
48	085	0316.48	Upper	30-40%	2,738	2,280	242
48	085	0316.49	Upper	20-30%	1,891	1,338	114
48	085	0316.52	Upper	50-60%	3,433	1,767	71

48	085	0316.53	Upper	40-50%	2,880	1,989	171
48	085	0316.54	Upper	30-40%	1,341	1,124	24
48	085	0316.55	Upper	40-50%	2,132	1,205	255
48	085	0316.56	Upper	30-40%	1,005	652	85
48	085	0316.57	Upper	30-40%	1,434	455	86
48	085	0316.58	Middle	30-40%	2,776	1,005	248
48	085	0316.59	Upper	60-70%	819	476	37
48	085	0316.60	Middle	60-70%	2,000	1,207	129
48	085	0316.61	Upper	60-70%	977	818	19
48	085	0316.62	Upper	50-60%	1,585	1,393	62
48	085	0316.63	Upper	40-50%	1,334	929	42
48	085	0316.64	Upper	30-40%	1,330	1,242	69
48	085	0317.04	Upper	30-40%	1,956	956	149
48	085	0317.06	Upper	10-20%	845	717	27
48	085	0317.08	Upper	40-50%	2,001	928	80
48	085	0317.09	Upper	40-50%	1,998	990	78
48	085	0317.11	Upper	30-40%	1,479	794	87
48	085	0317.12	Middle	50-60%	2,797	1,289	124
48	085	0317.13	NA	60-70%	2,277	871	352
48	085	0317.14	Mod	60-70%	3,233	1,223	419
48	085	0317.15	Upper	30-40%	1,188	797	25
48	085	0317.16	Upper	30-40%	1,267	477	81
48	085	0317.17	Upper	60-70%	1,107	571	50
48	085	0317.18	Upper	20-30%	1,034	636	52
48	085	0317.19	Middle	40-50%	827	455	73
48	085	0317.20	Low	80-90%	2,330	849	656
48	085	0318.02	Upper	40-50%	2,368	1,642	147
48	085	0318.04	Upper	30-40%	1,713	759	60
48	085	0318.05	Upper	20-30%	2,060	1,670	92
48	085	0318.06	Middle	70-80%	1,012	432	70
48	085	0318.07	Upper	20-30%	2,075	1,506	198
48	085	0319.00	Low	70-80%	1,625	907	510
48	085	0320.03	Mod	70-80%	2,158	1,288	538
48	085	0320.04	Mod	60-70%	2,460	1,855	439
48	085	0320.08	Middle	40-50%	1,500	1,093	134
48	085	0320.09	Upper	40-50%	2,520	2,091	118
48	085	0320.10	Mod	50-60%	1,826	1,197	412
48	085	0320.11	Upper	50-60%	2,528	1,680	126
48	085	0320.12	Mod	60-70%	1,281	960	298
48	085	0320.13	Mod	70-80%	2,082	1,634	429

County = DENTON (121), TEXAS (48)

State Code	County Code	Tract Code	Tract Income	Tract % Minority	Households	Families	Low Income Families
48	121	0201.03	Middle	20-30%	3,961	3,116	674
48	121	0201.04	Upper	20-30%	1,214	1,011	37
48	121	0201.05	Middle	30-40%	2,421	2,181	204
48	121	0201.06	Upper	20-30%	1,914	1,576	122
48	121	0201.07	Middle	20-30%	1,975	1,465	237
48	121	0201.08	Upper	40-50%	4,694	4,049	232
48	121	0201.09	Upper	40-50%	1,073	1,045	25
48	121	0201.10	Upper	40-50%	1,564	1,420	61
48	121	0201.11	Upper	20-30%	1,138	947	23
48	121	0201.12	Upper	30-40%	1,096	896	33
48	121	0201.13	Middle	50-60%	3,356	2,785	222
48	121	0201.14	Middle	50-60%	3,070	2,399	560
48	121	0201.15	Middle	30-40%	1,719	1,320	294
48	121	0202.02	Middle	20-30%	3,117	2,555	421
48	121	0202.03	Middle	20-30%	1,922	1,418	231
48	121	0202.04	Middle	10-20%	1,484	1,094	236
48	121	0202.05	Middle	20-30%	631	459	71
48	121	0203.03	Upper	10-20%	3,618	3,015	306
48	121	0203.05	Upper	10-20%	2,663	2,318	90
48	121	0203.06	Middle	20-30%	3,014	1,644	251
48	121	0203.07	Upper	10-20%	3,314	2,629	191
48	121	0203.08	Upper	20-30%	3,074	2,700	140
48	121	0203.09	Middle	10-20%	3,094	2,397	386
48	121	0203.10	Upper	10-20%	1,500	1,011	95
48	121	0204.01	Middle	30-40%	2,757	2,014	371
48	121	0204.02	Middle	20-30%	1,963	1,140	183
48	121	0204.03	Middle	20-30%	1,488	696	182
48	121	0205.03	Middle	40-50%	2,522	1,421	489
48	121	0205.04	Mod	50-60%	1,045	684	248
48	121	0205.05	Upper	10-20%	2,563	1,873	155
48	121	0205.06	Upper	20-30%	745	466	48
48	121	0206.01	Mod	50-60%	1,459	707	310
48	121	0206.02	Mod	40-50%	3,112	2,171	620
48	121	0207.00	Mod	30-40%	1,533	344	134
48	121	0208.00	Middle	40-50%	2,037	691	201
48	121	0209.00	Low	50-60%	1,217	470	284
48	121	0210.00	Mod	40-50%	1,265	321	144
48	121	0211.00	Low	40-50%	1,643	225	142

48	121	0212.01	Low	50-60%	2,696	1,372	819
48	121	0212.02	Middle	60-70%	1,137	766	187
48	121	0213.01	Mod	40-50%	1,516	326	138
48	121	0213.03	Middle	20-30%	2,250	1,614	306
48	121	0213.04	Upper	30-40%	2,174	1,416	304
48	121	0213.05	Upper	20-30%	1,535	1,016	204
48	121	0214.03	Middle	20-30%	3,942	3,061	563
48	121	0214.04	Upper	20-30%	2,981	2,271	181
48	121	0214.05	Middle	40-50%	3,252	2,494	463
48	121	0214.06	Upper	30-40%	2,253	1,840	139
48	121	0214.07	Middle	40-50%	1,966	1,615	198
48	121	0214.08	Middle	20-30%	2,216	1,766	164
48	121	0214.09	Upper	20-30%	2,734	2,179	244
48	121	0215.02	Mod	50-60%	1,675	1,045	342
48	121	0215.05	Middle	30-40%	2,027	1,466	242
48	121	0215.12	Upper	10-20%	1,522	1,328	107
48	121	0215.13	Upper	10-20%	1,316	1,125	57
48	121	0215.14	Upper	10-20%	1,460	1,372	90
48	121	0215.15	Upper	40-50%	3,623	2,803	167
48	121	0215.16	Middle	20-30%	2,338	1,469	161
48	121	0215.17	Middle	70-80%	1,121	791	120
48	121	0215.18	Upper	10-20%	1,050	839	56
48	121	0215.19	Middle	40-50%	4,600	3,257	668
48	121	0215.20	Middle	30-40%	1,267	886	139
48	121	0215.21	Middle	30-40%	1,503	1,295	189
48	121	0215.22	Upper	60-70%	647	487	75
48	121	0215.23	Middle	40-50%	1,101	838	249
48	121	0215.24	Upper	20-30%	590	509	27
48	121	0215.25	Upper	30-40%	2,871	2,590	72
48	121	0215.26	Upper	20-30%	1,959	1,658	98
48	121	0215.27	Upper	20-30%	1,805	1,632	64
48	121	0216.11	Middle	40-50%	1,664	1,296	270
48	121	0216.12	Middle	40-50%	1,466	1,053	177
48	121	0216.13	Mod	60-70%	2,079	1,550	510
48	121	0216.14	Middle	60-70%	1,298	965	161
48	121	0216.15	Middle	60-70%	1,505	1,079	195
48	121	0216.16	Mod	60-70%	1,783	1,029	413
48	121	0216.18	Mod	60-70%	1,273	986	369
48	121	0216.19	Mod	60-70%	1,077	617	244
48	121	0216.20	Mod	60-70%	1,018	454	110
48	121	0216.21	Upper	30-40%	1,306	1,104	65
48	121	0216.22	Upper	40-50%	1,707	1,518	63
48	121	0216.23	Upper	70-80%	2,301	1,612	190

48	121	0216.24	Middle	50-60%	2,947	1,804	266
48	121	0216.25	Upper	40-50%	2,113	1,647	103
48	121	0216.26	Upper	10-20%	755	629	61
48	121	0216.27	Upper	20-30%	4,367	1,518	138
48	121	0216.28	Upper	50-60%	2,550	1,687	301
48	121	0216.29	Upper	40-50%	2,191	1,815	81
48	121	0216.30	Middle	50-60%	1,834	1,406	205
48	121	0216.31	Upper	40-50%	1,840	1,564	114
48	121	0216.32	Upper	30-40%	1,485	1,024	207
48	121	0216.33	Upper	30-40%	1,689	1,288	186
48	121	0216.34	Low	60-70%	2,973	1,120	633
48	121	0216.35	Mod	60-70%	1,983	835	308
48	121	0216.36	Middle	60-70%	4,222	1,398	273
48	121	0216.37	Mod	70-80%	1,943	1,040	411
48	121	0216.38	Middle	50-60%	1,778	766	116
48	121	0217.15	Upper	30-40%	1,598	1,165	47
48	121	0217.16	Middle	30-40%	2,399	1,228	201
48	121	0217.17	Middle	20-30%	2,161	1,602	313
48	121	0217.18	Upper	10-20%	2,970	2,658	129
48	121	0217.19	Upper	10-20%	1,421	1,275	15
48	121	0217.20	Upper	30-40%	994	916	7
48	121	0217.21	Upper	10-20%	1,333	1,157	23
48	121	0217.22	Upper	20-30%	1,518	1,098	102
48	121	0217.23	Middle	60-70%	545	418	44
48	121	0217.24	Upper	20-30%	1,338	1,146	16
48	121	0217.25	Upper	20-30%	1,317	1,046	49
48	121	0217.26	Upper	20-30%	1,060	937	52
48	121	0217.27	Upper	30-40%	1,472	1,332	69
48	121	0217.28	Middle	60-70%	1,102	615	169
48	121	0217.29	Upper	40-50%	1,064	942	46
48	121	0217.30	Upper	30-40%	1,325	1,078	16
48	121	0217.31	Upper	40-50%	1,249	1,145	72
48	121	0217.32	Mod	60-70%	941	498	125
48	121	0217.33	Middle	60-70%	1,134	913	104
48	121	0217.34	Mod	60-70%	1,589	775	320
48	121	0217.35	Middle	50-60%	1,673	638	177
48	121	0217.36	Middle	60-70%	1,118	532	36
48	121	0217.37	Middle	40-50%	1,934	1,067	151
48	121	0217.38	Middle	50-60%	1,273	723	67
48	121	0217.39	Low	60-70%	1,631	885	517
48	121	0217.40	Middle	40-50%	2,052	1,025	221
48	121	0217.41	Middle	40-50%	670	497	141
48	121	0217.42	Middle	40-50%	2,010	1,463	177

48	121	0217.43	Mod	60-70%	1,403	949	243
48	121	0217.44	Low	70-80%	1,085	726	369
48	121	0217.45	Middle	60-70%	1,587	1,206	308
48	121	0217.46	Upper	20-30%	1,112	1,029	29
48	121	0217.47	Upper	10-20%	1,514	1,176	97
48	121	0217.48	Upper	20-30%	1,472	1,223	44
48	121	0217.49	Upper	0-10%	1,005	961	18
48	121	0217.50	Upper	20-30%	1,253	1,179	42
48	121	0217.51	Upper	30-40%	1,431	1,339	45
48	121	0217.52	Upper	30-40%	1,575	1,432	42
48	121	0217.53	Upper	10-20%	1,738	1,587	76
48	121	0218.00	Upper	20-30%	1,597	1,243	81
48	121	0219.00	Upper	20-30%	1,363	1,240	19

Assessment Area #3 Parker County (367) in Texas (48)

County = PARKER (367), TEXAS (48)							
State Code	County Code	Tract Code	Tract Income	Tract % Minority	Households	Families	Low Income Families
48	367	1401.01	Middle	30-40%	1,588	1,291	262
48	367	1401.02	Mod	10-20%	1,641	1,111	380
48	367	1402.00	Middle	10-20%	2,774	1,502	272
48	367	1403.00	Middle	20-30%	2,126	1,663	339
48	367	1404.03	Middle	0-10%	2,561	1,993	466
48	367	1404.05	Middle	10-20%	2,280	1,521	326
48	367	1404.07	Upper	10-20%	3,807	3,094	412
48	367	1404.08	Middle	10-20%	1,571	1,182	170
48	367	1404.09	Mod	30-40%	1,126	941	358
48	367	1404.10	Middle	0-10%	1,081	882	183
48	367	1404.11	Middle	10-20%	1,424	1,209	284
48	367	1405.01	Middle	10-20%	2,516	1,936	383
48	367	1405.02	Upper	20-30%	1,535	1,061	172
48	367	1406.01	Upper	0-10%	2,692	1,951	206
48	367	1406.02	Middle	10-20%	3,632	2,853	514
48	367	1407.03	Upper	0-10%	2,311	1,874	234
48	367	1407.04	Upper	10-20%	2,518	2,188	130
48	367	1407.05	Upper	10-20%	2,929	2,153	331
48	367	1407.06	Upper	0-10%	2,669	2,156	195

VII. CRA Performance Evaluation

PUBLIC DISCLOSURE

February 27, 2023

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

First Bank
Certificate Number: 3121

300 East Third Street
Burkburnett, Texas 76354

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.

TABLE OF CONTENTS

INSTITUTION RATING	1
DESCRIPTION OF INSTITUTION	1
DESCRIPTION OF ASSESSMENT AREAS.....	3
SCOPE OF EVALUATION	3
CONCLUSIONS ON PERFORMANCE CRITERIA.....	6
DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW.....	13
WICHITA FALLS MSA AA – Full-Scope Review.....	13
DFW MSA AA – Full-Scope Review	21
APPENDICES	30
INTERMEDIATE SMALL BANK PERFORMANCE CRITERIA.....	30
GLOSSARY	31

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.

The Lending Test is rated Satisfactory.

- The loan-to-deposit ratio is reasonable (considering seasonal variations and taking into account lending related activities) given the institution's size, financial condition, and assessment area credit needs.
- A majority of loans and other lending related activities are in the institution's assessment areas.
- The geographic distribution of loans reflects reasonable dispersion throughout the assessment areas.
- The distribution of borrowers reflects, given the demographics of the assessment area, reasonable penetration among individuals of different income levels (including low- and moderate-income) and businesses of different sizes.
- The institution has taken appropriate action in response to substantiated complaints about its performance in meeting assessment area credit needs.

The Community Development Test is rated Outstanding.

The institution's community development performance demonstrates excellent responsiveness to community development needs in its assessment areas through community development loans, qualified investments, and community development services, as appropriate, considering the institution's capacity and the need and availability of such opportunities for community development in the assessment areas. The institution provided for an excellent level of community development lending and community development services. Additionally, the institution displayed adequate performance regarding qualified investments.

DESCRIPTION OF INSTITUTION

First Bank, established in 1907, is headquartered in Burkburnett, Texas. First Burkburnett Bancshares, Inc., a one-bank holding company, wholly owns the bank. First Bank does not have any other affiliates or subsidiaries. The bank received a "Satisfactory" rating at its previous Federal Deposit Insurance Corporation (FDIC) Performance Evaluation, dated January 13, 2020, based on CRA Intermediate Small Institution (ISB) Evaluation Procedures.

First Bank remains a retail focused, community bank. Since the prior evaluation, the bank did not participate in any merger or acquisition activities. The bank did not open or close any full-service branches since the prior evaluation; however, the bank opened a new loan production office in the city of Austin, Texas in May 2021. In total, First Bank operates seven full-service branches including the main office and three loan production offices in the State of Texas. Refer to the Description of Institution's Operations sections for detailed branch descriptions.

First Bank offers a variety of loan products including consumer, commercial, residential real estate, and agricultural loans. It also provides a variety of deposit services including checking accounts, savings accounts, money market deposit accounts, individual retirement accounts, and certificates of deposit. Other alternative services include debit cards, automated teller machines (ATMs), drive-thru facilities, safe deposit boxes, telephone banking, online banking, and mobile banking. The bank operates hours typical for the industry and areas served.

Based on the December 31, 2022, Report of Condition and Income, the bank reported \$631.8 million in total assets, \$530.9 million in net loans, and almost \$549.6 million in total deposits. Overall, the bank experienced significant growth since the prior evaluation, with total assets increasing approximately 34.7 percent, net loans increasing 40.3 percent, and total deposits increasing 33.8 percent.

As seen in the following table, the mix of outstanding loans as of December 31, 2022, reflects a similar distribution to that shown for originated loans under the Scope of Evaluation section. Residential loans (secured by 1-4 family and secured by multi-family) represent the largest loan category of outstanding loans at 38.6 percent, followed by commercial loans (secured by nonfarm nonresidential and commercial and industrial) at 34.0 percent.

Loan Portfolio Distribution as of 12/31/2022		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	114,368	21.2
Secured by Farmland	25,013	4.6
Secured by 1-4 Family Residential Properties	188,830	34.9
Secured by Multifamily (5 or more) Residential Properties	20,132	3.7
Secured by Nonfarm Nonresidential Properties	123,638	22.9
Total Real Estate Loans	471,981	87.3
Commercial and Industrial Loans	59,944	11.1
Agricultural Production and Other Loans to Farmers	2,238	0.4
Consumer Loans	4,532	0.8
Obligations of State and Political Subdivisions in the U.S.	0	0.0
Other Loans	2,152	0.4
Lease Financing Receivable (net of unearned income)	0	0.0
Less: Unearned Income	0	0.0
Total Loans	540,847	100.0
<i>Source: Reports of Condition and Income</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 assessment areas' credit needs.

DESCRIPTION OF ASSESSMENT AREAS

The CRA requires each financial institution to define one or more assessment areas (AAs) for which examiners will evaluate its CRA performance. First Bank designated two AAs in the State of Texas for this evaluation's review. The first AA includes all of the Wichita Falls, Texas Metropolitan Statistical Area (MSA) (Wichita Falls MSA AA). The second AA includes two non-contiguous portions of the Dallas-Fort Worth-Arlington, Texas MSA (DFW MSA AA). The combined AAs encompass 351 census tracts with the following income designations based on the 2015 American Community Survey (ACS): 12 low-, 45 moderate-, 102 middle-, and 190 upper-income tracts, as well as 2 census tracts with no income designation. The areas conform to CRA regulatory requirements. Refer to the individual discussions of the AAs for more detail.

Description of Assessment Areas			
Assessment Area	Counties in Assessment Area	# of Census Tracts	# of Branches
Wichita Falls MSA AA	Archer, Clay, Wichita	43	5
DFW MSA AA	Collin, Denton, Parker	308	2
<i>Source: Bank Records</i>			

SCOPE OF EVALUATION

General Information

This evaluation covers the period from January 13, 2020, to February 27, 2023, the date of the previous evaluation to this evaluation's date. To evaluate performance, examiners applied the Federal Financial Institutions Examination Council's (FFIEC) ISB CRA Examination Procedures, which include the Lending Test and the Community Development Test. See the appendices for additional information regarding each test.

As seen in the table below, the Wichita Falls MSA AA comprises the majority of lending, deposits, and branches. Consequently, examiners performed full-scope procedures and weighed performance more heavily for the Wichita Falls MSA AA when arriving at conclusions and ratings. Examiners also performed full-scope procedures on the DFW MSA AA since this area did not receive a review following full-scope procedures at the previous evaluation.

Assessment Area Breakdown of Loans, Deposits, and Branches						
Assessment Area	Loans		Deposits		Branches	
	\$(000s)	%	\$(000s)	%	#	%
Wichita Falls MSA AA	153,335	54.9	440,926	71.7	5	71.4
DFW MSA AA	125,947	45.1	98,724	18.3	2	28.6
Total	279,282	100.0	539,650	100.0	7	100.0
<i>Source: Bank Records; FDIC Summary of Deposits (06/30/2022)</i>						

Activities Reviewed

For the Lending Test, CRA ISB procedures require examiners to determine the bank's major product lines from which to 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.

Considering the bank's overall lending strategy and the bank's dollar volume and number of loans originated during 2021, examiners determined the bank's major product lines include commercial and home mortgage lending at 32.8 and 28.4 percent of dollar volume, respectively. Agricultural and consumer lending do not represent major product lines and would not materially affect any conclusions or ratings. Examiners also considered construction and land development lending, which represents 32.5 percent by dollar volume; however, examiners did not select this product given the lack of comparable data available to measure the bank's lending performance.

The following table shows the bank's 2021 lending activity by loan category, which reflects a generally consistent pattern with the lending emphasis since last evaluation.

Loans Originated or Purchased				
Loan Category	\$(000s)	%	#	%
Construction & Land Development	147,721	32.5	320	14.0
Secured by Farmland	18,861	4.2	27	1.2
Secured by 1-4 Family Residential	121,615	26.8	488	21.3
Secured by Multi-Family Residential	7,245	1.6	11	0.4
Secured by Commercial Real Estate	58,621	12.9	74	3.2
Total Real Estate Loans	354,063	78.0	920	40.2
Agriculture	1,466	0.3	34	1.5
Commercial & Industrial	90,386	19.9	919	40.0
Consumer	3,430	0.8	389	17.0
Other Loans	4,604	1.0	32	1.4
Total Loans	453,949	100.0	2,294	100.0
<i>Source: Bank Records (1/1/21 – 12/31/21).</i>				

Examiners identified a small business universe of 954 loans totaling \$61.4 million from the 993 commercial loans totaling \$149.0 million originated in 2021. Examiners used all 954 small business loans to arrive at applicable conclusions for the assessment area concentration. Examiners

used all 751 small business loans totaling \$41.4 million, originated within the combined AAs, to arrive at applicable conclusions for the geographic distribution factor. For the borrower profile distribution performance factor conclusions, examiners used a random sample of 84 small business loans totaling \$3.5 million from the 751 small business loans originated within the combined AAs. Examiners based the sample on a 90 percent confidence interval with a greater than 10 percent precision level. D&B data for 2021 provided a standard of comparison for the small business loans.

For home mortgage, examiners analyzed and presented all home mortgage activity reported according to the Home Mortgage Disclosure Act (HMDA) in 2019, 2020, and 2021 to arrive at applicable conclusions under the assessment area concentration. The bank reported 1,231 home mortgage loans totaling \$293.3 million in 2019; 1,028 home mortgage loans totaling \$552.9 million in 2020; and 2,150 home mortgage loans totaling \$703.2 million in 2021. Examiners did not identify any trends among the various year's data that would affect conclusions or ratings. Consequently, examiners considered all 772 home mortgage loans totaling \$247.1 million originated within the bank's combined AAs in 2021, to arrive at applicable conclusions for the borrower profile and geographic distribution performance factors. Examiners used 2021 peer mortgage aggregate data and the demographics of the institution's AAs based on the 2015 ACS data to assess the bank's performance within these factors.

The following table shows that for the bank's activities for the loan categories reviewed, considering both the dollar volume and number percentages, home mortgage loans account for a higher percentage by dollar and number volume. However, small business loans are derived from the bank's largest product category, commercial lending.

Loan Category Weighting				
Loan Category	Universes of Loan Categories Reviewed			
	\$(000s)	%	#	%
Small Business	61,392	8.0	954	30.7
Home Mortgage	703,202	92.0	2,150	69.3
Total	764,594	100.0	3,104	100.0
<i>Source: Bank Records (1/1/21 – 12/31/21).</i>				

Examiners determined that each product would receive equal weight when arriving at applicable conclusions for the assessment area concentration. Examiners also considered differences in product emphasis, market economics, and credit needs among the bank's AAs during the review period. For the borrower profile and geographic distribution performance factors in the Wichita Falls MSA AA, small business loans will receive more weight. For the borrower profile and geographic distribution performance factors in the DFW MSA AA, home mortgage loans will receive more weight.

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

The scope for the Community Development Test considered all community development activities since the FDIC Performance Evaluation dated January 13, 2020. The scope of this evaluation further encompassed all prior period qualified investments, those purchased prior to the evaluation, but still outstanding as of this evaluation's date.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

First Bank demonstrated a satisfactory overall record regarding the Lending Test. The reasonable loan-to-deposit ratio, majority of loans originated inside of the assessment areas, reasonable geographic distribution performance, and reasonable borrower profile performance all support this conclusion.

Loan-to-Deposit Ratio

The loan-to-deposit (LTD) ratio is reasonable (considering seasonal variations and taking into account lending related activity) given the institution's size, financial condition, and assessment area credit needs. The bank's LTD ratio, calculated from Report of Condition and Income data, averaged 94.0 percent over the past 12 calendar quarters since the prior evaluation, slightly lower than the average, net LTD ratio of 95.0 percent reported at last evaluation. The bank's quarterly net LTD ratios ranged from a low of 88.4 percent on September 30, 2020, to a high of 100.2 percent on June 30, 2021.

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, First Bank's ratio ranks second among the ratios. Specifically, the bank's ratio is 0.9 percentage points lower than the highest ratio.

Loan-to-Deposit Ratio Comparative Level		
Bank Name and Location	Total Assets as of 12/31/2022 \$(000s)	Average, Net LTD Ratio (%)
First Bank, Burkburnett, Texas	631,768	94.0
Comparable Banks		
Benchmark Bank, Plano, Texas	1,224,531	70.6
First National Bank, Wichita Falls, Texas	1,154,838	94.9
Pilgrim Bank, Pittsburg, Texas	680,790	73.7
<i>Source: Reports of Condition and Income (3/31/20 – 12/31/2022)</i>		

Assessment Area Concentration

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

The following table shows First Bank originated a majority of its home mortgage loans for 2019 and 2020 inside the AAs by number and dollar volume. The table also shows that the bank originated a majority of its home mortgage loans for 2021 outside the AAs by number and dollar volume. Examiners noted during the evaluation period, the bank purchased an existing mortgage company located outside of the AAs in Austin, Texas, which led to the opening of a new loan production office in Austin as of May 2021. Therefore, examiners determined that the bank's 2021 home mortgage performance does not outweigh the bank's 2019 and 2020 home mortgage performance.

Further, as illustrated in the table, the bank originated a majority of its small business loans inside the AAs by number and dollar volume in 2021.

Lending Inside and Outside of the Assessment Area										
	Number of Loans					Dollar Amount of Loans \$(000s)				
Loan Category	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%	#	\$	%	\$	%	\$(000s)
Home Mortgage										
2019	709	57.6	522	42.4	1,231	170,102	58.0	123,207	42.0	293,309
2020	1,028	51.5	968	48.5	1,996	295,063	53.4	257,831	46.6	552,894
2021	772	35.9	1,378	64.1	2,150	247,122	35.1	456,080	64.9	703,202
Subtotal	2,509	46.7	2,868	53.3	5,377	712,287	46.0	837,118	54.0	1,549,405
Small Business										
2021	751	78.7	203	21.3	954	41,431	67.5	19,961	32.5	61,392
<i>Source: Bank Data</i> <i>Due to rounding, totals may not equal 100.0%</i>										

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the AAs for the institution as a whole. Reasonable performance in the Wichita Falls MSA AA coupled with reasonable performance in the DFW MSA AA supports this conclusion. Please see the AA review sections that follow for more detail about each individual AA.

Borrower Profile

The distribution of borrowers reflects, given the demographics of the AAs, reasonable penetration among individuals of different income levels (including low- and moderate-income) and businesses of different sizes for the institution as a whole. Reasonable performances in the Wichita Falls MSA AA and DFW MSA AA primarily support this conclusion. Please see the AA review sections that follow for more detail about each individual AA.

In response to the COVID-19 pandemic, the Coronavirus Aid Relief and Economic Security Act, signed into law on March 27, 2020, established the Small Business Administration's (SBA) Paycheck Protection Program (PPP). The PPP provides loans to qualified businesses to retain employees through the COVID-19 pandemic, which includes loan forgiveness subject to certain

conditions. Participation in the PPP during the evaluation period reflects the bank's willingness to meet the credit needs of businesses of different sizes, including small businesses in response to the COVID-19 pandemic. Examiners noted the bank was particularly responsive to the needs of businesses in the AAs during the COVID-19 pandemic through their participation in the PPP, which allowed businesses to keep their workforce employed during the state of emergency. First Bank originated approximately 1,426 PPP loans, totaling approximately \$84.7 million, during the evaluation period.

Response to Complaints

The institution has taken appropriate action in response to substantiated complaints about its performance in meeting assessment area credit needs. The bank did receive CRA-related complaints since the previous evaluation. The bank responded to all complaints in a timely and appropriate manner.

COMMUNITY DEVELOPMENT TEST

The institution's community development performance demonstrates excellent responsiveness to community development needs in its AAs through community development loans, qualified investments, and community development services, as appropriate, considering the institution's capacity and the need and availability of such opportunities for community development in the institution's AAs.

Community Development Loans

The bank exhibited an excellent record regarding its community development loans. Excellent performance regarding the dollar volume of community development loans along with excellent responsiveness to the AA needs primarily supports this conclusion. Examiners evaluated the number and dollar volume of community development loans relative to the considerations noted for the Community Development Test when arriving at this conclusion.

The following table shows that since the last evaluation, the bank granted 25 community development loans totaling \$41.8 million. This level equates to 7.2 percent of average total assets of \$579.1 million and 8.6 percent of average net loans of \$488.5 million since the last evaluation. These levels reflect an increase over the 5.5 percent of average total assets and 6.6 percent of average total loans reported in the prior evaluation.

The following table illustrates the bank's community development loans by purpose and year. As shown, the bank provided community development lending in all four of the community development purpose categories. The majority of community development loans, 85.1 percent, benefitted efforts to revitalize or stabilize communities or support economic development activities, which supports identified community development needs and illustrates the bank's excellent responsiveness to those needs.

Community Development Lending										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2020 (Partial)	0	0	1	2,400	2	4,331	6	10,616	9	17,346
2021	0	0	0	0	2	3,001	4	5,017	6	8,018
2022	3	3,837	0	0	3	5,785	4	6,805	10	16,427
2023 (YTD)	0	0	0	0	0	0	0	0	0	0
Total	3	3,837	1	2,400	7	13,116	14	22,438	25	41,791
<i>Source: Bank Data (1/13/2020-2/27/2023)</i>										

The following table contains the distribution of community development loans by AA.

Community Development Lending by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Wichita Falls MSA AA	0	0	1	2,400	3	6,178	9	13,603	13	22,181
DFW MSA AA	0	0	0	0	3	5,610	1	930	4	6,540
Statewide Activities	3	3,837	0	0	1	1,328	4	7,905	8	13,070
Total	3	3,837	1	2,400	7	13,116	14	22,438	25	41,791
Source: Bank Records (01/13/2020-2/27/2023)										

The following points provide notable examples of the bank's community development lending at the broader statewide level.

- **Affordable Housing:** In 2022, the bank originated three loans totaling \$3.8 million to finance the acquisition and renovation of multi-family apartment complexes that provide affordable housing for low- and moderate-income individuals at the broader statewide level.
- **Revitalize or Stabilize:** Since 2020, the bank originated four loans totaling \$7.9 million to facilitate the acquisition or maintenance of businesses or commercial properties located in low- and moderate-income areas. These loans support revitalization and stabilization efforts in low- and moderate-income areas at the broader statewide level.

Refer to the review of each AA for more detail on community development lending activities specific to individual areas.

Qualified Investments

First Bank demonstrated an adequate record regarding its qualified investments. Adequate performance regarding the dollar volume of qualified investments primarily supports this conclusion. Examiners evaluated the number and dollar volume of qualified investments along with their responsiveness to the needs of the AA relative to the considerations noted for the Community Development Test when arriving at this conclusion.

The following table shows that the bank made 16 qualified investments totaling \$7.0 million, as well as 113 grants and donations totaling \$241 thousand. This level equates to 1.3 percent of average total assets of \$579.6 million and 119.0 percent of average total securities of \$6.1 million since the last evaluation. These levels reflect an increase from the 0.1 percent of average total assets, and a decrease from the 857.0 percent of average securities recorded at last evaluation.

The dollar amount of qualified investments represents a significant increase from the \$4.8 million at the prior evaluation. Additionally, at this evaluation, the bank provided qualified investments in all categories, reflective of the bank's excellent responsiveness to the AA needs. The following table illustrates the community development investments by year and purpose.

Qualified Investments										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	1	177	8	2,604	0	0	0	0	9	2,781
2020 (Partial)	0	0	0	0	0	0	0	0	0	0
2021	0	0	0	0	0	0	0	0	0	0
2022	0	0	7	4,207	0	0	0	0	7	4,207
2023 (YTD)	0	0	0	0	0	0	0	0	0	0
Subtotal	1	177	15	6,811	0	0	0	0	16	6,988
Grants & Donations	1	1	107	220	2	10	3	10	113	241
Total	2	178	122	7,031	2	10	3	10	129	7,229
<i>Source: Bank Records (01/13/2020-2/27/2023)</i>										

The following contains the distribution of qualified investments by AA.

Qualified Investments by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Wichita Falls MSA AA	1	1	103	5,500	2	10	3	10	109	5,521
DFW MSA AA	1	177	18	1,530	0	0	0	0	19	1,707
Statewide Activities	0	0	1	1	0	0	0	0	1	1
Total	2	178	122	7,031	2	10	3	10	129	7,229
<i>Source: Bank Records (01/13/2020-2/27/2023)</i>										

The following point provides an example of the bank's qualified investments at the statewide level.

- **Community Service:** The bank made one donation of \$1000 to the Uvalde Community Response fund to support community service activities that benefit low- and moderate-income individuals at the broader statewide level.

Refer to the review of each AA regarding more detail on qualified investment activities specific to individual areas.

Community Development Services

First Bank established an excellent record of providing community development services. Excellent performances regarding the bank's responsiveness to community development needs lifted the good results regarding the types of services to support this conclusion. Examiners evaluated the types and availability of services relative to the considerations noted for the Community Development Test when arriving at this conclusion.

The following table shows that the bank provided 84 community development services totaling 3,598 hours of service. The number of services equates to 3.8 community development services on average, per office, per year since the previous evaluation, and is reflective of good performance. While these levels reflect a decrease from the 4.4 community development services, per office, per year reported in the prior evaluation, the qualitative aspect of the community development services, as described below and within the AA sections, boosted the record to an excellent level. Additionally, at this evaluation, the bank provided community development services in all categories, reflective of the bank's excellent responsiveness to the AA needs.

The following table illustrates the community development services by year and purpose.

Community Development Services					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2020 (Partial)	7	15	2	1	25
2021	7	18	2	1	28
2022	7	21	2	1	31
YTD 2023	0	0	0	0	0
Total	21	54	6	3	84
<i>Source: Bank Data</i>					

The following table illustrates the distribution of community development services by AA.

Community Development Services by Assessment Area					
Assessment Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
Wichita MSA	21	47	6	3	77
Dallas MSA	0	6	0	0	6
Statewide Activities	0	1	0	0	1
Total	21	54	6	3	84
<i>Source: Bank Records (01/13/2020-2/27/2023)</i>					

As seen above, employees primarily assisted organizations that provided community service (64.2 percent) and affordable housing activities (25.0 percent). Examiners also gave qualitative consideration for service activities done on behalf of Habitat for Humanity as the bank provides these services to Habitat for Humanity at no cost. Habitat for Humanity provides affordable

housing for low- and moderate-income families as well as revitalization and stabilization of low- and moderate-income areas. Bank personnel provide them during normal businesses hours but the responsiveness provides a great impact in meeting a specified need of the bank's AA.

The following points provide examples of the bank's qualified community development services.

- **Affordable Housing:** The bank continues to provide ongoing loan servicing for Habitat for Humanity borrower's mortgage loans at no cost. During the evaluation period, the bank had 46 mortgage loans in loan servicing. Loan servicing includes loan booking, payment processing, escrow account handling, payoff calculations, and on-going customer service. During the evaluation period, First Bank provided approximately 950 hours for this service.
- **Community Services:** Through multiple different community service organizations, the bank promotes childcare, education, health, or social services that target in low- and moderate-income individuals or families. Several bank employees and Board members provided financial or technical expertise or counseling to nonprofit organizations that operate in a low- or moderate-income area and targeted the residents of the area.

The following table illustrates the bank's branching and ATM distributions during the review period. As shown, the bank does not operate any branches or ATMs in low-income census tracts. The bank holds 28.6 percent of its branches in moderate-income census tracts, which reflects an excellent level when compared to the population percentage within those tracts. Because more of the population resides in moderate-income census tracts compared to low-income census tracts, examiners weighted the availability of services in moderate-income census tracts more heavily.

Branch and ATM Distribution by Geography Income Level												
Tract Income Level	Census Tracts		Population		Branches		ATMs		Closed Branches		Closed ATMs	
	#	%	#	%	#	%	#	%	#	%	#	%
Low	12	3.4	44,192	2.4	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	45	12.8	192,526	10.3	2	28.6	2	28.6	0	0.0	0	0.0
Middle	102	29.1	569,793	30.5	1	14.3	1	14.3	0	0.0	0	0.0
Upper	190	54.1	1,056,171	56.6	4	57.1	4	57.1	0	0.0	0	0.0
NA	2	0.6	4,017	0.2	0	0.0	0	0.0	0	0.0	0	0.0
Totals	351	100.0	1,866,699	100.0	7	100.0	7	100.0	0	100.0	0	0.0
Source: Bank Records												

Besides its office locations, the bank provides other alternative delivery systems that help avail services to low- and moderate-income individuals. The above table shows a similar distribution of ATMs as shown for office locations. In addition to its ATMs, the bank provides other alternative banking services such as internet banking, mobile banking, and electronic banking with bill pay. These alternative delivery systems help avail the bank's services to low- and moderate-income individuals across the AAs.

Lastly, examiners noted the bank was particularly responsive to the needs of businesses in the combined assessment area during the COVID-19 pandemic through their participation in the PPP, which allowed businesses to keep their workforces employed during the state of emergency. As noted previously, First Bank originated 1,426 PPP loans, 276 of which were located in low- or moderate-income geographies.

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.

WICHITA FALLS MSA AA – Full-Scope Review

DESCRIPTION OF INSTITUTION'S OPERATIONS IN WICHITA FALLS MSA AA

The bank continues to designate all of the Wichita Falls, Texas MSA as its AA. The Wichita Falls MSA AA consists of Archer, Clay, and Wichita Counties, comprised of 43 census tracts. The AA's census tracts reflect the following income designations based on 2015 ACS data: four low-, 12 moderate-, 13 middle-, and 13 upper-income census tracts. There is also one census tract with no income designation.

The bank maintains five branches, including the Main Office, in the Wichita Falls MSA AA. All branches have ATMs located on the branch property. As shown in the table below, both the Main Office and the 901 Lamar Street Branch operate in moderate-income census tracts according to the 2015 ACS.

Office Locations Wichita Falls MSA AA			
County/City/Office	Office Type	Census Tract Income Level	Office Opened or Closed Since Last Evaluation
<i>Wichita County:</i>			
Burkburnett – 300 East Third	Main Office	Moderate	No
Iowa Park – 318 West Park Street	Branch	Middle	No
Wichita Falls – 4110 Kell Blvd	Branch	Upper	No
Wichita Falls – 901 Lamar Street	Branch	Moderate	No
Wichita Falls – 2801 Midwestern Pkwy	Branch	Upper	No
<i>Source: Bank records and ACS (2015)</i>			

Economic and Demographic Data

Wichita Falls remains a regional economic hub for North Texas and South-Central Oklahoma. According to Moody's Analytics, as of March 2023, the Wichita Falls' economy has been resilient as the area benefits from the stable presence of Sheppard Air Force Base and other defense-related

employers. Energy industry employers, as well as, diversification in healthcare and professional services also support the local economy. The area continues to benefit from low living and business costs.

According to the same report, the economic forecast for the area indicates an economy limited by employment growth in the energy industry and stagnant growth in local population and labor force. The area's economy remains at risk as oil prices drop and job cuts in mining and related industries reverse recovery in the sector. Other weakness indicators include weaker wages that will subdue growth in retail and leisure/hospitality more than expected. Longer-term expectations of the economy offer limited potential and average performance among metro areas in the southern United States.

The area's major employers remain Sheppard Air Force Base, United Regional Healthcare System, Wichita Falls Independent School District, and Midwestern State University. Service industries represent the largest portion of the area's businesses at 38.2 percent; followed by retail trade at 13.9 percent; and finance, insurance, and real estate at 9.8 percent. About 65.6 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 Wichita Falls MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	43	9.3	27.9	30.2	30.2	2.3
Population by Geography	151,215	5.4	21.2	35.1	38.3	0.0
Housing Units by Geography	65,162	6.1	23.5	34.5	35.9	0.0
Owner-Occupied Units by Geography	35,703	5.0	19.6	36.8	38.7	0.0
Occupied Rental Units by Geography	19,734	7.4	28.8	26.9	37.0	0.0
Vacant Units by Geography	9,725	7.8	27.3	41.6	23.3	0.0
Businesses by Geography	10,327	3.9	28.0	24.4	43.5	0.1
Farms by Geography	446	2.5	13.5	47.3	36.8	0.0
Family Distribution by Income Level	36,174	21.5	16.8	20.5	41.3	0.0
Household Distribution by Income Level	55,437	23.8	16.3	18.3	41.6	0.0
Median Family Income MSA - 48660 Wichita Falls, TX MSA		\$57,690	Median Housing Value			\$95,990
			Median Gross Rent			\$758
			Families Below Poverty Level			12.3%
Source: 2015 ACS and 2021 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, unemployment rates in all three counties fell between 2020 and 2021; all three counties remained below the state and national averages.

Unemployment Rates Wichita Falls MSA AA		
Area	2020	2021
	%	%
Archer County	5.3	4.2
Clay County	5.5	4.9
Wichita County	6.6	5.3
State of Texas	7.7	5.7
National Average	8.1	5.4
<i>Source: Bureau of Labor Statistics.</i>		

Examiners utilized the 2021 FFIEC-updated Median Family Income (MFI) level to analyze home mortgage loans under the borrower profile criterion. The following table shows the applicable income ranges, based on the 2021 FFIEC-estimated MFI of \$69,000.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Wichita Falls, TX MSA Median Family Income (48660)				
2021 (\$69,000)	<\$34,500	\$34,500 to <\$55,200	\$55,200 to <\$82,800	≥\$82,800
<i>Source: FFIEC</i>				

Competition

The area contains a moderate level of competition from other chartered banks based on its population, with 40 offices representing 14 institutions. First Bank ranks 5th in deposit market share by capturing 11.2 percent of the area's deposits, as of the June 30, 2022 FDIC Deposit Market Share report.

Community Contacts

Examiners utilized an existing community contact from a local community based organization focused on economic development to help assess the area's current economic conditions, community credit needs, and potential opportunities for bank involvement. The contact 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 and home mortgage lending continue to be in demand as the area economy continues to grow. The area experienced increases in new residents and new businesses during the review period. Rising home prices restrict the availability of affordable housing in the area. The contact further stated that the area benefitted from strong and active local banks.

Credit and Community Development Needs and Opportunities

Considering information from the community contact, bank management, and demographic and economic data, examiners determined that home mortgage and small business lending represent primary credit needs of the AA. The significant percentage of businesses with gross annual revenues of \$1 million or less supports this conclusion. In addition, activities that revitalize and stabilize as well as support affordable housing represent the primary community development needs.

CONCLUSIONS ON PERFORMANCE CRITERIA IN WICHITA FALLS MSA AA

LENDING TEST

The bank displayed a satisfactory record in the Wichita Falls MSA AA regarding the Lending Test. Reasonable performances regarding geographic distribution and borrower profile support this conclusion.

Geographic Distribution

The geographic distribution of lending reflects reasonable dispersion throughout the Wichita Falls MSA AA. Reasonable small business and home mortgage lending supports this conclusion. Examiners focused on the bank's level of lending within low- and moderate-income census tracts when arriving at conclusions.

Small Business Loans

The geographic distribution of small business loans in the Wichita Falls MSA AA reflects reasonable performance.

The following table shows that in low-income census tracts, the bank's percentage of loans by number slightly trails the percentage of businesses (D&B) data by 1.3 percentage points, reflecting reasonable performance. For moderate-income census tracts, the bank's percentage of the number of loans also trails the D&B level by 5.8 percentage points, reflecting reasonable performance.

Geographic Distribution of Small Business Loans Wichita Falls MSA AA					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low	3.9	17	2.6	1,120	3.5
Moderate	28.0	145	22.2	11,713	36.3
Middle	24.4	176	27.0	5,719	17.7
Upper	43.5	314	48.2	13,687	42.5
Not Available	0.1	0	0.0	0	0.0
Totals	100.0	652	100.0	32,239	100.0
<i>Source: 2021 D&B Data; Bank Data Due to rounding, totals may not equal 100.0%</i>					

Home Mortgage Loans

The geographic distribution of home mortgage loans in the Wichita Falls MSA AA reflects reasonable performance.

The following table shows that in low-income census tracts, the bank's percentage of loans by number exceeded aggregate performance by 0.3 percentage points, reflecting reasonable performance. For moderate-income census tracts, the bank's percentage of the number of loans also exceeded aggregate performance by 0.6 percentage points, reflecting reasonable performance.

Geographic Distribution of Home Mortgage Loans Wichita Falls MSA AA						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	5.0	1.5	3	1.8	456	1.7
Moderate	19.6	15.3	26	15.9	2,816	10.8
Middle	36.8	31.4	46	28.0	6,519	25.0
Upper	38.7	51.7	89	54.3	16,338	62.5
Not Available	0.0	0.0	0	0.0	0	0.0
Totals	100.0	100.0	164	100.0	26,129	100.0
<i>Source: 2015 ACS; Bank Data, 2021 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

Borrower Profile

The distribution of borrowers reflects, given the demographics of the Wichita Falls MSA AA, reasonable penetration among individuals of different income levels (including low- and moderate-income) and businesses of different sizes. Reasonable performances regarding small business and home mortgage lending support this conclusion.

Small Business Loans

The borrower profile distribution of small business loans in the Wichita Falls MSA AA reflects reasonable performance. Examiners focused on the bank's overall levels when arriving at this conclusion.

The following table shows that the bank originated 87.0 percent of its small business loans, by number, to businesses with gross annual revenues of \$1 million or less. This number exceeds the D&B level by 4.4 percentage points, reflecting reasonable performance. It further shows that in the smallest revenue category, the bank granted over half of its loans, supporting reasonable performance.

Detailed Distribution of Small Business Loans by Gross Annual Revenues Wichita Falls MSA AA					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
< \$100,000	51.5	28	51.8	226	12.5
\$100,000 - \$249,999	21.2	7	13.0	197	10.9
\$250,000 - \$499,999	6.4	7	13.0	230	12.7
\$500,000 - \$1,000,000	3.5	5	9.2	250	13.8
Subtotal <= \$1,000,000	82.6	47	87.0	903	50.0
>\$1,000,000	4.5	2	3.7	458	25.4
Revenue Not Available	12.9	5	9.3	445	24.6
Total	100.0	54	100.0	1,806	100.0
Source: 2021 D&B Data, Bank Data Due to rounding, totals may not equal 100.0%					

Home Mortgage Loans

The borrower profile distribution of home mortgage loans in the Wichita Falls MSA AA reflects reasonable performance.

The following table shows that the bank originated 6.7 percent of home mortgage loans to low-income borrowers. This activity exceeds aggregate performance by 2.5 percentage points, indicative of reasonable performance. The bank originated 17.7 percent, by number, of home mortgage loans to moderate-income borrowers. This level of activity exceeds aggregate performance by 2.7 percentage points, which is indicative of reasonable performance.

Distribution of Home Mortgage Loans by Borrower Income Level Wichita Falls MSA AA						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	21.5	4.2	11	6.7	1,018	3.9
Moderate	16.8	15.0	29	17.7	2,887	11.0
Middle	20.5	20.0	24	14.6	4,014	15.4
Upper	41.3	34.6	68	41.5	14,188	54.3
Not Available	0.0	26.2	32	19.5	4,022	15.4
Totals	100.0	100.0	164	100.0	26,129	100.0
Source: 2015 ACS; Bank Data, 2021 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%						

COMMUNITY DEVELOPMENT TEST

The bank demonstrated an outstanding record regarding the Community Development Test in the Wichita Falls MSA AA. The institution's community development performance demonstrates excellent responsiveness to community development needs in its Wichita Falls MSA AA through

community development loans, qualified investments, and community development services, as appropriate, considering the institution's capacity and the need and availability of such opportunities for community development in the institution's Wichita Falls MSA AA.

Community Development Loans

During the review period, First Bank originated 13 community development loans totaling approximately \$22.2 million. This level of activity represents a significant increase in overall activity from the last evaluation, where the bank reported four community development loans totaling \$10.0 million in this AA. This level of activity represents 53.1 percent of the bank's overall excellent level and aligns with the 54.9 percent of loans attributed to this AA. Consequently, the community development loans proved responsive to the needs of the Wichita Falls MSA AA community.

The following table displays the bank's community development lending in the Wichita Falls MSA AA by year and purpose.

Community Development Lending Wichita Falls MSA AA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2020 (Partial)	0	0	1	2,400	1	3,177	4	6,841	6	12,418
2021	0	0	0	0	2	3,001	2	3,212	4	6,213
2022	0	0	0	0	0	0	3	3,550	3	3,550
YTD 2023	0	0	0	0	0	0	0	0	0	0
Total	0	0	1	2,400	3	6,178	9	13,603	13	22,181
<i>Source: Bank Records (1/13/2020-2/27/2023)</i>										

The following provides an example of community development lending originated within the Wichita Falls MSA AA.

- ***Economic Development:*** First Bank originated three loans to local businesses totaling almost \$6.2 million through the PPP to retain their workforce during the COVID-19 Pandemic. Each of these businesses meet the SBA size standards, and provide permanent employment opportunities for low- and moderate-income individuals.

Qualified Investments

First Bank made use of 109 qualified investments and donations totaling \$5.5 million, an increase from the 66 qualified investments and donations totaling \$3.1 million at the previous evaluation. This level of qualified investment activity equates to 76.4 percent of the adequate level of qualified investments bank-wide and compared favorably to the 71.7 percent of the bank's deposits attributed to this AA. Based on the overall investment activity, the bank proved responsive to the needs of the Wichita Falls MSA AA community.

The following table displays the bank's qualified investment activity within the Wichita Fall MSA AA by year and purpose.

Qualified Investments Wichita Falls MSA AA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	0	0	8	2,604	0	0	0	0	8	2,604
2020 (Partial)	0	0	0	0	0	0	0	0	0	0
2021	0	0	0	0	0	0	0	0	0	0
2022	0	0	5	2,700	0	0	0	0	5	2,700
2023 (YTD)	0	0	0	0	0	0	0	0	0	0
Subtotal	0	0	13	5,304	0	0	0	0	13	5,304
Qualified Grants & Donations	1	1	90	196	2	10	3	10	96	217
Total	1	1	103	5,500	2	10	3	10	109	5,521
<i>Source: Bank Records (1/13/2020-2/27/2023)</i>										

The following provides an example of the qualified investment and donation activity in the Wichita Falls MSA AA.

- **Community Service:** Since the last evaluation, the bank maintained eight prior period investments and created five new investments totaling \$5.3 million for independent school district bonds that support educational activities and facilities benefiting low- and moderate-income communities within the AA. The purpose of these bonds is to construct, renovate, and equip new buildings and school buses within each district.

Community Development Services

During the review period, First Bank provided 77 instances of financial expertise to community development-related organizations in the Wichita Falls MSA AA during the evaluation period. This figure reflects an increase over the 63 community development services recorded at the prior evaluation in the Wichita Falls MSA AA. The number of community development services in this area equates to 91.7 percent of the total community development services. The community development services primarily provided for community services targeted to low- and moderate-income individuals, but the bank provided for community development services in all community development categories.

The following table displays the bank's community development service activity within the Wichita Fall MSA AA by year and purpose.

Community Development Services Wichita Falls MSA AA					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2020 (Partial)	7	13	2	1	23
2021	7	15	2	1	25
2022	7	19	2	1	29
YTD 2023	0	0	0	0	0
Total	21	47	6	3	77
<i>Source: Bank Records (1/13/2020-2/27/2023)</i>					

The following provides an example of the bank's qualified community development services.

- **Revitalize or Stabilize:** A member of the bank provides financial expertise and serves as a Board member/Treasurer to local economic development corporations. The mission of these organizations is to attract and retain businesses to the Wichita Falls MSA AA. These services help support the creation and retention of employment opportunities for low- and moderate-income individuals within the AA.

DFW MSA AA – Full-Scope Review

DESCRIPTION OF INSTITUTION'S OPERATIONS IN DFW MSA AA

The bank designates all census tracts within the following counties of the DFW MSA: Collin, Denton, and Parker County. The 308 census tracts reflect the following income designations as of the 2015 ACS data: eight low-, 33 moderate-, 89 middle-, and 177 upper-income census tracts. There is also one census tract with no income designation.

The bank maintains two full-service branches in the DFW MSA AA. Both branches have ATMs located on the branch property. The bank also maintains two loan production offices in the DFW MSA AA. As shown in the table below, both branches are located in upper-income census tracts according to the 2015 ACS data.

Office Locations DFW MSA AA			
County/City/Office	Office Type	Census Tract Income Level	Office Opened or Closed Since Last Evaluation
Denton County: Frisco – 4400 Main Street	Branch	Upper	No
Parker County: Aledo – 900 Bailey Ranch Road	Branch	Upper	No
<i>Source: Bank records and ACS (2015)</i>			

Economic and Demographic Data

The DFW MSA continues to experience strong job growth overall, outpacing the national average through 2022. According to Moody's Analytics, as of March 2023, the DFW area experiences stable demand for professional services because of the many existing and new corporate headquarters located in the metroplex. DFW also serves as a well-positioned distribution center for the Southwest as international trade grows. Every major industry in DFW outperformed the corresponding national average except government. Economic weaknesses of the area include exposure to volatility in the technology and energy industries, as well as diminished housing affordability. According to the same report, the DFW MSA should outperform the national average throughout 2023, though homebuilding will lag, and housing overall will weaken. Longer term, the area is expected to continue above-average performance based on the concentration of corporate headquarters, a multi-faceted economy, and healthy population growth.

The area's major employers include Bank of America Corp., Texas Instruments, and Capital One Finance, as well as various employers focusing on healthcare, government, and education. Service industries represent the largest portion of the area's businesses at 40.3 percent; followed by finance, insurance, and real estate at 11.9 percent; and retail trade at 9.9 percent. About 65.5 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 DFW MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	308	2.6	10.7	28.9	57.5	0.3
Population by Geography	1,715,484	2.1	9.4	30.1	58.2	0.2
Housing Units by Geography	641,631	2.6	9.8	31.3	55.9	0.4
Owner-Occupied Units by Geography	402,243	0.3	5.5	27.8	66.2	0.1
Occupied Rental Units by Geography	203,640	6.8	17.6	36.6	38.0	1.0
Vacant Units by Geography	35,748	4.1	13.6	40.1	41.5	0.7
Businesses by Geography	233,878	2.6	6.7	24.8	65.8	0.2
Farms by Geography	5,019	1.5	6.0	32.8	59.6	0.1
Family Distribution by Income Level	441,768	13.8	13.1	17.2	56.0	0.0
Household Distribution by Income Level	605,883	15.8	13.5	16.5	54.2	0.0
Median Family Income MSA - 19124 Dallas-Plano-Irving, TX		\$71,149	Median Housing Value			\$219,293
Median Family Income MSA - 23104 Fort Worth-Arlington-Grapevine, TX		\$69,339	Median Gross Rent			\$1,096
			Families Below Poverty Level			5.8%
Source: 2015 ACS and 2021 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, unemployment rates in all three counties fell between 2020 and 2021, and all counties remained below the state and national averages.

Unemployment Rates DFW MSA AA		
Area	2020	2021
	%	%
Collin County	6.3	4.3
Denton County	6.4	4.4
Parker County	5.8	4.4
State of Texas	7.7	5.7
National Average	8.1	5.4
<i>Source: Bureau of Labor Statistics.</i>		

Examiners utilized the 2021 FFIEC-updated MFI level to analyze home mortgage loans under the borrower profile criterion. The following table shows the applicable income ranges, based on the 2021 FFIEC-estimated MFI.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Dallas-Plano-Irving, TX MSA Median Family Income (19124)				
2021 (\$89,000)	<\$44,500	\$44,500 to <\$71,200	\$71,200 to <\$106,800	≥\$106,800
Fort Worth-Arlington-Grapevine, TX MSA Median Family Income (23104)				
2021 (\$80,500)	<\$40,250	\$40,250 to <\$64,400	\$64,400 to <\$96,600	≥\$96,600
<i>Source: FFIEC</i>				

Competition

The area contains a high level of competition from other chartered banks based on its population, with 442 offices representing 92 institutions. First Bank ranks 55th in deposit market share by capturing 0.2 percent of the area's deposits, as of the June 30, 2022 FDIC Deposit Market Share report. The competition level serves to restrict lending opportunities.

Community Contacts

Examiners reviewed an existing community contact from a community-based organization that supports affordable housing to help assess the area's current economic conditions, community credit needs, and potential opportunities for bank involvement. Given the nature of the bank's assessment area, information from this contact was specific to Parker County. The contact noted that the area's economic conditions remain 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 and home mortgage lending continue to be in demand as the area economy continues to grow. The area experienced increases in new residents and new businesses during the review period. Rising home prices restricted the availability of affordable housing in the area. The contact also stated that the area benefitted from strong and active local banks.

Credit and Community Development Needs and Opportunities

Considering information from the community contact, bank management, and demographic and economic data, examiners determined that home mortgage and small business lending present primary credit needs of the assessment area. The significant percentage of businesses and farms with gross annual revenues of \$1 million or less supports this conclusion. In addition, activities that revitalize and stabilize as well as support affordable housing represent the primary community development needs.

CONCLUSIONS ON PERFORMANCE CRITERIA IN DFW MSA AA

LENDING TEST

The bank displayed satisfactory performance within the DFW MSA AA regarding the Lending Test. The reasonable records regarding geographic distribution and borrower profile support this conclusion.

Geographic Distribution

The geographic distribution of lending reflects reasonable dispersion throughout the DFW MSA AA. Reasonable home mortgage and small business lending support this conclusion. Examiners focused on the bank's level of lending within low- and moderate-income census tracts when arriving at conclusions.

Home Mortgage Loans

The geographic distribution of home mortgage loans in the DFW MSA AA reflects reasonable performance.

The following table shows that in low-income census tracts, the bank's percentage of loans by number equaled the aggregate level, reflecting reasonable performance. For moderate-income census tracts, the bank's percentage of the number of loans exceeded aggregate performance by 1.0 percentage points, reflecting reasonable performance.

Geographic Distribution of Home Mortgage Loans DFW MSA AA						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	0.3	0.2	1	0.2	252	0.1
Moderate	5.5	3.6	28	4.6	8,132	3.7
Middle	27.8	28.9	160	26.3	46,444	21.0
Upper	66.2	67.4	419	68.9	166,165	75.2
Not Available	0.1	0.0	0	0.0	0	0.0
Totals	100.0	100.0	608	100.0	220,993	100.0
Source: 2015 ACS; Bank Data, 2021 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%						

Small Business Loans

The geographic distribution of small business loans in the DFW MSA AA reflects reasonable performance.

The following table shows that the bank did not originate any small business loans in low-income census tracts, indicative of poor performance. However, examiners considered the limited opportunity for small business lending as supported by the low percentage of businesses (D&B) operating in those areas. For moderate-income census tracts, the bank's percentage of the number of loans trails the D&B level by 4.7 percentage points. Again, considering the limited small business lending opportunity in moderate-income census tracts, this activity reflects reasonable performance.

Geographic Distribution of Small Business Loans DFW MSA AA					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low	2.6	0	0.0	0	0.0
Moderate	6.7	2	2.0	761	8.3
Middle	24.8	18	18.2	883	9.6
Upper	65.8	79	79.8	7,548	82.1
Not Available	0.2	0	0.0	0	0.0
Totals	100.0	99	100.0	9,192	100.0
Source: 2021 D&B Data; Bank Data Due to rounding, totals may not equal 100.0%					

Borrower Profile

The distribution of borrowers reflects, given the demographics of the DFW MSA AA, reasonable penetration among individuals of different income levels (including low- and moderate-income) and

businesses of different sizes. Reasonable performances regarding home mortgage and small business lending support this conclusion.

Home Mortgage Loans

The borrower profile distribution of home mortgage loans in the DFW MSA AA reflects reasonable performance.

The following table shows that the bank originated 0.8 percent of home mortgage loans to low-income borrowers. This activity trails aggregate performance by 1.2 percentage points, indicative of reasonable performance. The bank originated 11.5 percent, by number, of home mortgage loans to moderate-income borrowers. This level of activity exceeds aggregate performance by 1.8 percentage points, supporting reasonable performance.

Distribution of Home Mortgage Loans by Borrower Income Level DFW MSA AA						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	13.8	2.0	5	0.8	790	0.4
Moderate	13.1	9.7	70	11.5	15,423	7.0
Middle	17.2	17.6	124	20.4	37,655	17.0
Upper	56.0	50.4	370	60.9	156,606	70.9
Not Available	0.0	20.3	39	6.4	10,521	4.8
Totals	100.0	100.0	608	100.0	220,993	100.0
<i>Source: 2015 ACS; Bank Data, 2021 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

Small Business Loans

The borrower profile distribution of small business loans in the DFW MSA AA reflects reasonable performance.

The following table shows that the bank originated 73.0 percent of its small business loans, by number, to businesses with gross annual revenues of \$1 million or less. This number trails D&B level by 17.9 percentage points. The table further shows that in the two smallest revenue categories, the bank granted over half of its loans. Considering the overall level of the bank's lending to businesses with gross annual revenues of \$1 million or less, and the percentage of loans where revenue was not available, this activity reflects reasonable performance.

Detailed Distribution of Small Business Loans by Gross Annual Revenues DFW MSA AA					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
< \$100,000	63.0	6	20.0	83	4.8
\$100,000 - \$249,999	21.5	10	33.3	300	17.3
\$250,000 - \$499,999	4.4	4	13.3	126	7.3
\$500,000 - \$1,000,000	2.0	2	6.7	416	24.0
Subtotal <= \$1,000,000	90.9	22	73.0	925	53.0
>\$1,000,000	2.4	4	13.3	628	36.3
Revenue Not Available	6.7	4	13.3	178	10.3
Total	100.0	30	100.0	1,731	100.0
<i>Source: 2021 D&B Data, Bank Data</i> <i>Due to rounding, totals may not equal 100.0%</i>					

COMMUNITY DEVELOPMENT TEST

The bank demonstrated a satisfactory record regarding the Community Development Test in the DFW MSA AA. The institution's community development performance demonstrates adequate responsiveness to community development needs in the DFW MSA AA through community development loans, qualified investments, and community development services, as appropriate, considering the institution's capacity and the need and availability of such opportunities for community development in the institution's DFW MSA AA.

Community Development Loans

During the review period, First Bank originated four community development loans totaling \$6.5 million. This level of activity represents a similar number, but slight increase by dollar volume from that noted at the last evaluation. This level of activity represents 15.6 percent of the overall bank's excellent level of community development lending as compared to the 45.1 percent of loans attributed to this AA. The bank exhibited responsiveness to the needs of the DFW MSA AA community through its community development lending.

The following table displays the bank's community development lending activity by year and purpose in the DFW MSA AA.

Community Development Lending DFW MSA AA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2020 (Partial)	0	0	0	0	1	1,153	0	0	1	1,153
2021	0	0	0	0	0	0	1	930	1	930
2022	0	0	0	0	2	4,457	0	0	2	4,457
YTD 2023	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	3	5,610	1	930	4	6,540
<i>Source: Bank Records (1/13/2020-2/27/2023)</i>										

The following provides an example of a community development loan in the DFW MSA AA.

- ***Economic Development:*** First Bank originated two loans to local businesses totaling \$4.5 million to facilitate working capital and payroll for minimum wage workers. Each of these businesses meet the SBA size standards, and provide permanent employment opportunities for low- and moderate-income individuals.

Qualified Investments

First Bank made use of 19 qualified investments and donations totaling \$1.7 million. This level represents a slight increase from the 10 qualified investments and donations totaling \$1.6 million at the previous evaluation. This level of qualified investment activity equates to 23.6 percent of total dollar volume of the adequate level of qualified investments bank-wide. As noted, the DFW MSA AA contributed 18.3 percent of the bank's deposits. The bank exhibited responsiveness to the needs of the DFW MSA AA community through its community development investments and donations.

The following table displays the bank's qualified investment activity by year and purpose in the DFW MSA AA.

Qualified Investments DFW MSA AA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	1	177	0	0	0	0	0	0	1	177
2020 (Partial)	0	0	0	0	0	0	0	0	0	0
2021	0	0	0	0	0	0	0	0	0	0
2022	0	0	2	1,507	0	0	0	0	2	1,507
2023 (YTD)	0	0	0	0	0	0	0	0	0	0
Subtotal	1	177	2	1,507	0	0	0	0	3	1,684
Qualified Grants & Donations	0	0	16	23	0	0	0	0	16	23
Total	1	177	18	1,530	0	0	0	0	19	1,707
<i>Source: Bank Records (1/13/2020-2/27/2023)</i>										

The following is an example of a qualified investment made in the DFW MSA AA.

- **Community Service:** Since the last evaluation, the bank purchased two municipal independent school district bonds that support education facilities and activities for students located in low- and moderate-income communities. These bonds support districts where more than 50 percent of students meet the United States Department of Agriculture income eligibility guidelines to receive free or reduced-priced lunches.

Community Development Services

During the review period, First Bank provided six instances of financial expertise to community development-related organizations in the DFW MSA AA during the evaluation period. This figure reflects a slight decrease from the nine community development services recorded at the prior evaluation. The number of community development services in this area equates to 7.1 percent of the total community development services. The community development services primarily provided for community services targeted to low- and moderate-income individuals, and demonstrated responsiveness to the needs of the DFW MSA AA.

The following table displays the bank's community development service activity within the DFW MSA AA by year and purpose.

Community Development Services DFW MSA AA					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2020 (Partial)	0	2	0	0	2
2021	0	2	0	0	2
2022	0	2	0	0	2
YTD 2023	0	0	0	0	0
Total	0	6	0	0	6
<i>Source: Bank Records (1/13/2020-2/27/2023)</i>					

The following provides an example of the bank's qualified community development services.

- **Community Service:** A member of the bank provides financial expertise and serves as a Board member to a local community service organization. The mission of this organization is to provide financial assistance, job placement, mentoring, and budget accountability for low- and moderate-income individuals and areas in the DFW MSA AA.

APPENDICES

INTERMEDIATE 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 bank'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).

Community Development Test

The Community Development Test considers the following criteria:

- 1) The number and amount of community development loans;
- 2) The number and amount of qualified investments;
- 3) The extent to which the bank provides community development services; and
- 4) The bank's responsiveness through such activities to community development lending, investment, and service needs.

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 bank 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.

Community Development: For loans, investments, and services to qualify as community development activities, their primary purpose must:

- (1) Support affordable housing for low- and moderate-income individuals;
- (2) Target community services toward low- and moderate-income individuals;
- (3) Promote economic development by financing small businesses or farms; or
- (4) Provide activities that revitalize or stabilize low- and moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies.

Community Development Corporation (CDC): A CDC allows banks and holding companies to make equity type of investments in community development projects. Institution CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community. Institution CDCs are also tailored to their financial and marketing needs. A CDC may purchase, own, rehabilitate, construct, manage, and sell real property. Also, it may make equity or debt investments in development projects and in local businesses. The CDC activities are expected to directly benefit low- and moderate-income groups, and the investment dollars should not represent an undue risk on the banking organization.

Community Development Financial Institutions (CDFIs): CDFIs are private intermediaries (either for profit or nonprofit) with community development as their primary mission. A CDFI facilitates the flow of lending and investment capital into distressed communities and to individuals who have been unable to take advantage of the services offered by traditional financial institutions. Some basic types of CDFIs include community development banks, community development loan funds, community development credit unions, micro enterprise funds, and community development venture capital funds.

A certified CDFI must meet eligibility requirements. These requirements include the following:

- Having a primary mission of promoting community development;
- Serving an investment area or target population;
- Providing development services;
- Maintaining accountability to residents of its investment area or targeted population through representation on its governing board of directors, or by other means;
- Not constituting an agency or instrumentality of the United States, of any state or political subdivision of a state.

Community Development Loan: A loan that:

- (1) Has as its primary purpose community development; and
- (2) Except in the case of a wholesale or limited purpose institution:
 - (i) Has not been reported or collected by the institution or an affiliate for consideration in the institution's assessment area as a home mortgage, small business, small farm, or consumer loan, unless it is a multifamily dwelling loan (as described in Appendix A to Part 203 of this title); and
 - (ii) Benefits the institution's assessment area(s) or a broader statewide or regional area including the institution's assessment area(s).

Community Development Service: A service that:

- (1) Has as its primary purpose community development;
- (2) Is related to the provision of financial services; and
- (3) Has not been considered in the evaluation of the institution's retail banking services under § 345.24(d).

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.

Distressed Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as distressed if it is in a county that meets one or more of the following triggers:

- (1) An unemployment rate of at least 1.5 times the national average;
- (2) A poverty rate of 20 percent or more; or
- (3) A population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

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.

Low Income Housing Tax Credit: The Low-Income Housing Tax Credit Program is a housing program contained within the Internal Revenue Code of 1986, as amended. It is administered by the U.S. Department of the Treasury and the Internal Revenue Service. The U.S. Treasury Department distributes low-income housing tax credits to housing credit agencies through the Internal Revenue Service. The housing agencies allocate tax credits on a competitive basis.

Developers who acquire, rehabilitate, or construct low-income rental housing may keep their tax credits. Or, they may sell them to corporations or investor groups, who, as owners of these properties, will be able to reduce their own federal tax payments. The credit can be claimed annually for ten consecutive years. For a project to be eligible, the developer must set aside a specific percentage of units for occupancy by low-income residents. The set-aside requirement remains throughout the compliance period, usually 30 years.

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.

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

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 Investment Company (SBIC): SBICs are privately-owned investment companies which are licensed and regulated by the Small Business Administration (SBA). SBICs provide long-term loans and/or venture capital to small firms. Because money for venture or risk investments is difficult for small firms to obtain, SBA provides assistance to SBICs to stimulate and supplement the flow of private equity and long-term loan funds to small companies. Venture capitalists participate in the SBIC program to supplement their own private capital with funds borrowed at favorable rates through SBA's guarantee of SBIC debentures. These SBIC debentures are then sold to private investors. An SBIC's success is linked to the growth and profitability of the companies that it finances. Therefore, some SBICs primarily assist businesses with significant growth potential, such as new firms in innovative industries. SBICs finance small firms by providing straight loans and/or equity-type investments. This kind of financing gives them partial ownership of those businesses and the possibility of sharing in the companies' profits as they grow and prosper.

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.

Underserved Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as underserved if it meets criteria for population size, density, and dispersion indicating the area's population is sufficiently small, thin, and distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

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.