PUBLIC DISCLOSURE

October 10, 2023

COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION

NewFirst National Bank
Charter Number 6112

202 East Jackson
El Campo, TX 77437

Office of the Comptroller of the Currency

909 Fannin Street, Suite 1900
Houston, TX 77010

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

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Overall CRA Rating

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

> **The lending test is rated: Satisfactory.**
> **The community development test is rated: Satisfactory.**

The major factors that support this rating include:

- The Lending Test rating is based on a reasonable loan-to-deposit (LTD) ratio, a majority of loans being originated inside the assessment areas (AAs), excellent geographic distributions of loans, and excellent distributions of loans to businesses and farms of different sizes.
- The Community Development (CD) Test rating is based on adequate responsiveness to CD needs through CD loans, qualified donations and investments, and CD services.

Loan-to-Deposit Ratio

Considering the bank's size, financial condition, and credit needs of the AAs, the LTD ratio is reasonable.

During the evaluation period, the quarterly average LTD ratio was 74 percent. The quarterly LTD ratio ranged from a low of 67 percent to a high of 77 percent. Our analysis included a comparison of four similarly situated bank in the area. The comparator banks' quarterly average LTD ratio was 80 percent for the same period, ranging from a low of 69 percent to a high of 94 percent.

Lending in Assessment Area

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

The bank originated and purchased 89 percent of its total loans inside the bank's AAs during the evaluation period. This analysis is performed at the bank, rather than the AA, level. This percentage does not include extensions of credit by affiliates, as we did not review any affiliate lending during this evaluation period.

Lending Inside and Outside of the Assessment Area										
	Number of Loans					Dollar Amount of Loans $(000s)				Total $(000s)
Loan Category	Inside		Outside		Total #	Inside		Outside		
	#	%	#	%		$	%	$	%	
Small Business	647	90.0	72	10.0	719	129,643	85.7	21,649	14.3	151,292
Small Farm	44	73.3	16	26.7	60	8,633	72.6	3,255	27.4	11,888
Total	**691**	**88.7**	**88**	**11.3**	**779**	**138,276**	**84.7**	**24,904**	15.3	**163,180**

Description of Institution

NewFirst National Bank (NFNB) is a full-service community bank headquartered at 202 East Jackson Street in El Campo, Texas. NFNB is wholly owned by NewFirst Financial Group, Inc., a single bank holding company located in Texas. NFNB has seven full-service locations in Texas. In addition to the main location in El Campo, Texas, the bank has branches in Edna, Needville, Rosenberg, Sugar Land, Wharton, and Victoria, Texas. There were no branch openings or closings during the evaluation period.

All banking locations except Sugar Land provide lobby and motor bank services Monday through Friday with reasonable hours of operation. The Sugar Land branch does not have motor banking. Automated teller machine (ATM) services are available at the El Campo, Wharton, and Needville locations. Bank-wide products and services include checking accounts, loans, money market deposit accounts, certificates of deposit and insured cash sweep accounts, online and mobile banking, remote deposit, and safe deposit boxes for business and personal banking.

As of December 31, 2022, total assets were $882 million with a tier 1 leverage capital ratio of 11 percent. Net loans and leases totaled $597 million or 68 percent of total assets. As of March 31, 2023, the loan portfolio by dollar amount consisted of construction and land development (26 percent), farmland (6 percent), 1-4 family residential (8 percent), multifamily (1 percent), commercial real estate (37 percent), agricultural production (8 percent), and commercial and industrial loans (12 percent).

The bank's business strategy focuses on commercial community banking. Management has made a concerted effort to provide lending expertise in owner-occupied commercial real estate (CRE), non-owner-occupied (NOO) CRE, NOO investment residential real estate, and agricultural production. NFNB was not a HMDA reporter during the evaluation period. Residential real estate loans are all investment properties as the bank does not engage in traditional home mortgage lending.

In 2020, the Small Business Administration (SBA) established the Paycheck Protection Program (PPP) under the Coronavirus Aid, Relief, and Economic Security (CARES) Act in response to the COVID-19 pandemic. The goal of the program was to aid small businesses by funding payroll costs, mortgages, rent, and utilities. NFNB originated a total of 1,424 PPP loans totaling $124.8 million.

There were no legal or financial circumstances impeding the bank's ability to meet the credit needs of its AAs. The bank was rated "Satisfactory" at the last Community Reinvestment Act (CRA) evaluation dated October 5, 2020.

Scope of the Evaluation

Evaluation Period/Products Evaluated

The evaluation period for the Lending and CD Tests is January 1, 2020, through December 31, 2022. The primary loan products are commercial loans that represent 49 percent of the loan portfolio by dollar and 33 percent by number of loans and agricultural loans that represent 16 percent of the loan portfolio by dollar and 20 percent by number of loans. We sampled 125

commercial loans and 60 agricultural loans. We also sampled 594 PPP loans for geographic analysis. We placed more weight on business loans compared to farm loans.

During the 2019-2021 evaluation period, we compared NFNB's business and farm performance to peer performance using 2021 CRA aggregate data. For 2022, aggregate data was not available for comparison. The bank also makes home mortgage loans for investment properties that represent 8 percent of the loan portfolio by dollar and 14 percent by number of loans; however, we did not consider that segment a primary product.

Selection of Areas for Full-Scope Review

The bank has three AAs. The Texas Non-MSA includes Wharton and Jackson counties, the Houston-The Woodlands-Sugar Land, TX MSA (Houston MSA) includes Harris and Fort Bend counties, and the Victoria, TX MSA (Victoria MSA) includes Victoria County. Performance in the Texas Non-MSA and Houston MSA were given slightly more weight, as the home office is in the Texas Non-MSA and a majority of deposits are located the Houston MSA.

Ratings

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

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 CFR 25.28(c) or 195.28(c), respectively, in determining a national bank's or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any AA by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Bureau of Consumer Financial Protection, as applicable.

The OCC has not identified that this institution (or any affiliate whose loans have been considered as part of the institution's lending performance) has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

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

State Rating

State of Texas

Description of Institution's Operations in Texas

NFNB operates seven locations throughout three AAs in Texas. The main office and two branches are in the Texas Non-MSA, three branches are in the Houston MSA, and one branch is in the Victoria MSA. As of December 31, 2022, there is one location in a low-income census tract (CT), two locations in moderate-income CTs, three in middle-income CTs, and two in upper-income CTs. The Rosenberg branch has the largest deposit base at 25 percent of total deposits, followed by the El Campo and Sugar Land branches with 24 percent and 23 percent of total deposits, respectively. The remaining branch deposit base includes 16 percent at the Victoria branch, 5 percent at the Wharton branch, 4 percent at the Needville branch, and 3 percent at the Edna branch.

The Texas Non-MSA includes all of Wharton and Jackson counties. Banking competition in the AA is moderate. According to FDIC Deposit Market Share data as of June 30, 2022, NFNB held $263 million in deposits and ranked third out of 27 banks, with a deposit market share of 14 percent. The two largest competitors were Prosperity Bank and The First State Bank.

The Houston MSA includes all of Fort Bend and Harris counties. Banking competition in the AA is intense. According to FDIC Deposit Market Share data as of June 30, 2022, NFNB held $398 million in deposits and ranked 55th out of 153 banks, with a deposit market share of 0.1 percent. The two largest competitors were JP Morgan Chase and Wells Fargo Bank, N.A.

The Victoria MSA includes all of Victoria County. Banking competition in the AA is minimal. According to FDIC Deposit Market Share data as of June 30, 2022, NFNB held $144 million in deposits and ranked third out of 18 banks, with a deposit market share of 6 percent. The two largest competitors were Prosperity Bank and Wells Fargo Bank, N.A.

Community Contacts

During this evaluation period, we identified one community contact in the Texas Non-MSA, three in the Houston MSA, and one in the Victoria MSA.

Contacts representing a small business development center and an economic development corporation indicated that the COVID-19 pandemic and the February 2021 winter storm negatively impacted the Houston area and resulted in a decrease in start-up businesses. Another contact from this area stated the pandemic also affected the availability of affordable housing units. The Wharton area contact had similar observations. The Victoria contact stated there were many opportunities for small business lending in that AA due to many residents being employed by the petrochemical and farming companies that utilize resources in Victoria such as medical, education, farm and ranching supplies, as well as other retail services.

The following tables provide information on the demographic composition of the Texas Non-MSA for both evaluation periods.

Table A – Demographic Information of the Assessment Area						
Assessment Area: Texas Non-MSA 2021-2020						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	14	0.0	28.6	35.7	35.7	0.0
Population by Geography	55,750	0.0	19.1	34.9	46.1	0.0
Housing Units by Geography	23,879	0.0	17.7	35.5	46.8	0.0
Owner-Occupied Units by Geography	13,802	0.0	14.3	35.0	50.7	0.0
Occupied Rental Units by Geography	6,048	0.0	29.6	36.6	33.8	0.0
Vacant Units by Geography	4,029	0.0	11.6	35.7	52.6	0.0
Businesses by Geography	3,908	0.0	17.7	36.9	45.4	0.0
Farms by Geography	432	0.0	14.6	25.7	59.7	0.0
Family Distribution by Income Level	13,690	19.6	15.1	19.5	45.8	0.0
Household Distribution by Income Level	19,850	23.7	12.1	17.1	47.1	0.0
Median Family Income MSA – Non-MSA - TX		$52,198	Median Housing Value			$98,734
			Median Gross Rent			$690
			Families Below Poverty Level			12.7%

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.

Table A – Demographic Information of the Assessment Area						
Assessment Area: Texas Non-MSA 2022						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	15	6.7	6.7	53.3	33.3	0.0
Population by Geography	56,558	3.2	6.8	53.2	36.7	0.0
Housing Units by Geography	24,464	3.0	7.0	54.4	35.6	0.0
Owner-Occupied Units by Geography	13,585	2.5	5.6	50.6	41.3	0.0
Occupied Rental Units by Geography	6,587	4.0	11.5	58.1	26.5	0.0
Vacant Units by Geography	4,292	3.0	4.6	60.7	31.7	0.0
Businesses by Geography	5,121	4.7	7.1	50.1	38.0	0.0
Farms by Geography	501	4.6	3.8	42.3	49.3	0.0
Family Distribution by Income Level	14,246	19.6	15.3	19.2	45.8	0.0
Household Distribution by Income Level	20,172	23.6	14.2	16.8	45.3	0.0
Median Family Income MSA – Non-MSA - TX		$61,785	Median Housing Value			$134,437
			Median Gross Rent			$790
			Families Below Poverty Level			10.9%

Source: 2020 US Census and 2022 D&B Data. Due to rounding, totals may not equal 100.0
(*) The NA category consists of geographies that have not been assigned an income classification.

The following tables provide information on the demographic composition of the Houston MSA for both evaluation periods.

| Table A – Demographic Information of the Assessment Area | | | | | | |
| Assessment Area: Houston MSA 2021-2020 | | | | | | |
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	862	17.3	30.0	22.4	29.5	0.8
Population by Geography	5,014,693	14.0	27.8	25.6	32.3	0.4
Housing Units by Geography	1,876,851	14.8	26.7	24.6	33.6	0.3
Owner-Occupied Units by Geography	985,907	6.4	22.7	27.4	43.4	0.1
Occupied Rental Units by Geography	719,809	23.9	31.3	22.0	22.1	0.7
Vacant Units by Geography	171,135	25.0	30.4	19.0	25.2	0.4
Businesses by Geography	550,024	10.8	18.5	21.4	49.1	0.2
Farms by Geography	7,191	6.9	16.1	24.5	52.3	0.1
Family Distribution by Income Level	1,195,439	25.7	16.4	16.9	41.1	0.0
Household Distribution by Income Level	1,705,716	25.6	16.2	16.8	41.4	0.0
Median Family Income MSA – 26420 Houston-The Woodlands-Sugar Land, TX MSA	$69,373	Median Housing Value				$175,476
		Median Gross Rent				$973
		Families Below Poverty Level				13.7%

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.

| Table A – Demographic Information of the Assessment Area | | | | | | |
| Assessment Area: Houston MSA 2022 | | | | | | |
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	1,248	16.3	27.0	24.5	29.1	3.1
Population by Geography	5,553,924	12.9	25.6	27.3	32.5	1.7
Housing Units by Geography	2,056,155	13.8	25.4	26.3	32.4	2.0
Owner-Occupied Units by Geography	1,090,468	6.2	21.4	29.5	42.1	0.9
Occupied Rental Units by Geography	793,580	22.7	30.6	22.9	20.4	3.3
Vacant Units by Geography	172,107	20.8	27.1	21.8	26.8	3.4
Businesses by Geography	848,304	9.9	20.3	23.6	44.0	2.3
Farms by Geography	10,287	7.3	18.5	26.4	46.1	1.7
Family Distribution by Income Level	1,318,481	25.1	17.1	17.7	40.1	0.0
Household Distribution by Income Level	1,884,048	25.4	16.4	17.0	41.1	0.0
Median Family Income MSA – 26420 Houston-The Woodlands-Sugar Land, TX MSA	$81,859	Median Housing Value				$230,015
		Median Gross Rent				$1,179
		Families Below Poverty Level				11.6%

Source: 2020 US Census and 2022 D&B Data. Due to rounding, totals may not equal 100.0.
(*) The NA category consists of geographies that have not been assigned an income classification.

The following tables provide information on the demographic composition of the Victoria MSA for both evaluation periods.

Table A – Demographic Information of the Assessment Area						
Assessment Area: Victoria MSA 2021-2020						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	23	4.3	34.8	30.4	26.1	4.3
Population by Geography	90,099	3.7	34.9	25.6	35.9	0.0
Housing Units by Geography	35,876	3.4	34.2	25.6	36.7	0.0
Owner-Occupied Units by Geography	21,403	2.2	26.6	24.5	46.7	0.0
Occupied Rental Units by Geography	11,107	5.6	48.0	25.4	21.0	0.0
Vacant Units by Geography	3,366	4.0	37.3	33.5	25.3	0.0
Businesses by Geography	6,851	2.2	33.8	25.0	38.9	0.1
Farms by Geography	232	0.9	16.4	31.9	50.9	0.0
Family Distribution by Income Level	23,051	23.4	16.9	18.0	41.6	0.0
Household Distribution by Income Level	32,510	23.3	16.6	18.2	41.9	0.0
Median Family Income MSA – 47020 Victoria, TX MSA	$60,302	Median Housing Value				$117,929
		Median Gross Rent				$791
		Families Below Poverty Level				12.4%

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.

Table A – Demographic Information of the Assessment Area						
Assessment Area: Victoria MSA 2022						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	25	8.0	28.0	36.0	24.0	4.0
Population by Geography	91,319	5.7	26.2	39.3	28.8	0.0
Housing Units by Geography	37,264	5.6	26.3	39.4	28.8	0.0
Owner-Occupied Units by Geography	21,872	5.1	20.3	40.3	34.3	0.0
Occupied Rental Units by Geography	10,648	5.7	37.1	37.4	19.9	0.0
Vacant Units by Geography	4,744	7.7	29.2	39.5	23.6	0.0
Businesses by Geography	8,681	3.6	30.7	35.1	30.6	0.1
Farms by Geography	294	1.7	21.1	36.1	41.2	0.0
Family Distribution by Income Level	22,172	22.6	17.4	19.0	41.1	0.0
Household Distribution by Income Level	32,520	25.1	15.0	17.6	42.3	0.0
Median Family Income MSA – 47020 Victoria, TX MSA	$71,697	Median Housing Value				$149,625
		Median Gross Rent				$947
		Families Below Poverty Level				11.4%

Source: 2020 US Census and 2022 D&B Data. Due to rounding, totals may not equal 100.0
(*) The NA category consists of geographies that have not been assigned an income classification.

Conclusions in Respect to Performance Tests

Lending Test

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

Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, the bank's lending performance is reasonable.

Distribution of Loans by Income Level of the Geography

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

Small Loans to Businesses

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

The overall geographic distribution of small business loans is excellent.

Texas Non-MSA

The geographic distribution of small business loans in the Texas Non-MSA is excellent. During 2020-2021, there were no low-income CTs but the percent of bank loans exceeds both the percent of businesses and the aggregate lending in moderate-income CTs. In 2022, there was one low-income CT given demographic changes. The percent of bank loans significantly exceeds the percent of businesses in low-income CTs. The percent of bank loans is slightly below the percent of businesses in moderate-income CTs. The bank made 98 PPP loans in the Texas Non-MSA during the 2020-2021 evaluation period. The percent of bank loans was near to both the percent of businesses and the aggregate lending in moderate-income CTs.

Houston MSA

The geographic distribution of small business loans in the Houston MSA is excellent. During 2020-2021, the percent of bank loans exceeds both the percent of businesses and the aggregate lending in LMI CTs. In 2022, the percent of bank loans significantly exceeded the percent of businesses in LMI CTs. The bank made 281 PPP loans in the Houston MSA during the 2020-2021 evaluation period. The percent of bank loans was slightly lower than the percent of businesses and the aggregate lending in low-income CTs but slightly exceeded the percent of businesses and the aggregate lending in moderate-income CTs.

Victoria MSA

The geographic distribution of small business loans in the Victoria MSA is excellent. During 2020-2021, the bank did not originate any loans in low-income CTs; however, there was only one low-income CT in the AA. The percent of bank loans exceeds both the percent of businesses and the aggregate lending in moderate-income CTs. In 2022, the percentage of bank loans exceeded the

percent of businesses in moderate-income CTs. The bank did not originate any loans in low-income CTs; however, there was still only one low-income CT. The bank made 148 PPP loans in the Victoria MSA during the 2020-2021 evaluation period. The percent of bank loans exceeds the percent of businesses and aggregate lending in low-income CTs but was slightly below the percent of businesses and the aggregate lending in moderate-income CTs.

Small Loans to Farms

Refer to Table S in appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to farms.

The overall geographic distribution of small farm loans is reasonable.

Texas Non-MSA

Overall, the geographic distribution of small farm loans in the Texas Non-MSA is reasonable. During 2020-2021, there were no low-income CTs and the percent of bank loans is below the percent of farms and aggregate lending in moderate-income CTs. In 2022, there was one low-income CT given demographic changes; however, the bank did not make any small farm loans in low-income CTs. In moderate-income CTs, the percent of bank loans exceeded the percent of farms.

Houston MSA

Overall, the geographic distribution of small farm loans in the Houston MSA is reasonable. During 2020-2021, the bank did not originate any loans in low-income CTs; however, there was only one low-income CT. The percent of bank loans was slightly below the percentage of farms but exceeded the aggregate lending in moderate-income CTs. In 2022, there were not enough small farm loans for a meaningful analysis.

Victoria MSA

Overall, the geographic distribution of small farm loans in the Victoria MSA is poor. During 2020-2021, the bank did not originate any loans in low-income CTs; however, there was only one low-income CT in the AA. In moderate-income CTs, the percent of bank loans was significantly below both the percent of farms and the aggregate lending in moderate-income CTs. In 2022, the bank did not originate any loans in low-income CTs; however, there was still only one low-income CT. In moderate-income CTs, the percent of bank loans was below the percent of farms in the AA.

Distribution of Loans by Income Level of the Borrower

The bank exhibits excellent distribution of loans to individuals of different income levels and businesses and farms of different sizes, given the product lines offered by the bank.

Small Loans to Businesses

Refer to Table R in appendix D for the facts and data used to evaluate the borrower distribution of the bank's originations and purchases of small loans to businesses.

The overall borrower distribution of small business loans is excellent.

Texas Non-MSA

Overall, the distribution of loans to small businesses is excellent. During 2020-2021, the distribution of bank loans to small businesses was lower than the proportion of small businesses but significantly exceeded the aggregate lending of all financial institutions. In 2022, the percentage of bank loans was below the percent of businesses.

Houston MSA

Overall, the distribution of loans to small businesses is excellent. During 2020-2021, the distribution of bank loans to small businesses was lower than the proportion of small businesses but significantly exceeded the aggregate lending of all financial institutions. In 2022, the percentage of bank loans was below the percent of businesses.

Victoria MSA

Overall, the distribution of loans to small businesses is excellent. During 2020-2021, the distribution of bank loans to small businesses was lower than the proportion of small businesses but significantly exceeded the aggregate lending of all financial institutions. In 2022, the percentage of bank loans was below the percent of businesses.

Small Loans to Farms

Refer to Table T in appendix D for the facts and data used to evaluate the borrower distribution of the bank's originations and purchases of small loans to farms.

The overall borrower distribution of small farm loans is excellent.

Texas Non-MSA

Overall, the distribution to small farms is excellent. During 2020-2021, the bank's distribution of farm loans was lower than the proportion of small farms but exceeded the aggregate lending of all financial institutions. In 2022, the percentage of bank loans was below the percent of farms.

Houston MSA

Overall, the distribution to small farms is poor. During 2020-2021, the bank's distribution of farm loans was significantly lower than both the proportion of small farms and the aggregate lending of all financial institutions. In 2022, the percentage of bank loans was below the percent of farms.

Victoria MSA

Overall, the distribution to small farms is excellent. During 2020-2021, the bank's distribution of farm loans exceeded both the proportion of small farms and the aggregate lending of all financial institutions. In 2022, the percentage of bank loans exceeded the percent of farms.

Responses to Complaints

The bank did not receive any CRA-related complaints during the evaluation period.

Community Development Test

The bank's performance under the Community Development Test in the state of Texas is rated Satisfactory.

Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, the bank exhibits adequate responsiveness to CD needs in the state through CD loans, qualified donations and investments, and CD services, as appropriate, considering the bank's capacity and the need and availability of such opportunities for CD in the bank's AAs.

Number and Amount of Community Development Loans

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

Community Development Loans				
Assessment Area	Total			
	#	% of Total #	$(000's)	% of Total $
Texas Non-MSA	6	66.7	$8,004	71.5
Houston MSA	2	22.2	$2,472	22.1
Victoria MSA	1	11.1	$714	6.4
Total	**9**	**100**	**$11,190**	**100**

The level of CD lending reflects adequate responsiveness. NFNB originated or refinanced nine qualifying CD loans totaling $11 million. In the Texas Non-MSA, all CD loans provided economic development through job creation or retention in the El Campo Opportunity Zone. In the Houston MSA, both loans provided affordable housing. In the Victoria MSA one loan provided funds to construct a medical facility located in a moderate-income CT. Outside of the AAs, NFNB also originated one CD loan totaling $1.5 million.

Number and Amount of Qualified Investments

Assessment Area	Prior Period*		Current Period		Total			
	#	$(000's)	#	$(000's)	#	% of Total #	$(000's)	% of Total $
Texas Non-MSA	-	-	24	5	24	48.0	5	0.15
Houston MSA	7	2,803	13	507	20	40.0	3,310	99.7
Victoria MSA	-	-	6	5	6	12.0	5	0.15

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

NFNB exhibits an adequate level of responsiveness to qualified investments and donations, with stronger performance in the Houston MSA. In the Houston MSA, NFNB held eight investments totaling $3.3 million. Of these investments, $2.6 million supported economic development through an SBA loan fund bond and approximately $702,780 was the balance of prior-period mortgage-backed securities that helped provide affordable housing. Donations in the Houston MSA totaled $6,509, which all helped provide community services to LMI individuals. Donations in the Texas Non-MSA and the Victoria MSA totaled $5,375 and $4,500, respectively. All donations in the AA helped provide community services to LMI individuals.

Extent to Which the Bank Provides Community Development Services

The bank has several officers serving on boards of various organizations offering community development services or affordable housing. This includes two organizations providing affordable housing for the Houston and Victoria MSAs. Two officers also serve on the boards of organizations providing community services targeted to LMI persons in the Texas Non-MSA. This includes medical services, education, and the arts.

Appendix A: Scope of Examination

The following table identifies the time-period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the metropolitan and nonmetropolitan areas that received comprehensive examination review (designated by the term "full-scope").

Time Period Reviewed:	01/01/2020 – 12/31/2022	
Bank Products Reviewed:	(Home mortgage, small business, and small farm, loans) (Community development loans, qualified investments, community development services)	
Affiliate(s)	**Affiliate Relationship**	**Products Reviewed**
N/A		
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	**Type of Exam**	**Other Information**
State of Texas		
Texas Non-MSA	Full-Scope	Jackson and Wharton counties
Houston MSA	Full-Scope	Fort Bend and Harris counties
Victoria MSA	Full-Scope	Victoria County

Appendix B: Summary of State Ratings

RATINGS: **NewFirst National Bank**			
Overall Bank:	Lending Test Rating*	CD Test Rating	Overall Bank/State/ Multistate Rating
NewFirst National Bank	**Satisfactory**	**Satisfactory**	**Satisfactory**

Appendix C: Definitions and Common Abbreviations

The following terms and abbreviations are used in this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

Affiliate: Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. For example, a bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Aggregate Lending (Aggt.): The number of loans originated and purchased by all reporting lenders (HMDA or CRA) in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

Census Tract (CT): A small, relatively permanent statistical subdivision of a county delineated by a local committee of census data users for the purpose of presenting data. Census tracts nest within counties, and their boundaries normally follow visible features, but may follow legal geography boundaries and other non-visible features in some instances, Census tracts ideally contain about 4,000 people and 1,600 housing units.

Combined Statistical Area (CSA): A geographic entity consisting of two or more adjacent Core Based Statistical Areas with employment interchange measures of at least 15. An employment interchange measure is a measure of ties between two adjacent entities. The employment interchange measure is the sum of the percentage of workers living in the smaller entity who work in the larger entity and the percentage of employment in the smaller entity that is accounted for by workers who reside in the larger entity.

Community Development (CD): Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of $1 million or less; or activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas.

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

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

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always

equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into 'male householder' (a family with a male householder' and no wife present) or 'female householder' (a family with a female householder and no husband present).

Full-Scope Review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

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

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

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

Limited-Scope Review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

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

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

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

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. The median is the point at which half of the families have income above, and half below, a range of incomes. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above, and half below, a range of incomes.

Metropolitan Division: As defined by Office of Management and Budget, a county or group of counties within a Core Based Statistical Area that contains an urbanized population of at least 2.5 million. A Metropolitan Division consists of one or more main/secondary counties that represent an

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

Metropolitan Statistical Area: An area, defined by the Office of Management and Budget, as a core based statistical area associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

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

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

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

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

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

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

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

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

Tier 1 Capital: The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

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

Appendix D: Tables of Performance Data

Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan statistical areas, if applicable, are presented in one set of tables. References to the "bank" include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: (1) purchased are treated as originations; and (2) "aggregate" is the percentage of the aggregate number of reportable loans originated and purchased by all HMDA or CRA-reporting lenders in the MMSA/assessment area. Deposit data are compiled by the FDIC and are available as of June 30th of each year. Tables without data are not included in this PE.

The following is a listing and brief description of the tables included in each set:

Table Q. **Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** — The percentage distribution of the number of small loans (less than or equal to $1 million) to businesses that were originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) in those geographies. Because aggregate small business data are not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank's assessment area.

Table R. **Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenue** — Compares the percentage distribution of the number of small loans (loans less than or equal to $1 million) originated and purchased by the bank to businesses with revenues of $1 million or less to: 1) the percentage distribution of businesses with revenues of greater than $1 million; and, 2) the percentage distribution of businesses for which revenues are not available. The table also presents aggregate peer small business data for the years the data is available.

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

Table T. **Assessment Area Distribution of Loans to Farms by Gross Annual Revenues** — Compares the percentage distribution of the number of small loans (loans less than or equal to $500 thousand) originated and purchased by the bank to farms with revenues of $1 million or less to: 1) the percentage distribution of farms with revenues of greater than $1 million; and, 2) the percentage distribution of farms for which revenues are not available. The table also presents aggregate peer small farm data for the years the data is available.

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

TEXAS

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography — 2020-2021

Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
Non-MSA	20	15,172	3.4	1,306	0.0	0.0	0.0	17.7	20.0	16.8	36.9	35.0	30.9	45.4	45.0	52.3	0.0	0.0	0.0
Non-MSA PPP	98	7,279	16.7	--	0.0	0.0	0.0	17.7	16.3	16.8	36.9	29.6	30.9	45..4	54.1	52.3	0.0	0.0	0.0
Houston	20	13,979	3.4	193,098	10.8	15.8	11.0	18.5	31.6	19.3	21.4	15.8	23.2	49.1	36.8	46.3	0.2	0.0	0.2
Houston PPP	281	26,569	47.9	--	10.8	9.3	11.0	18.5	23.1	19.3	21.4	29.5	23.2	49.1	37.7	46.3	0.2	0.4	0.2
Victoria	20	5,904	3.4	2,005	2.2	0.0	2.5	33.8	40.0	33.0	25.0	35.0	24.5	38.9	25.0	39.9	0.1	0.0	0.0
Victoria PPP	148	13,471	25.2	--	2.2	2.7	2.5	33.8	29.1	33.0	25.0	26.4	24.5	38.9	41.9	39.9	0.1	0.0	0.0
Total	**587**	**82,374**	**100**	**196,409**	**10.6**	**5.6**	**10.9**	**18.7**	**24.2**	**19.5**	**21.6**	**28.7**	**23.2**	**48.9**	**41.3**	**46.2**	**0.2**	**0.2**	**0.2**

Source: 2021 D&B Data; 01/01/2020 — 12/31/2021 Bank Data; 2021 CRA Aggregate Data, "—" data not available.
Due to rounding, totals may not equal 100.0%

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

Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
Non-MSA	20	20,546	33.3	--	4.7	15.0	--	7.1	5.0	--	50.1	40.0	--	38.0	40.0	--	0.0	0.0	--
Houston	20	22,301	33.3	--	9.9	20.0	--	20.3	45.0	--	23.6	10.0	--	44.0	25.0	--	2.3	0.0	--
Victoria	20	4,421	33.3	--	3.6	0.0	--	30.7	40.0	--	35.1	50.0	--	30.6	10.0	--	0.1	0.0	--
Total	**60**	**47,268**	**100**	**--**	**9.8**	**11.7**	**--**	**20.4**	**30.0**	**--**	**23.8**	**33.3**	**--**	**43.8**	**25.0**	**--**	**2.3**	**0.0**	**--**

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

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

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues **2020-2021**

Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Non-MSA	20	13,979	33.3	1,306	82.3	60.0	35.9	4.9	25.0	12.7	15.0
Houston	20	15,172	33.3	193,098	88.1	65.0	41.7	4.2	20.0	7.7	15.0
Victoria	20	5,904	33.3	2,005	81.8	60.0	42.1	4.6	40.0	13.6	0.0
Total	**60**	**35,055**	**100**	**196,409**	**88.0**	**60.0**	**41.7**	**4.2**	**28.3**	**7.8**	**11.7**

Source: 2021 D&B Data; 01/01/2020 - 12/31/2021 Bank Data; 2021 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%

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

Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Non-MSA	20	20,546	33.3	--	86.2	70.0	--	3.7	25.0	10.2	5.0
Houston	20	22,301	33.3	--	92.0	70.0	--	2.7	25.0	5.3	5.0
Victoria	20	4,421	33.3	--	85.3	75.0	--	3.6	20.0	11.1	5.0
Total	**60**	**47,268**	**100**	**--**	**91.9**	**71.7**	**--**	**2.7**	**23.3**	**5.4**	**5.0**

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

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

Table S: Assessment Area Distribution of Loans to Farms by Income Category of the Geography   **2020-2021**

Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate
Non-MSA	20	2,389	33.3	260	0.0	0.0	0.0	14.6	5.0	13.8	25.7	40.0	30.4	59.7	55.0	55.8	0.0	0.0	0.0
Houston	20	7,712	33.3	594	6.9	0.0	4.2	16.1	15.0	12.1	24.5	45.0	26.3	52.3	40.0	57.2	0.1	0.0	0.2
Victoria	20	2,192	33.3	106	0.9	0.0	0.0	16.4	5.0	23.6	31.9	25.0	29.2	50.9	70.0	47.2	0.0	0.0	0.0
Total	**60**	**12,293**	**99.9**	**960**	**6.4**	**0.0**	**2.6**	**16.1**	**8.3**	**13.9**	**24.8**	**36.7**	**27.7**	**52.7**	**55**	**55.7**	**0.1**	**0.0**	**0.1**

Source: 2021 D&B Data; 01/01/2020 — 12/31/2021 Bank Data; 2021 CRA Aggregate Data, "—" data not available.
Due to rounding, totals may not equal 100.0%

Table S: Assessment Area Distribution of Loans to Farm Businesses by Income Category of the Geography   **2022**

Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate
Non-MSA	20	8,086	34.5		4.6	0.0	--	3.8	10.0	--	42.3	45.0	--	49.3	45.0	--	0.0	0.0	--
Houston	18	7,064	31.0		7.3	0.0	--	18.5	5.9	--	26.4	94.1	--	46.1	0.0	--	1.7	0.0	--
Victoria	20	2,835	34.5		1.7	0.0	--	21.1	15.0	--	36.1	60.0	--	41.2	25.0	--	0.0	0.0	--
Total	**58**	**17,985**	**100**		**7.1**	**0.0**	**--**	**17.9**	**10.3**	**--**	**27.3**	**66.4**	**--**	**46.1**	**23.3**	**--**	**1.6**	**0.0**	**--**

Source:2021 D&B Data; 01/01/2022 - 12/31/2022 Bank Data; "--" data not available.
Due to rounding, totals may not equal 100.0%

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

Table T: Assessment Area Distribution of Loans to Farms by Gross Annual Revenues **2020-2021**

Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	% Farms	% Bank Loans
Non-MSA	20	2,389	33.3	260	94.0	80.0	53.5	3.9	20.0	2.1	0.0
Houston	20	7,712	33.3	594	95.3	23.4	58.8	2.6	76.6	2.2	0.0
Victoria	20	2,192	33.3	106	98.3	100.0	67.0	0.9	0.0	0.9	0.0
Total	**60**	**12,293**	**99.9**	**960**	**95.3**	**88.3**	**58.2**	**2.6**	**11.7**	**2.1**	**0.0**

Source: 2021 D&B Data; 01/01/2020 - 12/31/2021 Bank Data; 2021 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%

Table T: Assessment Area Distribution of Loans to Farms by Gross Annual Revenues **2022**

Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	% Farms	% Bank Loans
Non-MSA	20	8,086	34.5	--	94.8	80.0	--	3.2	20.0	2.0	0.0
Houston	18	7,064	31.0	--	96.6	66.7	--	1.7	27.8	1.7	5.5
Victoria	20	2,835	34.5	--	98.6	100.0	--	0.7	0.0	0.7	0.0
Total	58	**17,985**	100	**--**	**96.6**	**82.8**	**--**	**1.7**	**15.5**	**1.7**	**1.7**

Source: 2021 D&B Data; 01/01/2022 - 12/31/2022 Bank Data; "--" data not available.
Due to rounding, totals may not equal 100.0%

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