



PUBLIC DISCLOSURE

June 13, 2016

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

First National Bank of McGregor
Charter Number 4076

401 South Main
McGregor, TX 76657

Office of the Comptroller of the Currency

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

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods consistent with safe and sound operation of the institution. This evaluation is not, 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.

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

The major factors that support this rating include:

- The bank's loan-to-deposit (LTD) ratio is more than reasonable.
- A majority of loan originations and purchases are within the bank's assessment areas (AAs).
- The distribution of residential loans among borrowers of different income levels exhibits a reasonable penetration. The distribution of loans to businesses of different sizes is excellent.
- The bank's distribution of residential and business loans to low- and moderate-income (LMI) census tracts reflects reasonable dispersion.

SCOPE OF EXAMINATION

This Performance Evaluation (PE) of First National Bank of McGregor (FNB or bank) assesses the bank's performance using interagency Small Bank procedures. The evaluation period ranges from November 21, 2011, the date of the prior PE, through June 13, 2016, the date of the current evaluation.

We identified commercial and commercial real estate loans (business loans) and residential real estate loans as the bank's primary loan products. The loan data information used for the PE covered the period from January 1, 2014 through December 31, 2015.

In our evaluation of the distribution of loans, we utilized the demographics and geographies related to the 2010 Census as it applies to the years 2014 and 2015.

This evaluation is based on accurate data as follows:

- We tested Home Mortgage Disclosure Act (HMDA) data for residential mortgages reported by the bank to verify the accuracy of data used for this evaluation. We found the data reliable to use for this evaluation.
- To evaluate FNB's performance relative to business lending, for each of the two AAs we selected a random sample of 20 business loans that were originated and purchased during this timeframe. We used the entire population of originated and purchased business loans to complete Table 1 in this PE. Based on our testing of the sampled loans we found the aggregate data reliable to use for this evaluation.

We did not consider the activities of affiliates in this evaluation.

We conducted a full-scope review of the McLennan County AA that consists of all of McLennan County that is located in the Waco, TX MSA. A full-scope review considers complete performance context information, quantitative factors and qualitative factors. This AA received the full-scope review because 93 percent of the bank's deposits, 67 percent of its offices, 95 percent of the number of HMDA reported loans, and 98 percent of the number of business loans are in that geography.

We performed a limited review of the Coryell County AA that consists of five census tracts in Coryell County that are contiguous to McLennan County. Coryell County is located in the Killeen-Temple, TX MSA. We found no significant or unexplained gaps in the AA. Limited-scope reviews consider primarily quantitative factors with performance context data limited to the comparable demographics. As a result of its April 13, 2015 purchase of Oglesby State Bank, FNB delineated this AA. The bank operates the Oglesby office as a branch.

DESCRIPTION OF INSTITUTION

FNB is a full-service community bank located in McGregor, Texas, which is 17 miles southwest of Waco. The bank was established in 1889. FNB is wholly-owned by McGregor Bancshares, Inc. The previous CRA evaluation, dated November 21, 2011, assigned a "Satisfactory" rating to the bank.

There are no legal or financial impediments to FNB's ability to meet the credit needs of its AA. The bank offers a full-range of loan and deposit services.

As of March 31, 2016, net loans were 93 percent of FNB's total assets of \$210 million. The following table is a summary of FNB's loan portfolio:

First National Bank of McGregor Loan Portfolio Summary		
Loan Category	Dollar Volume (in thousands)	Percentage
Residential Real Estate	84,157	43%
Commercial and Commercial Real Estate	65,606	33%
Consumer	15,666	8%
Agriculture and Livestock – Mortgage and Production	11,504	6%
Construction and Other	19,577	10%
Total Loans	196,510	100%

Source: March 31, 2016 Report of Condition.

The bank maintains its main office and a branch office in McGregor, both of which are located in the same upper-income census tract (CT). In April 2015, FNB established a branch office in Oglesby through its purchase of Oglesby State Bank. That facility operates in a middle-income CT. FNB did not close any branches during the evaluation period.

FNB's physical offices are its primary delivery system for retail products and services. The main office and both branches each have drive-up facilities with extended hours and a 24-hour ATM. Saturday hours are offered at the drive-up facility and lobby of the McGregor branch that is known as the South Bosque McGregor location.

FNB's banking programs and hours allow the bank to deliver needed banking and credit services to LMI areas and customers as well as small business owners, farmers, and livestock operators throughout the bank's AA. FNB offers on-line banking through its web site, www.fnb-mcgregor.com. Mobile banking allows access through a customer's phone. Telephone banking in English and Spanish is available. ATM services are available in English and Spanish. Each bank location has employees who speak Spanish. FNB offers secured and unsecured small dollar personal loans to qualified customers. The bank also offers start-up and working capital loans for small businesses. Business loans are also offered through the Small Business Administration lending programs.

DESCRIPTION OF ASSESSMENT AREAS

The bank has two AAs: the McLennan County AA (located in the Waco, Texas MSA) and the Coryell County AA (in the Killeen-Temple, TX MSA). The bank has reasonably delineated each AA relative to its branch network. Neither of the AAs excludes any LMI CTs.

McLennan County AA

This AA includes all of McLennan County. The 2010 U.S. Census designated the Waco, Texas MSA as consisting solely of McLennan County. Pursuant to the 2013 Office of Management and Budget (OMB) changes, the U.S. Census Bureau added Falls County to the Waco, Texas MSA effective January 1, 2014. The bank did not add Falls County to its AA. McLennan County is located in Central Texas. Waco is its largest city and the county seat. Waco, approximately 90 miles south of Dallas/Fort Worth and 100 miles north of Austin, is centrally located on Interstate 35.

See the following table that summarizes the demographic data for McLennan County.

Demographic and Economic Information for Full-Scope Area: McLennan County AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts (CT)/BNAs)	51	13.73	19.61	31.37	31.37	3.92
Population by Geography	234,906	12.16	19.18	29.24	37.62	1.80
Owner-Occupied Housing by Geography	49,856	5.49	14.97	30.03	49.49	0.02
Business by Geography	16,026	4.99	20.57	30.96	42.89	0.59
Family Distribution by Income Level	55,570	22.12	17.33	19.47	41.08	0.00
Households by Geography	82,998	13.01	19.34	30.02	37.61	0.03
Median Family Income		53,712	Median Housing Value	100,223		
FFIEC Adjusted Median Family Income for 2015		55,300	Unemployment Rate (April 2016	McLennan County 3.6%		
Households Below Poverty Level		19.74%	BLS)			

(*) The NA category consists of geographies that have not been assigned an income classification.
 Source: 2010 US Census, 2015 FFIEC updated MFI, and Bureau of Labor Statistics.

The AA is made up of 51 CTs, consisting of seven low-income geographies, 10 moderate-income CTs, 16 middle-income tracts, 16 upper-income geographies, and two tracts that are not income-classified. Per the 2014 and 2015 Federal Financial Institutions Examination Council (FFIEC) reports, none of McLennan County’s middle-income census tracts are classified as either distressed or underserved. The bank has properly defined its AA in accordance with the technical requirements of the CRA regulation. The AA consists of whole CTs, does not arbitrarily exclude LMI CTs, and includes the CTs where the bank offices are located. The AA meets requirements of the regulation and does not reflect illegal discrimination. FNB has its main office and one of its branches in the city of McGregor located in the AA. Both facilities are in an upper-income CT.

The city center of McGregor is located 17 miles southwest of Waco on U.S. Route 84. Over the last several years, McGregor has become more of a bedroom community to Waco with many of its residents commuting there for employment. McGregor’s population at the 2010 Census was 4,987. The city is home to one of the area’s largest employers, SpaceX that operates a rocket engine development and test facility.

The AA population has maintained a healthy growth rate. The county’s population continues to grow and is now 234,906 according to the 2010 Census. This is up ten percent over the 2000 Census of 213,517 and 24 percent over the 1990 Census of 189,123. Waco offers opportunities for professional development and workforce training with three higher education institutions including Baylor University, McLennan Community College and Texas State Technical College. Residents of Waco enjoy several museums, regional and neighborhood parks, two symphonies, several theaters, and an AZA-accredited zoo.

The city of Waco is a diverse economy, with no industry representing more than 20 percent of the market. Professional, government, and healthcare industry sectors have posted strong growth in the area. The city's below-average cost of living and proximity to the DFW metroplex, the cities of Austin and San Antonio, and the Houston area draws skilled talent to high-tech jobs. Major employers in the Waco area include Providence Health Center, Baylor University, Wal-Mart, Waco Independent School District, L-3 Communications (Aerospace), Hillcrest Baptist Medical Center, and the City of Waco.

Waco's economic stability is enhanced by the diversity of its economic base. The strength of this diversity was evident as the unemployment rate of 3.6 percent remained below the state and national averages of 4.2 percent and 5.0 percent, respectively, as of April 2016. Poverty levels in the AA, however, are higher than national and state averages. The 2010 Census data reports that 20 percent of the area households live below poverty levels. Almost 40 percent of families have annual incomes that place them in the LMI categories. Accordingly, LMI geographies account for one-third of the CTs in the AA based on the 2010 Census.

In evaluating the borrower distribution of home loans in the AA, we noted that 14.1 percent of the families in the AA (2010 Census) are below the poverty level. In addition, we considered the average age of the housing stock and the median housing value in the AA. According to the updated 2010 Census, the average age of the housing stock is 44 years for low-income CTs with a median housing value of \$52,733, and 52 years with a median housing value of \$63,388 for moderate-income tracts. Less than 21 percent of the housing units in the low-income CTs are owner occupied. This figure increases to 41 percent for the moderate-income geographies. Older housing often has higher maintenance costs compared to new housing stock and frequently requires significant repairs to bring dwelling up to code requirements. These older houses are often less energy efficient, resulting in higher utility costs, which can increase home ownership costs. These additional factors and costs negatively affect the ability of LMI individuals to qualify for mortgage loans.

The city of Waco has created tax increment financing zones for the purpose of facilitating the revitalization and development of the core of the city and along the Brazos River Corridor. The city of Waco facilitates downtown events to help promote downtown businesses and facade grants to improve the appearance of downtown buildings. A large number of businesses and different organizations are situated within the tax increment reinvestment zone (TIRZ) located in downtown Waco.

The AA is a competitive banking environment filled with larger regional banks, community banks, and credit unions. The FDIC market share report as of June 30, 2015, indicates that 25 institutions operate 59 branches within the bank's AA. FNB ranks 11th among the total group of banks with a deposit market share of 3.25 percent. First National Bank of Central Texas ranks first with a 13.72 percent deposit market share and Wells Fargo Bank, National Association ranks second with a 12.70 percent deposit market share. In addition, 14 credit unions are based in Waco.

A community contact interview conducted at this CRA evaluation stated that although there is currently a shortage of affordable housing in McGregor, FNB in particular has responded positively to the city's long-range strategic plan, *McGregor Vision 2030*, that provides a framework to increase the volume of affordable housing, enhance job creation, expand community services, and improve the quality of the local public school system. Through its *Charity Champions* program, FNB is working to raise awareness of local non-profit organizations that benefit LMI families, individuals and areas. Many of the recipient organizations report increased donations of volunteer service and money resulting from the exposure provided by this innovative program.

A community contact interview conducted at a recent CRA evaluation of a Waco bank identified the lack of 30-year financing for affordable housing for purchase by LMI borrowers. The contact also stated there is a need for a viable alternative to payday lending to LMI borrowers, specifically short-term loans up to \$1,000.

A review of the PEs of competing banks reveals the lending activity of non-profit CD organizations such as the Waco chapter of NeighborWorks has reduced the overall demand for affordable housing loans for LMI individuals because NeighborWorks is subject to more relaxed mortgage lending standards than area commercial banks. Alternatively, the FHA now has more strenuous underwriting criteria and guidelines in place, making it more difficult for lower-income borrowers to obtain financing to purchase homes.

Coryell County AA

As a result of its April 13, 2015 purchase of Oglesby State Bank, FNB delineated this AA. FNB operates the Oglesby office as a branch.

This AA includes five CTs in eastern Coryell County that are contiguous to the southwestern border of McLennan County. Coryell County is part of the Killeen-Temple, TX MSA. The AA is comprised of one moderate-income and four middle-income CTs. Per the 2014 and 2015 FFIEC reports, none of the four middle-income CTs are classified as either distressed or underserved.

The bank has properly defined its AA in accordance with the technical requirements of the CRA regulation. The AA consists of whole CTs, does not arbitrarily exclude LMI CTs, and includes the CT where the bank office is located and the majority of its loans are originated. The AA meets the requirements of the regulation, does not reflect illegal discrimination, and does not arbitrarily exclude any LMI geographies.

The city of Oglesby is located in eastern Coryell County, seven miles west of McGregor and 15 miles east of Gatesville. Oglesby's population at the 2010 Census was 484. Oglesby ISD is the largest employer in Oglesby. The city and its surrounding area is primarily directly or indirectly dependent on agriculture and livestock operations. Many residents commute to Waco, Gatesville (prison system), Temple, and McGregor for employment.

The city of Gatesville is the largest city in the AA with a population of 15,751 at the 2010 Census. Gatesville has a more diverse economy. Its largest employer is the Texas Department of Corrections that operates seven prisons housing 9,000 inmates. The prisons employ approximately 3,000 area residents on an \$8 million monthly payroll. Other leading employers in the Gatesville area include Coryell Memorial Healthcare System, Gatesville ISD, Super Wal-Mart, Stanley automobile dealerships, Kalyn Siebert (a division of Heil Trailer International), and Laerdal Medical Corporation that manufactures medical training models and devices.

Competition in the AA is significant with six FDIC-insured depository institutions operating six offices. As of June 30, 2015, FNB's \$11 million of deposits represented 2.82 percent of the market, ranking it fifth of the six depository institutions. National Bank; Extraco Banks, National Association; and Texas First State Bank are the top three depository institutions in the AA holding 86 percent of total deposits.

The following table provides a description of the AA based on 2010 census data, FFIEC information, and the Bureau of Labor Statistics data. The unemployment rate of Coryell County is 4.3 percent that is comparable to the State of Texas rate of 4.2 percent and more favorable than the 5.0 percent U.S. rate. Approximately ten percent of the AA's households live below the federal poverty level and 40 percent of the families are LMI.

Demographic and Economic Information for Limited-Scope Area: Coryell County AA	
<i>Population</i>	
Total Population	23,057
Number of Families	4,667
% LMI Families	39.88%
Number of Households	6,289
% Persons Over 65	10.60%
<i>Businesses and Farms</i>	
Number of Businesses and Farms	1,151
Businesses and Farms with less than five employees	77.67%
Businesses and Farms with less than \$500,000 annual revenue	79.76%
<i>Geographies</i>	
Number of Census Tracts	5
% Low-Income Census Tracts	0.00%
% Moderate-Income Census Tracts	20.00%
% Middle-Income Census Tracts	80.00%
% Upper-Income Census Tracts	0%
<i>Median Family Income (MFI)</i>	
2010 MFI for AA	\$54,716
2015 FFIEC-Adjusted MFI	\$59,100
<i>Economic Indicators</i>	
Unemployment Rate	4.3%
% Households Receiving Social Security	30.97%
% Households Retired	23.20%
% Households Below Poverty Level	10.21%
Median Housing Value	\$82,229

Source: 2010 Census data, FFIEC updated income data and Bureau of Labor Statistics

A community contact interview conducted at a recent CRA evaluation of another financial institution indicated that the local economic conditions are stable, based on steady employment, farming, and no recent or projected business closings. Small business financing (start-up and working capital/expansion), small farm lending and consumer loans are identified as the primary credit needs in the community.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

FNB's performance under the Lending Test is "**Satisfactory.**"

Loan-to-Deposit Ratio

FNB's LTD ratio is more than reasonable given the bank's size, location, local competition, and the credit needs of the AAs. This determination is based on the quarterly average LTD ratio of 99.1 percent from December 31, 2011 through March 31, 2016. During this evaluation period, FNB's LTD ratio ranged from a low of 95.5 percent to a high of 102.1 percent.

Management considers the banks shown in the following table to be similarly situated institutions (SSIs). With one exception, all are community banks with less than \$1 billion in assets that actively offer similar loan products and have branch locations in the AAs. Extraco Banks, National Association is considered an SSI as it also offers similar loan products from several locations in the AAs.

The quarterly average LTD ratio for each SSI is listed in the following table. Please note that no ranking is intended or implied.

Loan-to-Deposit Ratios		
Financial Institutions	Total Assets \$ (000's) (As of 3/31/2016)	Average Loan-to-Deposit Ratio
First National Bank of McGregor	210,228	99.1%
Extraco Banks, National Association	1,365,633	73.8%
Community Bank and Trust	412,711	77.1%
American Bank, National Association	413,892	69.4%
Texas First State Bank	387,806	38.2%
First National Bank of Central Texas	754,669	77.8%
Alliance Bank Central Texas	206,751	69.7%

Source: Institution Reports of Condition from December 31, 2011 to March 31, 2016.

Lending in Assessment Area

A majority of the number and dollar amount of FNB's loans were originated inside its AAs. As depicted in Table 1 below (\$000s omitted), 89 percent of the number and 76 percent of the dollar amount of loans were originated inside the AA. Of the number of business loan originations, 91 percent occurred inside the AA.

Table 1 - Lending in Combined AAs										
Loan Type	Number of Loans					Dollars of Loans				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Home Purchase	163	75.12	54	24.88	217	20,381	63.67	11,631	36.33	32,012
Home Improvement	31	81.58	7	18.42	38	3,111	88.36	410	11.64	3,521
Home Refinance	42	91.30	4	8.70	46	6,217	88.13	837	11.87	7,054
Business	1,581	91.02	156	8.98	1,737	57,968	80.46	14,079	19.54	72,047
Total	1,817	89.16	221	10.84	2,038	87,677	76.48	26,957	23.52	114,634

Source: Data reported under HMDA; Aggregate bank loan data.

As noted in the Scope of Examination section, we used the entire population of loans originated and purchased during the evaluation period to complete Table 1. The loan data is reliable.

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

The distribution of home mortgage loans among borrowers of different income levels exhibits a reasonable penetration. The distribution of loans to businesses of different sizes is excellent.

As detailed in Table 2 below, in each loan category, the bank’s 1-4 family real estate lending (HMDA reportable loans) to low-income borrowers notably lags the percentage of families in those income levels. Low-income applicants typically have difficulty qualifying for residential loans so a reduced level of lending is expected. Although the bank’s distribution of home purchase, improvement and refinance loans to moderate-income borrowers is somewhat below the demographic, penetration is reasonable when considering the above average poverty rate in the AA and the advanced age of the housing stock. Please see the housing-related discussion in the Description of Assessment Areas section of this PE for the McLennan County AA. FNB’s overall distribution of residential loans to LMI borrowers is reasonable.

Table 2 - Borrower Distribution of Residential Real Estate Loans in McLennan County AA								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Home Purchase	22.12	7.91	17.33	15.83	19.47	25.90	41.08	50.36
Home Improvement	22.12	3.57	17.33	14.29	19.47	28.57	41.08	53.57
Home Refinance	22.12	5.41	17.33	10.81	19.47	21.62	41.08	62.16

Source: Data reported under HMDA; U.S. Census data.

As noted in the Scope of Examination section, in our analysis, we considered a sample of 20 business loans FNB originated inside the McLennan County AA from January 1, 2014 through December 31, 2015. As illustrated in Table 2A below, the percentage of loans by number to small businesses (80 percent) exceeds the percentage of small businesses in the AA (78 percent). A small business is defined as a business with revenues of \$1 million or less. Although the percentage by the dollar volume of loans (97 percent) is well above the demographic, we placed the most weight on the number of loans originated or purchased to arrive at a rating.

Table 2A - Borrower Distribution of Loans to Businesses in McLennan County AA				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/Unknown	Total
% of AA Businesses	77.87	4.52	17.61	100%
% of Bank Loans in AA by #	80.00	20.00	0.00	100%
% of Bank Loans in AA by \$	97.27	2.73	0.00	100%

Source: Loan sample; Dun and Bradstreet data.

Limited-Scope AA

Based on limited-scope reviews, the bank’s performance for borrower distribution in the Coryell County AA is not consistent with the results of the McLennan County AA. Although the distribution of business loans also reflects an excellent penetration among businesses of different sizes, the distribution of home mortgage loans in the Coryell County AA is not as favorable as in the McLennan County AA.

Geographic Distribution of Loans

The geographic distribution of loans in the McLennan County AA is reasonable. The distribution of home mortgage and business loans reflect a reasonable dispersion across the LMI tracts. The AA has seven low-income CTs and ten moderate-income geographies that represent 14 percent and 20 percent, respectively, of its 51 total CTs. We did not identify any material or unexplained gaps in our analysis of lending in the AA.

The bank’s geographic distribution of home loans in the McLennan County AA reflects a reasonable dispersion throughout the LMI CTs. As detailed in Table 3 below, in each loan category except one, the bank’s 1-4 family real estate lending (HMDA reportable loans) originated in LMI geographies lags the percentage of owner-occupied housing in those CT income levels. Although the percent of home refinance loans made in low-income geographies (five percent) is comparable to the percent of owner-occupied housing in that category, this represents only two loans out of 225 HMDA reportable loans originated in this AA. Please see the performance context factors that support the overall reasonable conclusion immediately following Table 3.

Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan type	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans
Home Purchase	5.49	1.95	14.97	8.44	30.03	23.38	49.49	66.23
Home Improvement	5.49	0.00	14.97	0.00	30.03	12.90	49.49	87.10
Home Refinance	5.49	5.00	14.97	0.00	30.03	22.50	49.49	72.50

Source: Data reported under HMDA; U.S. Census data.

Although the LMI CTs comprise 34 percent of the number of CTs in the McLennan County AA, they only contain 20 percent of the AA’s owner-occupied housing or 10,200 units. The average age of these units is 48 years old. Older housing often has higher maintenance costs compared to new housing stock and frequently requires significant repairs to bring the dwelling up to code requirements. These older houses are often less energy efficient, resulting in higher utility costs, which can increase homeownership costs. These additional factors and costs, coupled with a family poverty level of 14.1 percent, negatively affect the ability of LMI individuals to qualify for mortgage loans.

Business loans originated by the bank during the review period reflect a reasonable geographic dispersion across the LMI CTs. Table 3A compares the bank’s lending in the different income CTs to the percent of businesses located in those geographies. The percent of the bank’s loans to businesses in the low-income CTs (zero percent) compares unfavorably to the percent of businesses located in those geographies (five percent). However, as discussed in the Description of Assessment Areas section of this PE for the McLennan County AA, although five percent of the AA’s businesses are located in the low-income CTs, the number of CTs in this income category account for 14 percent of the total geographies in the AA. This is one of the economic development challenges facing the city of Waco that is being addressed in part through the designation of the TIRZ as part of the efforts to revitalize the core of the city. The volume of FNB’s business loans in the moderate-income CTs at 30 percent exceeds the 21 percent of businesses in those geographies. Moderate-income CTs represent a comparable 20 percent of the AA’s total geographies. This is indicative of an overall reasonable geographic distribution of business loans.

Table 3A - Geographic Distribution of Loans to Businesses in McLennan County AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
Businesses	4.99	0.00	20.57	30.00	30.96	45.00	42.89	25.00

Source: Loan sample; Dun and Bradstreet data.

Limited-Scope AA

Based on limited-scope reviews, the bank’s performance for geographic distribution in the Coryell County AA is not consistent with the results of the McLennan County AA relative to HMDA reportable loans and business loans. However, there are no low-income CTs and only one (20 percent) moderate-income geography in the limited-scope AA.

Responses to Complaints

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

Fair Lending or Other Illegal Credit Practices Review

Pursuant to 12 C.F.R. 25.28(c), or 12 C.F.R. 195.28(c), in determining a national bank's (bank) or Federal savings association's (FSA) CRA rating, respectively, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank or FSA, or in any assessment area by an affiliate whose loans have been considered as part of the bank's or FSA's lending performance.

We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.