

# **Citizens State Bank**

## **CRA PUBLIC FILE- ASSESSMENT AREA DELINEATION**

March 12, 2025

Citizens State Bank has delineated four assessment areas. The four areas are described below; two of the assessment areas are in Metropolitan Statistical Areas (MSA) or a Consolidated Metropolitan Statistical Area (CMSA). There is one branch location and one deposit taking ATM in the Valley Ranch Assessment area, two branch locations and two deposit taking ATMs in the Tyler County Assessment area, and one branch location and one deposit taking ATM in the Falls County Assessment area. Each location is described below and segmented by identified assessment area.

### **I. Valley Ranch Assessment Area:**

Citizens State Bank – Porter, Texas – The assessment area delineation for the Valley Ranch office of Citizens State Bank is a portion of Harris County and a portion of Montgomery County. This branch also has a deposit taking ATM. The principal economic activities include retail, entertainment, manufacturing and tourism. The census indicates the population level of the serviced area at 476,231 with majority of the population being between age 18 and 65. Median income was upper middle and less than 10% of the population was below the poverty level. Porter is located 27 miles North of Houston, Texas.

### **II. Tyler County Assessment Area:**

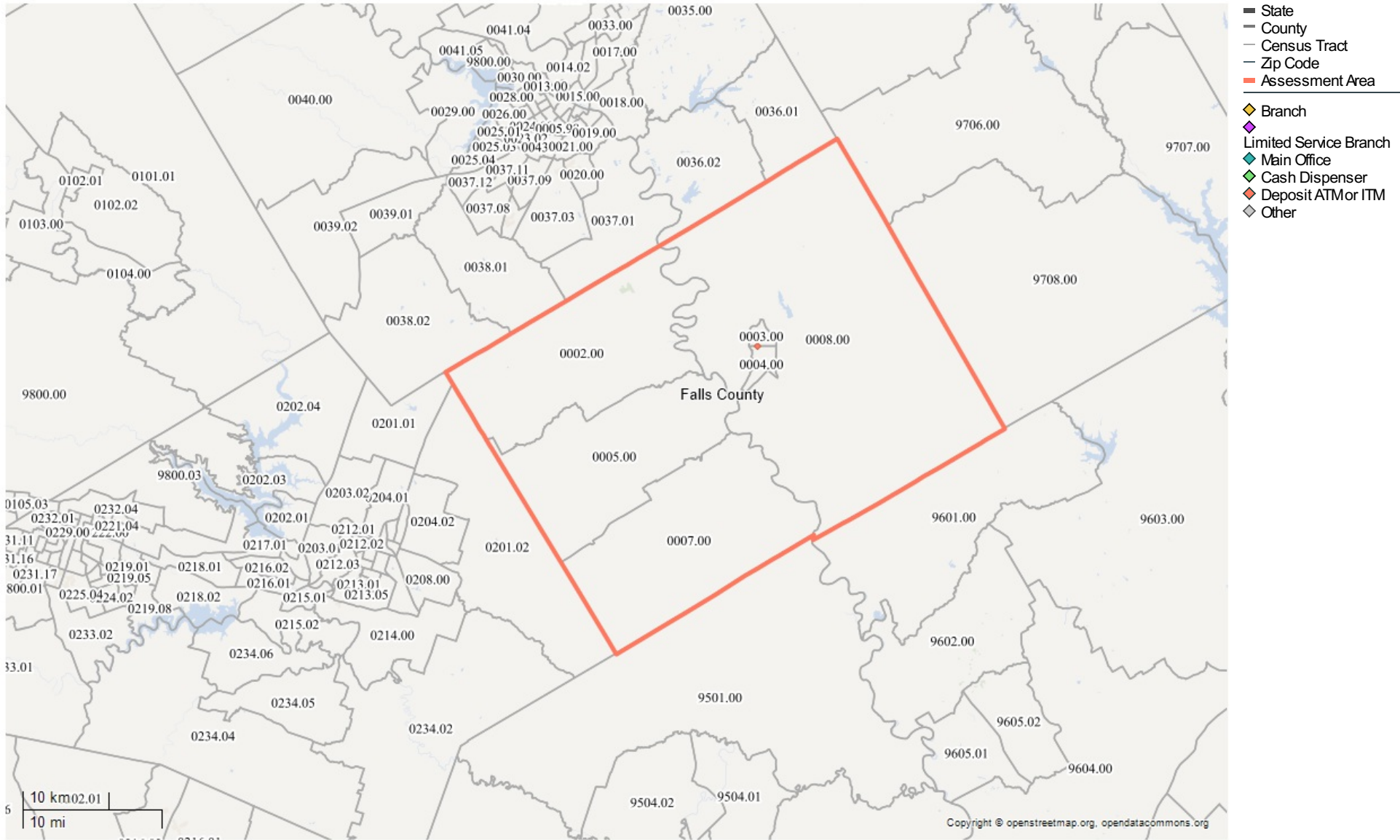
Citizens State Bank – Woodville, Texas – The assessment area delineation for the main office of Citizens State Bank is the County of Tyler. The bank's main office is located in Woodville, Texas. The bank also has a deposit taking ATM located at the drive-thru inside the city limits of Woodville. Woodville is the county seat of Tyler County and is located approximately 60 miles south of Lufkin and 60 miles north of Beaumont. Tyler County's principal economic activities include logging, some manufacturing, tourism, and a Texas Department of Corrections prison. The 2020 census indicated a population level of 19,798 with majority of the population being between the age of 18 and 65. Median income was middle and 18.9% of the population was below the poverty level.

Citizens State Bank – Warren, Texas – The assessment area delineation for the Warren Branch office is the County of Tyler. The branch office is located in Warren. This branch also has a deposit taking ATM. Warren is located approximately 40 miles north of Beaumont along the U.S Highway 69 corridor. Tyler County's principal economic activities include logging, some manufacturing, tourism, and a Texas Department of Corrections prison.

### **III. Falls County Assessment Area:**

Citizens State Bank – Marlin, Texas – The assessment area delineation for the Marlin Branch office is the County of Falls. The branch office is located in Marlin, which is the largest city in the county of Falls, this branch also has a deposit taking ATM. Marlin is the county seat of Falls County and is located

29 miles southeast of Waco, Texas. Falls County's principal economic activities are stocker cattle, cow-calf operations, grain production, limited manufacturing operations, and a Texas Department of Corrections prison. The 2020 census indicated a population level of 17,074 with majority of the population being between the age of 18 and 65. Median income was middle and 20.00% of the population was below the poverty level.



Applied Filters

- Facility Status: (Open)
- CRA Loans: Loan File
- Real Estate Loans Action Taken Date: (10/1/2022 - 12/30/2024)
- Real Estate Loans: Loan File
- You are included in the HMDA benchmark.
- Area: (Falls County, Valley Ranch, Tyler County)



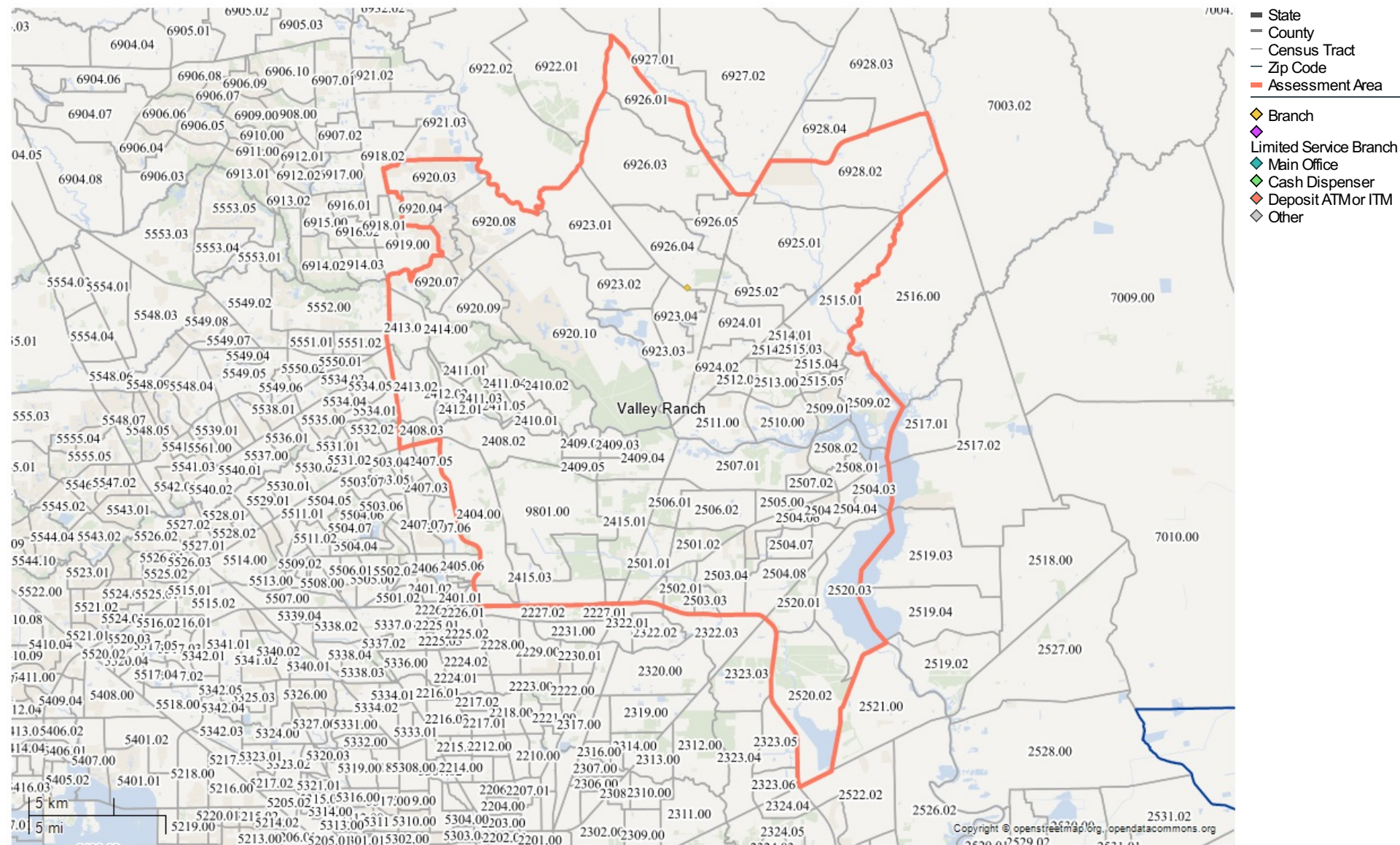
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- Real Estate Loans: Loan File
- You are included in the HMDA benchmark.
- Area: (Falls County, Valley Ranch, Tyler County)



**Citizens State Bank (Woodville, TX)**

## Valley Ranch Map



## Applied Filters

- Facility Status: (Open)
- CRA Loans: Loan File
- Real Estate Loans Action Taken Date: (10/1/2022 - 12/30/2024)
- Real Estate Loans: Loan File
- You are included in the HMDA benchmark.
- Area: (Falls County, Valley Ranch, Tyler County)

Citizens State Bank  
CRA Public File  
Branch Openings and Closings

Branch	Location	Opened	Closed
Open Locations			
Woodville	102 W Bluff Woodville, TX 75979 Tyler County	5/8/1920	
Marlin	101 Live Oak Marlin, TX 76661 Falls County	12/31/1992	
Warren	11755 Hwy 69 S Warren, Tx 77664 Tyler County	9/16/2009	
Valley Ranch	22410 US HWY 59 Porter, TX 77365 Montgomery County	8/19/2024	
Closed Locations			
Kingwood	2313 Timber Shadows Kingwood, Tx 77345	3/1/2022	8/16/2024
Waller - LPO	31390 FM 2920, Ste A103 Waller, Texas 77484	6/20/2023	1/12/2024
nty	401 College St Montgomery, Tx 77356	3/1/2022	3/4/2023

# Citizens State Bank

## CRA Public File

### Hours and Services Offered

Branch	Location	Hours of Operation
<u>Monday-Friday</u>		
Valley Ranch <b>Branch Census Tract: 2512.00</b>	22410 US HWY 59 Lobby Porter, TX 77365 Drive - Up	9:00 a.m. - 5:00 p.m. 8:00 a.m. - 5:00 p.m.
<b>Harris County Census Tracts: 2404, 2408.02, 2408.03, 2408.04, 2409.03, 2409.04, 2409.05, 2409.06, 2410.01, 2410.02, 2411.01, 2411.03, 2411.04, 2411.05, 2412.01, 2412.02, 2413.01, 2413.02, 2414, 2415.01, 2415.02, 2415.03, 2501.01, 2501.02, 2502.01, 2502.02, 2503.03, 2503.04, 2503.05, 2503.06, 2504.03, 2504.04, 2504.06, 2504.07, 2504.08, 2505, 2506.01, 2506.02, 2507.01, 2507.02, 2508.01, 2508.02, 2509.01, 2509.02, 2510, 2511, 2512, 2513, 2514.01, 2514.02, 2515.01, 2515.03, 2515.04, 2515.05, 2520.01, 2520.02, 2520.03, 9801.</b>		
<b>Montgomery County Tracts 6920.03, 6920.04, 6920.05, 6920.06, 6920.07, 6920.08, 6920.09, 6920.10, 6923.01, 6923.02, 6923.03, 6923.04, 6924.01, 6924.02, 6925.01, 6925.02, 6926.01, 6926.03, 6926.04, 6926.05, 6928.02</b>		
Woodville <b>Branch Census Tract: 9503.00</b>	102 West Bluff Lobby Woodville, Tx 75979	9:00 a.m. - 5:00 p.m.
<b>Tyler County Census Tracts: 9501.00, 9502.00, 9503.00, 9504.00, 9505.00</b>		
Woodville <b>Branch Census Tract: 9503.00</b>	309 W Bluff St Woodville, Tx 75979 Drive - Up	8:00 a.m. - 5:00 p.m.
<b>Tyler County Census Tracts: 9501.00, 9502.00, 9503.00, 9504.00, 9505.00</b>		
Warren <b>Branch Census Tract: 9505.00</b>	11755 Hwy 69 S Lobby Warren, Tx 77664 Drive - Up	9:00 a.m. - 5:00 p.m. 8:00 a.m. - 5:00 p.m.
<b>Tyler County Census Tracts: 9501.00, 9502.00, 9503.00, 9504.00, 9505.00</b>		
Marlin <b>Branch Census Tract: 0003.00</b>	101 Live Oak St Lobby Marlin, Tx 76661 Drive - Up	9:00 a.m. - 5:00 p.m. 8:00 a.m. - 5:00 p.m.
<b>Falls Census Tracts:0002.00, 0003.00, 0004.00, 0005.00, 0007.00, 0008.00</b>		

### Loan Products

CONSUMER UNSECURED  
COMMERCIAL UNSECURED  
BOAT LOANS  
CONSUMER GOODS  
NEW CARS  
USED CARS  
COMMERCIAL VEHICLES  
TRAVEL TRAILERS  
UTILITY TRAILERS  
CD LOANS  
MARKETABLE SECURITIES  
ACCOUNTS RECEIVABLE  
INVENTORY  
CROPS & LIVESTOCK

NOTES RECEIVABLE  
COMMERCIAL REAL ESTATE  
AGRICULTURAL REAL ESTATE  
1 - 4 FAMILY HOME  
1 - 4 FAMILY HOME CONSTRUCTION  
MULTI-FAMILY REAL ESTATE  
LETTERS OF CREDIT  
TIMBER LOANS  
LIFE INSURANCE LOANS  
FLOOR PLAN LOANS  
MOTOR HOME LOANS  
HOME IMPROVEMENT LOANS  
EQUIPMENT

### Deposit Products

CONSUMER CHECKING  
CONSUMER NOW ACCOUNTS  
CONSUMER SAVINGS  
CONSUMER CD 'S  
CONSUMER IRA 'S

PUBLIC FUND CHECKING  
PUBLC FUND NOW ACCOUNTS  
PUBLIC FUND SAVINGS  
PUBLIC FUND CD 'S

COMMERCIAL CHECKING  
COMMERCIAL NOW ACCOUNTS  
COMMERCIAL SAVINGS  
COMMERCIAL CD 'S

\*SAFE DEPOSIT BOXES  
\*available in the Marlin, Warren and Woodville

Additional services include Citizens State Bank Online banking, Citizens State Bank Mobile app, Bill Pay, wire transfers, ATM/Debit Cards, fraud alerts, and Telephone Banking at 877-877-4663, Cashier's Checks, and Business Positive Pay.



**Citizens State Bank**  
**CRA Public File**  
Fee and Charges

Account Conversion Fee:	\$15.00
Account Reconciliation Fee:	\$30.00 per hour; 1 hour minimum
Account Research:	\$30.00 per hour; 1 hour minimum
Account Verification:	\$10.00
Amortization Schedule:	\$10.00
Balance Inquiry:	Three per month at no charge; \$3.00 each additional
Cash Check Non Customer:	\$5.00
Cashier's Check:	\$5.00
Collection Item:	\$15.00
Deposit Correction:	\$3.00
Domestic Fax:	\$2.00 first page; \$1.00 each additional page
Early Closing Fee:	(Applies to accounts closed within the first 90 days of opening) \$25.00
Excessive Withdrawal Fee:	\$3.00
Excessive Withdrawal Penalty:	\$5.00
Foreign ATM Fee:	\$1.00
Mail Deposit Receipt:	\$1.00
Medallion Signature Guarantee:	\$5.00 Customers only
Night Depository Locking Bag:	\$20.00
Overdraft Fee:	\$35.00 per item
Photocopies:	\$1.00 per page
Return Deposited item:	\$5.00
Return Item Fee:	\$35.00 per item
Safe Deposit Box Drilling:	At cost
Safe Deposit Box Rental/Year:	\$20.00-\$110.00 (Call for pricing and various sizes)
Safe Deposit Box Replacement Key:	\$25.00
Statement Reprint:	\$3.00
Stop Payment:	\$30.00
Tax Levy/Garnishment:	\$30.00
Telephone Transfer:	\$5.00
Temporary Check:	\$0.50
Visa Debit Card Replacement:	\$5.00
Wire Transfer Domestic Outgoing:	\$20.00
Wire Transfer Domestic Incoming:	\$10.00
Wire Transfer Foreign Outgoing:	\$65.00
Wire Transfer Foreign Incoming:	\$40.00
Zipper Bank Bag:	\$5.00

# **PUBLIC DISCLOSURE**

September 21, 2022

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Citizens State Bank  
Certificate Number: 12303

102 West Bluff Street  
Woodville, Texas 75979

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

600 North Pearl Street, Suite 700  
Dallas, Texas 75201

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

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## INSTITUTION RATING

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

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

Citizens State Bank's (CSB) satisfactory Lending Test record supports the overall CRA rating. The following points summarize conclusions regarding the Lending Test, discussed in detail elsewhere.

- The loan-to-deposit (LTD) ratio is reasonable (considering seasonal variations and taking into account lending-related activities) given the institution's size, financial condition, and assessment areas' credit needs.
- A majority of loans 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 areas, reasonable penetration among individuals of different income levels (including low- and moderate-income) and businesses and farms of different sizes.
- The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this criterion did not affect the Lending Test conclusion.

## DESCRIPTION OF INSTITUTION

### **Background**

CSB, headquartered in Woodville, Texas, began operations in 1920. On September 1, 2021, GrahamJB6 purchased Security Bancshares, Inc. and as a result, GrahamJB6 now owns 100 percent of CSB. CSB received a Satisfactory rating at its previous FDIC CRA evaluation, dated June 13, 2016, based on Small Institution Procedures.

### **Operations**

CSB functions as a retail bank with a primary business focus on home mortgage and commercial loans, which remains generally consistent from the prior evaluation. The bank did not participate in any merger or acquisition activities since the previous evaluation. The institution currently operates from four full-service offices located in the State of Texas. Since the previous evaluation, the bank opened one full-service office in Kingwood, Texas, and a loan production office in Montgomery, Texas, both on March 1, 2022. CSB closed its Spurger, Texas and Colmesneil, Texas branches, both on May 20, 2022, as well as its Waco, Texas branch on

November 15, 2019. The applicable Description of Assessment Areas sections depict the full-service offices' specific locations.

The bank offers a variety of loan products including home mortgage, commercial, construction and land development, consumer, and agricultural loans. It also offers a variety of deposit services including standard consumer and commercial deposit products. Alternative banking services include online, mobile, and telephone banking as well as remote deposit capture, automated teller machines (ATMs), and motor banking. The institution maintains banking hours typical for the areas and the industry.

### **Ability and Capacity**

As of the June 30, 2022, Reports of Condition and Income, assets equaled \$237.0 million, total loans equaled \$97.2 million, and total deposits equaled \$211.0 million. Since the prior evaluation, on average per year, total assets increased 17.9 percent, net loans increased 2.1 percent, and total deposits increased 17.2 percent.

The following table illustrates the mix of outstanding loans as of June 30, 2022, and reflects a loan distribution similar to the institution's business focus.

<b>Loan Portfolio Distribution</b>		
<b>Loan Category</b>	<b>\$(000s)</b>	<b>%</b>
Construction, Land Development, and Other Land Loans	21,653	22.3
Secured by Farmland	2,833	2.9
Secured by 1-4 Family Residential Properties	34,068	35.0
Secured by Multifamily (5 or more) Residential Properties	179	0.2
Secured by Nonfarm Nonresidential Properties	23,108	23.8
Commercial and Industrial Loans	9,101	9.4
Agricultural Production and Other Loans to Farmers	2,476	2.6
Consumer Loans	2,778	2.9
Obligations of State and Political Subdivisions in the U.S.	1,013	1.0
Other Loans	27	<0.1
Lease Financing Receivable (net of unearned income)	0	0.0
Less: Unearned Income	0	0.0
<b>Total Loans</b>	<b>97,236</b>	<b>100.0</b>
<i>Source: Reports of Condition and Income (6/30/2022). Due to rounding, totals may not equal 100.0%.</i>		

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

## **DESCRIPTION OF ASSESSMENT AREAS**

CSB designates three assessment areas, all in the State of Texas: 1) Nonmetropolitan Assessment Area (Non-MSA AA); 2) Waco Metropolitan Statistical Area Assessment Area (Waco MSA AA); and 3) Houston Metropolitan Statistical Area Assessment Area (Houston MSA AA). The bank recently



added the Houston MSA AA after the opening the new branch in Kingwood, Texas, on March 1, 2022. All areas conform to technical CRA regulatory requirements. The individual assessment areas' sections of this performance evaluation provide additional details.

## **SCOPE OF EVALUATION**

### **General Information**

Examiners evaluated performance based on Small Institution Procedures, which include the Lending Test. This evaluation covers the period from June 13, 2016, to September 21, 2022, the date of the previous evaluation to this evaluation's date.

### **Assessment Areas Reviewed and Weighting**

Examiners performed a full-scope review of the Non-MSA AA after contemplating all considerations in outstanding guidance, with emphasis on the fact that this area contains a significant majority of the institution's total lending. Examiners also performed a full-scope review of the Waco MSA AA since this area did not receive full scope review at either of the prior two evaluations. This evaluation does not include a review of the Houston MSA AA since the area was not added until March 1, 2022; therefore, a significant amount of lending data does not exist for which to evaluate performance in this area.

The following table shows that the Non-MSA AA generated a significant majority of the bank's loans, obtained a majority of its deposits, and operated a majority of its branches. Consequently, examiners weighed performance in the Non-MSA AA significantly heavier when arriving at applicable conclusions

<b>Assessment Area Breakdown of Loans, Deposits, and Branches</b>						
<b>Assessment Area</b>	<b>Loans</b>		<b>Deposits</b>		<b>Branches</b>	
	<b>\$(000s)</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>	<b>#</b>	<b>%</b>
Non-MSA AA	19,389	91.7	160,732	76.2	2	50.0
Waco MSA AA	1,750	8.3	27,976	13.3	1	25.0
Houston MSA AA*	-	-	22,285	10.5	1	25.0
<b>Total</b>	<b>21,139</b>	<b>100.0</b>	<b>210,993</b>	<b>100.0</b>	<b>4</b>	<b>100.0</b>
<i>Source: 2020-2021 Bank data; FDIC Summary of Deposits (6/30/2022).</i> <i>Due to rounding, totals may not equal 100.0%.</i> <i>*Lending information for Houston MSA not available for review period.</i>						

### **Activities Reviewed**

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

The following table shows the bank's originations and purchases over the two most recent full calendar years. The activity reflects a generally consistent pattern with the bank's lending emphasis during the period under review. Examiners considered lending during both years to ensure a sufficient volume of loans were available to assess performance.

<b>Loans Originated or Purchased</b>				
<b>Loan Category</b>	<b>\$(000s)</b>	<b>%</b>	<b>#</b>	<b>%</b>
Construction and Land Development	9,637	28.1	19	4.8
Secured by Farmland	1,269	3.7	2	0.5
Secured by 1-4 Family Residential Properties	10,093	29.4	27	6.8
Multi-Family (5 or more) Residential Properties	0	0	0	0
Commercial Real Estate Loans	3,322	9.7	8	2.0
Commercial and Industrial Loans	3,194	9.3	37	9.4
Agricultural Loans	4,032	11.8	30	7.6
Consumer Loans	2,759	8.0	271	68.6
Other Loans	5	<0.1	1	0.3
<b>Total Loans</b>	<b>34,311</b>	<b>100.0</b>	<b>395</b>	<b>100.0</b>
<i>Source: 2020 and 2021 Bank data.  Due to rounding, totals may not equal 100.0%.</i>				

Considering the dollar volume and number of loans originated or purchased during the review period as well as management's stated business strategy, examiners determined that the bank's major product lines consist of home mortgage, commercial, and agricultural loans. In addition, examiners also determined that the bank's major product line in the Waco MSA AA consists of consumer loans.

The bank is not subject to the reporting requirements of the Home Mortgage Disclosure Act. This evaluation included a review of the following loans obtained from the bank's loan trial from the most recent two full calendar years, 2020 and 2021:

- Home Mortgage Loans – universe of 27 home mortgage loans totaling \$10.1 million;
- Small Business Loans – universe of 45 small business loans totaling \$6.5 million;
- Small Farm Loans – universe of 31 small farm loans totaling \$4.2 million; and
- Consumer Loans – universe of 39 consumer loans totaling \$205,000 originated in the Waco MSA AA.

Consumer loans were not evaluated for the assessment area concentration factor since they do not represent a business focus or primary product for the bank as a whole. However, examiners reviewed consumer loans to assess performance in the Waco MSA AA for borrower profile and geographic distribution since none of the other loan products reviewed contained a significant volume of loans in the assessment area for which to draw conclusions. Refer to the individual discussion of assessment areas' sections for details on loan product weighting.

American Community Survey (ACS) data for 2015 provides the standard of comparison for the home mortgage and consumer loans, while 2021 D&B data provides the standard of comparison for the small business and small farm loans. Examiners confirmed no substantive changes

existed in D&B demographic data between 2020 and 2021; therefore, the applicable tables present D&B data for 2021. Examiners considered the reviewed loans representative of the entire evaluation period. The activity from both years reviewed is combined in this evaluation.

## **CONCLUSIONS ON PERFORMANCE CRITERIA**

This evaluation presents information for the bank as a whole regarding the LTD ratio and assessment area concentration performance factors under the Lending Test. The individual assessment areas' sections of this performance evaluation contain data supporting the conclusions regarding the other Lending Test performance factors.

### **LENDING TEST**

CSB demonstrated a satisfactory record regarding the Lending Test. Reasonable borrower profile and geographic distribution primarily support this conclusion. A reasonable record regarding the LTD ratio and a majority of loans in the assessment areas further support the Lending Test conclusion.

#### **Loan-to-Deposit Ratio**

The LTD ratio is reasonable (considering seasonal variations and taking into account lending-related activities) given the institution's size, financial condition, and assessment areas' credit needs. CSB recorded a 66.0 percent average, net LTD ratio for the 25 quarters since the previous evaluation, from June 30, 2016, to June 30, 2022. The ratio remained relatively consistent with the 69.4 percent average, net LTD ratio noted at the previous evaluation.

Over the 25 quarters, the bank's quarterly, net LTD ratio ranged from a low 28.5 percent on December 31, 2021, to a high of 100.6 percent on September 30, 2016. The quarterly ratios generally reflect a declining trend during the review period. The steady increase in deposits with fluctuating loan demand contributed to the changes in the ratio.

Examiners identified and listed in the following table three comparable institutions operating near CSB's assessment areas and reflecting somewhat similar asset sizes and lending emphases. The table shows that CSB posted the highest ratio. It also indicates that the bank's ratio rises 18.3 percentage points above the 47.7 percent average of the four ratios.

<b>LTD Ratio Comparison</b>		
<b>Bank</b>	<b>Total Assets as of 6/30/2022 (\$000s)</b>	<b>Average Net LTD Ratio (%)</b>
Citizens State Bank, Woodville, TX	237,016	66.0
The First National Bank of Livingston, Livingston, TX	526,636	35.9
First National Bank of Jasper, Jasper, TX	344,115	28.3
Angelina Savings Bank, SSB, Lufkin, TX	78,957	60.7
<i>Source: Reports of Condition and Income (6/30/2016 - 6/30/2022).</i>		

### **Assessment Area Concentration**

A majority of loans are in the institution's assessment areas. As seen in the following table, a majority of home mortgage loans, by number, and a majority of small business loans, by both number and dollar, originated in the bank's assessment areas supports this conclusion. CSB also originated a substantial majority of small farm loans in its assessment areas. Although the bank originated less than a majority of home mortgage loans, by dollar, in the assessment areas, this did not adversely affect the overall conclusion for this performance criterion.

Lending Inside and Outside of the Assessment Areas										
Loan Category	Number of Loans					Dollar Amount of Loans \$(000s)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%	#	\$	%	\$	%	\$(000s)
Home Mortgage	14	51.9	13	48.1	27	3,489	34.6	6,604	65.4	10,093
Small Business	36	80.0	9	20.0	45	4,917	75.5	1,599	24.5	6,516
Small Farm	28	90.3	3	9.7	31	3,877	92.8	299	7.2	4,176
Total	78	75.7	25	24.3	103	12,283	59.1	8,502	40.9	20,785
Source: 2020 and 2021 Bank Data. Due to rounding, totals may not equal 100.0%.										

### **Geographic Distribution**

The geographic distribution of loans reflects reasonable dispersion throughout the assessment areas. Reasonable performance in the Waco MSA AA supports this conclusion. Examiners considered the loan product type reviewed relative to the available comparative data and any performance context issues. Examiners did not perform a geographic distribution analysis for the Non-MSA AA given that all census tracts in the assessment area hold middle-income designations; therefore, an analysis would not provide meaningful results.

### **Borrower Profile**

The distribution of borrowers reflects, given the demographics of the assessment areas, reasonable penetration among individuals of different income levels (including low- and moderate-income) and businesses and farms of different sizes. A reasonable record in the Non-MSA AA outweighs an excellent record in the Waco MSA AA to support this conclusion.

Examiners considered the bank's performance relative to the available comparative data and any performance context issues. They focused on the percentage by the number of loans in the assessment areas when arriving at conclusions.

### **Response to Complaints**

The bank did not receive any CRA-related complaints since the previous evaluation. Therefore, this performance factor did not affect the Lending Test conclusion.

## DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Examiners did not identify any evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs. Therefore, this consideration did not affect the institution's overall CRA rating.

### NON-MSA AA – Full-Scope Review

#### DESCRIPTION OF INSTITUTION'S OPERATIONS IN NON-MSA AA

The Non-MSA AA, unchanged since the prior evaluation, consists of all five census tracts in Tyler County. As shown in the following table, the bank currently operates two offices in this assessment area, including its main office, and closed two branches in this assessment area since the prior evaluation. CSB also operates four ATMs in this assessment area. The bank's alternative delivery systems and range of products and services remain consistent with those noted at the institution level.

Office Locations – Non-MSA AA				
County/City/Office	Office Type	Census Tract Number	Census Tract Income Level	Office Opened or Closed Since Last Evaluation
<b><i>Tyler County:</i></b>				
Woodville – West Bluff St.	Main Office	9503.00	Middle	No
Colmesneil – South Wheeler	Branch	9501.00	Middle	Closed 5/20/2022
Spurger – FM 92 South	Branch	9504.00	Middle	Closed 5/20/2022
Warren – U.S. Highway 62 S	Branch	9505.00	Middle	No
<i>Source: Bank Records; 2015 ACS.</i>				

#### Economic and Demographic Data

The following table provides certain demographic and economic data for the assessment area.



Demographic Information of the Assessment Area Assessment Area: Non-MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	5	0.0	0.0	100.0	0.0	0.0
Population by Geography	21,462	0.0	0.0	100.0	0.0	0.0
Housing Units by Geography	10,596	0.0	0.0	100.0	0.0	0.0
Owner-Occupied Units by Geography	6,723	0.0	0.0	100.0	0.0	0.0
Occupied Rental Units by Geography	1,245	0.0	0.0	100.0	0.0	0.0
Vacant Units by Geography	2,628	0.0	0.0	100.0	0.0	0.0
Businesses by Geography	937	0.0	0.0	100.0	0.0	0.0
Farms by Geography	42	0.0	0.0	100.0	0.0	0.0
Family Distribution by Income Level	5,608	23.5	16.5	18.2	41.7	0.0
Household Distribution by Income Level	7,968	24.2	16.3	17.7	41.7	0.0
Median Family Income Non-MSAs - TX	\$52,198		Median Housing Value			\$81,461
Families Below Poverty Level	13.3%		Median Gross Rent			\$598
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.						

Major employers in the assessment area include Woodville Independent School District and Tyler County Hospital. As seen in the following table, the assessment area reflects notably higher unemployment rates than the State of Texas and national figures, thus suggesting a relatively weaker economy.

Unemployment Rates						
Area	2017 (%)	2018 (%)	2019 (%)	2020 (%)	2021 (%)	July 2022 (%)
Tyler County	7.4	6.7	5.7	9.9	8.5	6.5
State of Texas	4.3	3.9	3.5	7.7	5.7	4.3
National	4.4	3.9	3.7	8.1	5.3	3.5
Source: Texas Workforce Commission.						

Examiners use the applicable FFIEC median family income (MFI) levels to analyze home mortgage loans under the borrower profile performance factor. The following table shows the applicable income ranges based on the 2021 FFIEC-estimated MFI of \$60,100 for the non-metropolitan area of Texas.

Median Family Income Ranges – Non-Metropolitan Texas				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2021 (\$60,100)	<\$30,050	\$30,050 to <\$48,080	\$48,080 to <\$72,120	≥\$72,120
Source: FFIEC.				

## **Competition**

The area contains a relatively low level of competition from other chartered banks based on its population, with 7 offices from 5 institutions serving about 3,066 people, on average. CSB ranks 1<sup>st</sup> in deposit market share by capturing 54.0 percent of the area's deposits based on the June 30, 2022, FDIC Deposit Market Share Report.

## **Community Contact**

Examiners contacted a community member familiar with housing needs who is knowledgeable of the area's economic, demographic, and business environments to help assess the current economic conditions, community credit needs, and potential opportunities for bank involvement in the area.

The contact described the area's economy as stagnant, with some expansion, despite the impact of COVID-19. He noted that the area contains limited affordable housing. The interviewee believes that local financial institutions remain involved in serving the area's credit needs by providing commercial, home mortgage, and consumer loans. The contact feels that the area's highest need involves affordable housing.

## **Credit Needs**

Consistent with other nonmetropolitan areas, the Non-MSA AA creates fewer lending opportunities for a smaller variety of loan products. Considering information obtained from the community contact, bank management, as well as demographic and economic information, examiners determined that the area's primary credit needs include a variety of products, such as commercial, consumer, and affordable housing loans.

# **CONCLUSIONS ON PERFORMANCE CRITERIA IN NON-MSA AA**

## **LENDING TEST**

CSB demonstrated satisfactory performance regarding the Lending Test in the Non-MSA AA. A reasonable record regarding borrower profile supports this conclusion. When considering the greater volume, by number, of small business loans originated in the Non-MSA AA, small business loans received slightly more weight when arriving at conclusions. Home mortgage and small farm loans received less, but fairly equal weight.

## **Geographic Distribution**

Examiners did not perform a geographic distribution analysis for the Non-MSA AA given that all census tracts in such assessment area hold middle-income designations. Examiners concluded that an analysis would not provide meaningful results.

## **Borrower Profile**

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 and farms of different sizes in the Non-MSA AA. Excellent small business lending performance coupled with reasonable small farm lending outweighs very poor home mortgage lending to support this conclusion.

### ***Small Business Loans***

The distribution of borrowers reflects excellent penetration among businesses of different sizes in the Non-MSA AA. The businesses' gross annual revenues define the borrowers' profiles for this analysis. The following table shows that CSB originated over nine out of every ten of its small business loans to businesses with gross annual revenues of \$1 million or less, thereby reflecting excellent performance.

<b>Distribution of Small Business Loans by Gross Annual Revenues</b>					
<b>Assessment Area: Non-MSA AA</b>					
<b>Gross Revenue Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
< \$100,000	52.2	6	17.6	328	9.6
\$100,000 - \$249,999	22.1	14	41.2	692	20.2
\$250,000 - \$499,999	6.1	8	23.5	2,053	60.0
\$500,000 - \$1,000,000	2.1	4	11.8	257	7.5
<b>Subtotal &lt;= \$1,000,000</b>	<b>82.5</b>	<b>32</b>	<b>94.1</b>	<b>3,330</b>	<b>97.3</b>
>\$1,000,000	3.8	2	5.9	93	2.7
Revenues Not Available	13.7	0	0.0	0	0.0
<b>Total</b>	<b>100.0</b>	<b>34</b>	<b>100.0</b>	<b>3,423</b>	<b>100.0</b>
<i>Source: 2021 D&amp;B Data, 2020 and 2021 Bank Data. Due to rounding, totals may not equal 100.0%.</i>					

### ***Small Farm Loans***

The distribution of borrowers reflects reasonable penetration among farms of different sizes in the Non-MSA AA. The farms' gross annual revenues define the borrowers' profiles for this analysis. The following table shows that the bank originated more than seven out of every ten of its small farm loans to farms with gross annual revenues of \$1 million or less, thereby reflecting reasonable performance.

Distribution of Small Farm Loans by Gross Annual Revenues Assessment Area: Non-MSA AA					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
< \$100,000	64.3	5	17.9	81	2.1
\$100,000 - \$249,999	19.0	11	39.3	990	25.5
\$250,000 - \$499,999	4.8	2	7.1	550	14.2
\$500,000 - \$1,000,000	2.4	3	10.7	342	8.8
<b>Subtotal &lt;= \$1,000,000</b>	<b>90.5</b>	<b>21</b>	<b>75.0</b>	<b>1,963</b>	<b>50.6</b>
>\$1,000,000	4.8	7	25.0	1,914	49.4
Revenues Not Available	4.8	0	0.0	0	0.0
<b>Total</b>	<b>100.0</b>	<b>28</b>	<b>100.0</b>	<b>3,877</b>	<b>100.0</b>
<i>Source: 2021 D&amp;B data; 2020 and 2021 Bank data.</i>					

### ***Home Mortgage Loans***

The distribution of borrowers reflects very poor penetration among individuals of different income levels in the Non-MSA AA. Very poor performance to low- and moderate-income borrowers supports this conclusion. The borrowers' income designations define the borrowers' profiles for this analysis.

The following table shows that to low-income borrowers in the Non-MSA AA, the bank's performance lands 15.8 percentage points below the demographic figure, reflective of very poor performance. The table further shows that to moderate-income borrowers, the bank's lack of lending again lands substantially below, at 16.5 percentage points lower, than the demographic figure, also reflective of very poor performance.

Distribution of Home Mortgage Loans by Borrower Income Level Assessment Area: Non-MSA AA					
Borrower Income Level	% of Families	#	%	\$(000s)	%
Low	23.5	1	7.7	232	6.7
Moderate	16.5	0	0.0	0	0.0
Middle	18.2	3	23.1	428	12.4
Upper	41.7	9	69.2	2,780	80.8
Not Available	0.0	0	0.0	0	0.0
<b>Total</b>	<b>100.0</b>	<b>13</b>	<b>100.0</b>	<b>3,440</b>	<b>100.0</b>
<i>Source: 2015 ACS; 2020 and 2021 Bank Data. Due to rounding, totals may not equal 100.0%.</i>					

## WACO MSA AA – Full-Scope Review

### DESCRIPTION OF INSTITUTION’S OPERATIONS IN WACO MSA AA

The Waco MSA AA, unchanged since the prior evaluation, consists of all six census tracts in Falls County, which represents one of two counties comprising the Waco MSA. As shown in the following table, the bank currently operates one office in this assessment area, and one office closed during the evaluation period. CSB also operates one ATM in this assessment area. The bank’s alternative delivery systems and range of products and services remain consistent with those noted at the institution level.

Office Locations – Waco MSA AA				
County/City/Office	Office Type	Census Tract Number	Census Tract Income Level	Office Opened or Closed Since Last Evaluation
Falls County: Marlin – 101 Live Oak Street Waco – 800 Washington Ave	Branch Branch	0003.00 0001.00	Moderate Moderate	No Closed – 11/15/2019
Source: Bank Records; 2015 ACS.				

### Economic and Demographic Data

The assessment area’s six census tracts reflect the following income designations based on the 2015 ACS data: 2 moderate-, 3 middle-, and 1 upper-income census tract. The following table provides additional demographic and economic data for the assessment area.



Demographic Information of the Assessment Area Assessment Area: Waco MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	6	0.0	33.3	50.0	16.7	0.0
Population by Geography	17,410	0.0	32.2	52.5	15.3	0.0
Housing Units by Geography	7,725	0.0	36.3	51.2	12.5	0.0
Owner-Occupied Units by Geography	3,970	0.0	27.7	57.4	14.9	0.0
Occupied Rental Units by Geography	1,448	0.0	57.5	30.7	11.8	0.0
Vacant Units by Geography	2,307	0.0	37.9	53.2	8.8	0.0
Businesses by Geography	933	0.0	34.1	52.4	13.5	0.0
Farms by Geography	106	0.0	7.5	74.5	17.9	0.0
Family Distribution by Income Level	3,369	24.5	20.0	19.6	35.9	0.0
Household Distribution by Income Level	5,418	29.3	18.0	15.6	37.1	0.0
Median Family Income MSA - 47380 Waco, TX MSA	\$54,026		Median Housing Value			\$63,678
Families Below Poverty Level	16.1%		Median Gross Rent			\$561
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.						

Major employers in the assessment area include Marlin Independent School District, Heart of Texas Region Mental Health Mental Rehabilitation Center, Averitt, and HEB. As seen in the following table, in most instances, the area reflects unemployment rates generally consistent with the State of Texas and national figures, thus suggesting a relatively stable economy.

Unemployment Rates						
Area	2017 (%)	2018 (%)	2019 (%)	2020 (%)	2021 (%)	July 2022 (%)
Falls County	4.3	3.9	3.3	6.1	5.3	4.4
State of Texas	4.3	3.9	3.5	7.7	5.7	4.3
National	4.4	3.9	3.7	8.1	5.3	3.5
Source: Texas Workforce Commission.						

The following table shows the applicable income ranges based on the 2021 FFIEC-estimated MFI of \$61,000 for the Waco, Texas MSA.

Median Family Income Ranges – Waco, TX MSA				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2021 (\$61,000)	<\$30,500	\$30,500 to <\$48,800	\$48,800 to <\$73,200	≥\$73,200
Source: FFIEC.				

## **Competition**

The area contains a relatively moderate level of competition from other chartered banks based on its population, with 8 offices from 6 institutions serving about 2,176 people, on average. Additionally, credit unions, mortgage companies, and finance companies also compete for loans in the area, thus heightening competition. CSB ranks 4th in deposit market share by capturing 10.6 percent of the area's deposits based on the June 30, 2022, FDIC Deposit Market Share Report.

## **Credit Needs**

Consistent with other metropolitan areas, the Waco MSA AA creates a range of lending opportunities for a variety of loan products. Due to local economic conditions and continuing development within the area, the area enjoys a diversified economy including significant concentrations of service, retail, and finance organizations.

Considering information from bank management and demographic and economic data, examiners determined that construction, small business, and home mortgage loans all represent primary credit needs of the assessment area.

# **CONCLUSIONS ON PERFORMANCE CRITERIA IN WACO MSA AA**

## **LENDING TEST**

CSB demonstrated satisfactory performance regarding the Lending Test in the Waco MSA AA. An excellent record regarding borrower profile and a reasonable record regarding geographic distribution support this conclusion. Since consumer loans represent the only product reviewed for the Waco MSA AA, they received all the weight when arriving at conclusions

## **Geographic Distribution**

The geographic distribution of loans reflects reasonable dispersion throughout the Waco MSA assessment area. A reasonable record regarding consumer loans supports this conclusion.

## ***Consumer Loans***

The geographic distribution of consumer loans reflects reasonable dispersion throughout the Waco MSA AA. Reasonable performance in moderate-income census tracts support this conclusion. Examiners focused on the percentage of the number of loans in moderate-income geographies compared to the percentage of households when arriving at this conclusion. The following table shows that in moderate-income census tracts, the bank's level rises 10.6 percentage points higher than the demographic figure, thereby reflecting a reasonable level.

Geographic Distribution of Consumer Loans Assessment Area: Waco MSA AA					
Tract Income Level	% of Households	#	%	\$(000s)	%
Low	0.0	0	0.0	0	0.0
Moderate	35.6	18	46.2	57	27.5
Middle	50.3	14	35.9	99	48.5
Upper	14.1	7	17.9	49	24.0
Not Available	0.0	0	0.0	0	0.0
<b>Totals</b>	<b>100.0</b>	<b>39</b>	<b>100.0</b>	<b>205</b>	<b>100.0</b>
<i>Source: 2015 ACS; 2020 and 2021 Bank data,</i>					

### **Borrower Profile**

The distribution of borrowers reflects, given the demographics of the assessment area, excellent penetration among individuals of different income levels (including low- and moderate-income). An excellent record regarding consumer loans supports this conclusion.

### ***Consumer Loans***

The distribution of borrowers reflects excellent penetration among individuals of different income levels in the Waco MSA AA. Excellent performance to moderate-income borrowers outweighs reasonable performance to low-income borrowers to support this conclusion. Examiners focused on the percentage by number of loans to low- and moderate-income borrowers compared to the percentage of households when arriving at conclusions. The borrowers' income designations define the borrowers' profiles for this review.

The following table shows that to low-income borrowers, the bank's level of lending lands within a reasonable range of the demographic figure, at 3.7 percentage points higher. The table further shows that to moderate-income borrowers, the bank's level rises substantially above at 23.0 percentage points higher than the demographic figure, reflecting an excellent level.

Distribution of Consumer Loans by Borrower Income Category Assessment Area: Waco MSA AA					
Borrower Income Level	% of Households	#	%	\$(000s)	%
Low	29.3	10	25.6	21	10.2
Moderate	18.0	16	41.0	86	41.8
Middle	15.6	10	25.6	79	38.6
Upper	37.1	3	7.7	19	9.3
Not Available	0.0	0	0.0	0	0.0
<b>Totals</b>	<b>100.0</b>	<b>39</b>	<b>100.0</b>	<b>205</b>	<b>100.0</b>
<i>Source: 2015 ACS; 2020 and 2021 Bank Data. Due to rounding, totals may not equal 100.0%.</i>					

## **APPENDICES**

### **SMALL BANK PERFORMANCE CRITERIA**

#### **Lending Test**

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

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

## GLOSSARY

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

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

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

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

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

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

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

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

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



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

**Full-Scope Review:** A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

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

**Home Mortgage Disclosure Act (HMDA):** The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants; the amount of loan requested; and the disposition of the application (approved, denied, and withdrawn).

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

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

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

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

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

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

**Metropolitan Division (MD):** A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

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

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

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

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

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

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

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

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

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

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

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

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

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

	<u>12/31/2024</u>			<u>09/30/2023</u>			<u>06/30/2023</u>			<u>03/31/2023</u>			<u>12/31/2022</u>		
	BANK	PG 5	PCT	BANK	PG 7	PCT	BANK	PG 7	PCT	BANK	PG 7	PCT	BANK	PG 7	PCT
Percent of Total Deposits	85.33	87.96	35	77.27	87.76	9	75.74	87.86	6	74.21	87.64	4	72.59	87.64	3
Individ, Partnerships, and Corp.	14.67	10.78	70	22.65	11.53	92	24.24	11.57	94	25.77	11.72	96	27.41	11.75	96
U.S. Govt, States & Political Sub in U.S.	0.00	0.53	40	0.09	0.24	73	0.02	0.22	68	0.02	0.25	69	0.00	0.27	66
Comml Banks & Other Dep Inst. in U.S.	0.00	0.01	99	0.00	0.01	99	0.00	0.00	99	0.00	0.00	99	0.00	0.00	99
Banks in Foreign Countries	0.00	0.00	99	0.00	0.00	99	0.00	0.00	99	0.00	0.00	99	0.00	0.00	99
Foreign Govts and Official Inst.	100.00	100.00	89	100.00	100.00	94	100.00	100.00	93	100.00	100.00	93	100.00	100.00	94
Total deposits															
Domestic Demand Deposits	27.23	25.40	60	25.92	27.42	46	25.26	27.62	42	24.78	27.85	39	24.96	28.86	36
Domestic Other Transaction Accts	16.10	11.67	62	25.66	16.73	81	26.80	17.45	80	30.88	18.02	88	31.30	18.14	88
Domestic Nontransaction Accts	56.67	60.70	40	48.42	55.03	27	47.95	54.13	29	44.34	53.24	20	43.73	51.98	22
Total Domestic Deposits	100.00	100.00	99	100.00	99.97	99	100.00	100.00	99	100.00	100.00	99	100.00	100.00	99
Deposits in Foreign Offices	0.00	0.00	99	0.00	0.03	99	0.00	0.00	99	0.00	0.00	99	0.00	0.00	99
Total Deposits	100.00	100.00	99	100.00	100.00	99	100.00	100.00	99	100.00	100.00	99	100.00	100.00	99
Liquidity/Funding Ratios															
Net Non Core Fund Dep \$250M	-5.22	6.81	18	3.92	2.83	51	6.17	1.65	62	1.18	-1.31	53	-1.03	-0.92	43
Core Deposits	80.38	75.43	69	83.13	79.51	68	80.02	80.57	43	83.93	82.18	57	84.42	83.17	54
Short Term Non Core Funding	7.84	10.58	36	7.58	8.11	52	10.02	6.96	73	6.45	5.52	63	5.71	5.12	61
S.T Inv to S.T. Ncore Fund	159.28	108.02	77	56.79	166.86	34	49.69	204.96	28	89.62	333.85	34	122.90	382.04	47
S.T. Asset to S.T. Liabilities	226.82	107.82	88	116.25	121.63	59	97.04	137.77	38	144.30	169.60	51	157.80	188.30	53
Net S.T. Liabilities to Assets	-15.75	1.58	12	-2.31	-1.39	43	0.48	-3.67	61	-4.76	-6.47	52	-5.71	-7.43	52
Net Loans & Leases to Deposits	69.68	78.35	29	69.87	72.65	45	68.62	71.60	43	62.11	68.98	34	57.71	68.92	26
Net LN&LS to Core Deposits	76.13	90.36	26	76.05	80.12	44	75.63	78.07	47	67.17	74.56	36	60.64	73.73	26
Brkr Dep Mat < 1 Yr to Brkr Deps	N/A	36.61	N/A	N/A	29.91	N/A	N/A	29.13	N/A	N/A	27.28	N/A	N/A	28.46	N/A
Brokered Deposits to Deposits	0.00	2.89	47	0.00	1.20	65	0.00	0.85	67	0.00	0.78	69	0.00	0.78	70
Listing Service Dep to Deposits	0.00	0.36	74	0.00	0.17	81	0.00	0.16	82	0.00	0.20	82	0.00	0.18	84
List Service and Brkrd Dep to Deps	0.00	3.63	41	0.00	1.67	58	0.00	1.31	59	0.00	1.26	61	0.00	1.18	64
Sec Bor + sec FFP to Tot Bor + FFP	0.00	2.39	83	0.00	5.52	80	0.00	4.78	80	N/A	1.56	N/A	0.00	1.38	88
Recip Brkrd Dep to Tot Brkrd Dep	N/A	6.18	N/A	N/A	0.69	N/A	N/A	1.61	N/A	N/A	1.39	N/A	N/A	3.10	N/A
Total Deposits															
Individ, Partnerships, and Corp.		259,971			206,463			196,288			194,465			176,767	
U.S. Govt, States & Political Sub in U.S.		44,684			60,518			62,820			67,543			66,737	
Comml Banks & Other Dep Inst. in U.S.		0			233			43			43			0	
Banks in Foreign Countries		0			0			0			0			0	
Foreign Govts and Official Inst.		0			0			0			0			0	
Total Deposits		304,655			267,214			259,151			262,051			243,504	
Domestic Demand Deposits		82,954			69,264			65,449			64,949			60,789	
Domestic Other Transaction Accts		49,049			68,554			69,444			80,916			76,220	
Domestic Nontransaction Accts		172,652			129,396			124,258			116,186			106,495	
Total Domestic Deposits		304,655			267,214			259,151			262,051			243,504	
Deposits in Foreign Offices		N/A			N/A			N/A			N/A			N/A	
Total Deposits		304,655			267,214			259,151			262,051			243,504	
Other Liquidity/Funding Data															
Non Core Liabilities \$250M		28,804			23,201			31,027			19,718			16,773	
Short Term Non Core Funding		27,198			22,377			29,438			18,619			15,679	
Core Deposits		278,851			245,512			235,122			242,332			231,731	
Time Deps \$250M & Under Mat < 1 Yr		15,901			19,585			18,468			12,408			11,459	
Time Deps \$250M & Under Mat > 1 Yr		12,731			4,723			5,090			6,006			5,702	
Time Deps over \$250M Mat < 1 Yr		24,198			20,877			22,438			18,619			10,679	
Time Deps over \$250M Mat > 1 Yr		1,606			824			1,589			1,099			1,094	
Fed Home Loan Bor Mat < 1 Yr		3,000			0			0			0			5,000	
Fed Home Loan Bor Mat > 1 Yr		0			0			0			0			0	
Other Borrowing Mat < 1 Year		0			1,500			7,000			0			0	
Other Borrowing Mat > 1 Year		0			0			0			0			0	
Secured Other Borrowings		0			0			0			0			0	
Federal Funds Purchased		0			0			0			0			0	
Secured Fed Funds Purchased		0			0			0			0			0	
Listing Service Deposits		0			0			0			0			0	
Brokered Deposits		0			0			0			0			0	
Reciprocal Brokered Deposits		0			0			0			0			0	



Citizens State Bank was not considered a HMDA reportable bank in 2023 but was reportable in 2024. The 2024 data is not yet available, once it is available the information will be available on the Consumer Financial Protection Bureau's Web site.

## **Home Mortgage Disclosure Act Notice**

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. HMDA data for many other financial institutions are also available online. For more information, visit the Consumer Financial Protection Bureau's Web site ([www.consumerfinance.gov/hmda](http://www.consumerfinance.gov/hmda)).

### **Public Complaints and Comments**

There have been no public complaints in the prior two years. Please see Public Comments attached.



August 8, 2023

Ms. Kimen Johnson  
VP, CXO  
Citizens State Bank  
102 W Bluff St  
Woodville, TX 75979-5220

Dear Kimen,

On behalf of the Texas Bankers Foundation and the Texas Jump\$tart Coalition, we would like to thank you for your efforts in making the 2023 Texas Financial Literacy Summit a success! We had a record number of first-time attendees this year; the majority of them said they decided to attend because of the topics and speakers.

We want to personally thank you for your presentation – *Banker and Books*. As we all know, financial education matters. Thank you for making a difference in your community and inspiring others to do the same.

Best regards,

*Jocelyn*

Jocelyn Carby  
Foundation Director, TBA  
Advisory Board, Texas Jump\$tart Coalition

*Mary*

Mary Lange  
Vice President of Member Relations, TBA  
Board Member, Texas Jump\$tart Coalition



[REDACTED] Royalty Director  
Tyler County Dogwood Festival  
8380 CR1325  
Warren, Texas 77664  
409-547-2242, ext. 124

Dear Citizens State Bank:

This letter is long overdue as I have meant to send a note of appreciation for all the work you do for the Tyler County Dogwood Festival for years. However, it is serendipitous that I waited to send it until now because now I have even more evidence for the letter's contents.

I have worked as the Royalty Director for the festival for over a decade, and I previously worked for the committee itself for 8 years before that. I also participated in the festival when I was 18 and have attended every festival throughout my lifetime. I know without a doubt how special the festival is. The beautiful dresses worn on stage by the royalty, the laughing kids chasing goats, the proud dignitaries waving from their parade floats, the powerful first notes of "Trees" being sung on a clear night; all of it combines to be mine, and I know many others', favorite time of the year.

I also know well that the festival cannot possibly exist, much less grow, without the important work done by volunteers such as yourself. I have seen the budget, and I know whatever money the festival manages to make goes right back out to pay for expenses. Therefore, it is so necessary for directors such as myself to give those of you who give so freely the praise you deserve.

The reason that this letter is written at so apt a time is because for the first time at this year's festival, I ran the Dogwood Dash. Of course, "run" is too strong a word as I never even reached the speed of a fast clip, but I still participated along with numerous family members. The entire event absolutely impressed me from start to finish. The signage, snacks, t-shirts, trophies, tents, signups: everything was done in such a professional way. There were plenty of smiling faces there to make the process run smoothly and the participants feel supported. I could not get over how much the race had grown, and I know that growth must be attributed to your bank taking over the running of the race a few years ago. The Dogwood Dash used to just be part of the festival events; now it is an EVENT all on its own. Plus, it is an event enjoyed by so many disparate participants; I saw old and young people, serious runners and groups of family members traveling together, kids in wagons, members of Dogwood committees and Royalty, and even the 80<sup>th</sup> queen herself ran the race that morning before being crowned that very night. It says something that a young lady with all that she had going on that weekend took the time to show up at 8:00 AM in the morning to take part. The Dogwood Dash has really become something special, and it is because of all you have done.

Therefore, on behalf of the directors of the Tyler County Dogwood Festival, I offer my sincere, heartfelt gratitude to you for such a good job you do supporting the annual Dogwood Dash. The festival would not be what it is without people like you.

Much gratitude again,

[REDACTED]  
Tyler County Dogwood Festival, Royalty Director

Thank you for being an  
important part of the Great Western  
Weekend Lions Club Rally. Your  
continued support is what makes  
this week possible and is very  
much appreciated!

Woodville Lions Club

Year: Citizen State Bank,

Attn: Kimer Johnson

Thank you so much for your donation towards my 2023 4-H Rabbit project. This past year was full of ordwork, trial and error, and long hours, but it as all worth it. Because of your support, I can try gain for my Senior year. Your gift is making that assible. Thanks again for your kindness and generosity

Sincerely,

A black rectangular redaction mark covering the signature.

**From:** [Kimen Johnson](#)  
**To:** [Kari Gartner](#)  
**Subject:** Fwd: Advertising Sign  
**Date:** Friday, March 29, 2024 11:55:01 AM

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Kimen Johnson, SVP  
Chief Experience Officer  
Citizens State Bank

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**From:** [REDACTED]  
**Sent:** Thursday, September 15, 2022 4:22:02 PM  
**To:** Kimen Johnson <kjohnson@citizensbank.net>  
**Subject:** Advertising Sign

"

[EXTERNAL EMAIL] Warning, this email came from a source outside of the company. Please do not click on any attachments or links unless this is from a trusted source.

Thank you for supporting Warren Athletics!



**From:** [Kimen Johnson](#)  
**To:** [Kari Gartner](#)  
**Subject:** Fwd:  
**Date:** Friday, March 29, 2024 12:02:13 PM

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[REDACTED]

Kimen Johnson, SVP  
Chief Experience Officer  
Citizens State Bank

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**From:** [REDACTED]  
**Sent:** Wednesday, August 2, 2023 1:59:10 PM  
**To:** Kimen Johnson <kjohnson@citizensbank.net>  
**Subject:** Fwd:

"

[EXTERNAL EMAIL] Warning, this email came from a source outside of the company. Please do not click on any attachments or links unless this is from a trusted source.

Thank you again for the wonderful door prizes. Look at all of those smiling faces!

--

[REDACTED]  
*Administrative Secretary*

[REDACTED]  
*Woodville TX 75979*

[REDACTED]

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