

PUBLIC DISCLOSURE

March 11, 2021

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

International Bank of Commerce
Certificate Number: 59093

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Oklahoma City, Oklahoma 73112

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

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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 **Outstanding**.

An institution in this group has an outstanding 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.

PERFORMANCE LEVELS	PERFORMANCE TESTS		
	Lending Test*	Investment Test	Service Test
Outstanding		X	X
High Satisfactory	X		
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			
* The Lending Test is weighted more heavily than the Investment and Service Tests when arriving at an overall rating.			

The Lending Test is rated High Satisfactory.

- Lending levels reflect good responsiveness to assessment area credit needs.
- A high percentage of loans are made in the institution’s assessment areas.
- The geographic distribution of loans reflects adequate penetration throughout the assessment areas.
- The distribution of borrowers reflects, given the product lines offered by the institution, good penetration among retail customers of different income levels and business customers of different size.
- The institution exhibits an excellent record of serving the credit needs of the most economically disadvantaged areas of its assessment areas, low-income individuals, and/or very small businesses.
- The institution makes extensive use of innovative and/or flexible lending practices in order to serve assessment area credit needs.
- The institution is a leader in making community development (CD) loans.

The Investment Test is rated Outstanding.

- The institution has an excellent level of qualified community development investments and grants, often in a leadership position, particularly those that are not routinely provided by private investors.
- The institution exhibits excellent responsiveness to credit and community development needs.
- The institution makes extensive use of innovative and/or complex investments to support community development initiatives.

The Service Test is rated Outstanding.

- Delivery systems are accessible to essentially all portions of the institution's assessment areas.
- To the extent changes have been made, the institution's opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals.
- Services (including where appropriate, business hours) do not vary in a way that inconveniences certain portions of the assessment areas, particularly low- and moderate-income geographies and/or individuals.
- The institution is a leader in providing CD services.

DESCRIPTION OF INSTITUTION

International Bank of Commerce (IBC Oklahoma) began operations in 2017 as a de novo institution headquartered in Oklahoma City, Oklahoma. IBC Oklahoma received an Outstanding rating at its prior December 18, 2018, Federal Deposit Insurance Corporation (FDIC) Performance Evaluation based on the Federal Financial Institutions Examination Council's (FFIEC) Large Institution CRA Examination Procedures.

International Bancshares Corporation, Laredo, Texas, wholly owns IBC Subsidiary Corporation, Laredo, Texas. In turn, IBC Subsidiary Corporation wholly owns IBC Oklahoma as well as International Bank of Commerce, Laredo, Texas; Commerce Bank, Laredo, Texas; International Bank of Commerce, Zapata, Texas; and International Bank of Commerce, Brownsville, Texas. This evaluation does not consider any affiliate or subsidiary lending or community development activities.

IBC Oklahoma functions as a retail bank operating 46 full-service offices in 10 assessment areas located throughout Oklahoma and Texas. Since the last evaluation, the bank did not open any new branch locations and closed one branch location. The bank did not participate in any merger or acquisition activity since the prior evaluation.

The bank focuses on commercial lending, but also offers a variety of additional loan products including business purpose residential, construction and land development, and consumer loans. IBC Oklahoma's various deposit offerings consist of consumer and commercial checking and savings accounts, debit and gift cards, and merchant processing for commercial customers. Alternative delivery systems include telephone banking, online and mobile banking with bill pay capabilities, drive-thru facilities, and 55 automated teller machines (ATMs), 47 of which accept deposits. Additionally, due to IBC Oklahoma's affiliation with its holding company, its customers also receive free access to all branch locations and ATMs that make up the International Bancshares Corporation network.

Since the previous evaluation, total assets and total deposits reflected an increase of 8.6 and 16.8 percent, respectively, while net loans decreased 10.4 percent. As of the December 31, 2020, Consolidated Reports of Condition and Income, the bank reported total assets of \$1.7 billion, total loans of \$768.3 million, total deposits of \$1.3 billion, and total securities of \$369.4 million.

As seen in the following table, the mix of outstanding loans as of December 31, 2020, shows that commercial loans (secured by commercial real estate and commercial and industrial) at 76.9 percent represents the largest loan category.

Loan Portfolio Distribution as of 12/31/2020		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	133,055	17.3
Secured by Farmland	136	<0.1
Secured by 1-4 Family Residential Properties	19,296	2.5
Secured by Multifamily (5 or more) Residential Properties	14,262	1.9
Secured by Nonfarm Nonresidential Properties	294,352	38.3
Total Real Estate Loans	461,101	60.0
Commercial and Industrial Loans	296,832	38.6
Agricultural Production and Other Loans to Farmers	0	0.0
Consumer Loans	1,581	0.2
Obligations of State and Political Subdivisions in the U.S.	8,058	1.1
Other Loans	717	0.1
Lease Financing Receivable (net of unearned income)	0	0.0
Less: Unearned Income	0	0.0
Total Loans	768,289	100.0
<i>Source: Reports of Condition and Income</i>		

For the 9 quarters since the previous evaluation, the bank recorded an average, net loan-to-deposit ratio of 67.2 percent, thereby reflecting some capacity to respond to future assessment area credit needs. Further, based on the information discussed in this section, as well as other regulatory data, the institution's financial condition, size, product offerings, prior performance, and status of any legal impediments did not affect its ability to meet the assessment areas' credit needs.

DESCRIPTION OF ASSESSMENT AREAS

The CRA requires each financial institution to define one or more assessment areas within which its CRA performance will be evaluated. IBC Oklahoma designated 9 assessment areas consisting of 25 counties in the State of Oklahoma and 1 assessment area consisting of 1 county in the State of Texas: 1) Lawton Metropolitan Statistical Area (MSA) Assessment Area (AA); 2) Oklahoma City MSA AA; 3) Tulsa MSA AA; 4) Beckham Non-MSA AA; 5) Carter Non-MSA AA; 6) Delaware Non-MSA AA; 7) Muskogee Non-MSA AA; 8) Payne Non-MSA AA; 9) Pottawatomie Non-MSA AA; and 10) Dallas Metropolitan Division (MD) AA. For presentation purposes, examiners combined the six nonmetropolitan assessment areas into the Oklahoma Non-MSA AA. The assessment areas have not changed since the previous evaluation.

The combined assessment areas include a total of 1,295 census tracts that reflect the following income designations based on the 2015 American Community Survey (ACS) Census: 161 low-, 392 moderate-, 424 middle-, 303 upper-income census tracts, and 15 census tracts without income designations. The bank's assessment areas meet the technical requirements of the CRA. Refer to the rated area and assessment area sections of this evaluation for a detailed description of these areas.

SCOPE OF EVALUATION

General Information

Examiners used the Interagency Large Institution CRA Examination Procedures to evaluate IBC Oklahoma's performance since the previous evaluation dated December 18, 2018, to the current evaluation date of March 11, 2021. The procedures consist of the Lending, Investment, and Service Tests. The Appendices include the performance criteria for each test.

Examiners applied full-scope procedures to the Oklahoma City MSA AA and Tulsa MSA AA in the State of Oklahoma as these areas maintained the greatest level of lending, deposits, and branches. Examiners used full-scope procedures to assess the bank's performance in its Dallas MD AA within the State of Texas since a minimum of one assessment area from each state must be reviewed using the full-scope examination procedures. Examiners applied limited-scope procedures to the Lawton MSA AA and Oklahoma Non-MSA AA as these areas accounted for a comparatively lower proportion of the institution's activity and operations, and the performance in these areas had more limited influence on the overall conclusions. Please refer to the rated area sections for additional details.

Examiners assigned ratings for both the State of Oklahoma and the State of Texas since the bank maintains offices in each state. The bank's overall rating considered the individual state ratings. The following table shows that the bank originated more loans and operated more branches in the State of Oklahoma, consequently, examiners placed more weight on the bank's performance in the State of Oklahoma in determining the bank's overall rating. The following table shows, in addition to the deposit and branch activity for each area, the distribution of small business loans reviewed by assessment area and rated area based on the volume of loans originated inside the bank's assessment areas.

Assessment Area Breakdown of Loans, Deposits, and Branches						
Assessment Area	Loans		Deposits		Branches	
	\$(000s)	%	\$(000s)	%	#	%
Lawton MSA AA	105	0.4	188,576	14.9	2	4.3
Oklahoma City MSA AA	13,875	52.4	536,887	42.4	19	41.3
Oklahoma Non-MSA AA	141	0.5	213,120	16.8	11	23.9
Tulsa MSA AA	12,075	45.6	309,342	24.5	13	28.3
Oklahoma Subtotal	26,196	98.9	1,247,925	98.6	45	97.8
Dallas MD AA	275	1.1	17,685	1.4	1	2.2
Texas Subtotal	275	1.1	17,685	1.4	1	2.2
Total	26,471	100.0	1,265,610	100.0	46	100.0

Source: CRA Reported Data (2019); FDIC Summary of Deposits (06/30/2020); Bank Data

Activities Reviewed

For the Lending Test, CRA Large Institution procedures require examiners to consider a bank’s reported home mortgage, small business, and small farm loans, as well as all reported CD loans originated since the prior evaluation. Consequently, this evaluation considers the following loans, based on readily available information, reported either according to the Home Mortgage Disclosure Act (HMDA) or CRA data collection reporting requirements:

Home Mortgage Loans

- 2018: 42 loans totaling \$6,621,000
- 2019: 15 loans totaling \$2,907,000

Small Business Loans

- 2018: 189 loans totaling \$45,800,000
- 2019: 130 loans totaling \$32,536,000

Small Farm Loans

- 2018: 4 loans totaling \$664,000
- 2019: 1 loan totaling \$100,000

Community Development Loans:

- December 18, 2018 – March 11, 2021: 73 loans totaling \$614,804,000

Based on the data above, HMDA loans account for 10.8 percent of the dollar volume and 15.0 percent of the number of the total loans for the first three loan categories, while small farm loans account for 0.9 percent of the dollar volume and 1.3 percent of the number. Examiners did not analyze HMDA or small farm loans since conclusions regarding them would not materially affect any conclusions or ratings, and given the very limited data for both HMDA and small farm loans in any one particular assessment area, this evaluation does not present that loan data. Additionally, since consumer loans do not represent a substantial majority of the bank’s loans by dollar volume, representing only 0.2 percent of the dollar volume of loans originated during 2020, examiners did not consider them.

Since no trends exist between the different years' data that materially affect applicable conclusions or ratings, unless otherwise noted, this evaluation only presents 2019 data, the most recent year for which aggregate data exists as of this evaluation date. This evaluation presents demographic data based on 2015 ACS data as well as 2018, 2019, and 2020 D&B data for the applicable lending tables while aggregate data served as the primary source of comparable data. Since this evaluation only discusses small business loans, this loan category received all of the weighting when arriving at overall conclusions.

The CRA evaluation also reviewed the bank's qualified investments and CD services for the period since the previous CRA evaluation. Qualified investments included new investments and donations, as well as outstanding qualified investments from the prior evaluation.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

IBC Oklahoma demonstrated a high satisfactory record for the bank as a whole regarding the Lending Test. Good lending activity and good borrower profile lending distribution as well as a high percentage of loans inside the assessment areas coupled with adequate geographic loan distribution performance insufficiently lifted by the bank's leadership in community development lending and extensive use of innovative or flexible lending practices supports this conclusion. The conclusion regarding the institution's overall Lending Test performance is consistent in each rated area.

Lending Activity

Lending levels reflect good responsiveness to assessment area credit needs. A good record regarding small business lending supports this conclusion. This performance is consistent in the State of Oklahoma, the rated area receiving the greatest weight, and inconsistent in the State of Texas where lending activity performance lands below the institution's overall level. Examiners considered the bank's size, business strategy, and capacity relative to the assessment areas' credit needs when arriving at this conclusion.

Small Business Loans

The level of small business lending activity reflects good responsiveness to assessment area credit needs. Good overall market ranking primarily supports this conclusion. The bank's small business loan originations have decreased since the previous evaluation. For 2019, the bank originated 113 reportable small business loans totaling approximately \$26.5 million in its assessment areas. IBC Oklahoma captured a 0.1 percent market share of the total number of small business loans and a 0.5 percent market share of the total dollar volume of loans. This volume of activity ranks the bank 53rd out of 234 reporting lenders inside its assessment areas, reflecting good performance. This ranking, which considers the total number and dollar volume of loans made by each institution, lands the bank in the top 22.7 percent of lenders reporting such loans.

Assessment Area Concentration

A high percentage of loans are made in the institution’s assessment areas. A high percentage of small business loans originated in the assessment areas supports this conclusion. Examiners considered the bank’s asset size and office structure as well as the loan category reviewed relative to the areas’ combined size and economy when arriving at this conclusion.

The following table shows that the bank originated a high percentage of its small business loans, by number and dollar volume, inside its assessment areas.

Lending Inside and Outside of the Assessment Areas											
Loan Category	Number of Loans					Dollar Amount of Loans \$(000s)					Total \$(000s)
	Inside		Outside		Total	Inside		Outside			
	#	%	#	%	#	\$	%	\$	%		
Small Business											
2018	163	86.2	26	13.8	189	37,264	81.4	8,536	18.6	45,800	
2019	113	86.9	17	13.1	130	26,471	81.4	6,065	18.6	32,536	
Total	276	86.5	43	13.5	319	63,735	81.4	14,601	18.6	78,336	

*Source: CRA Reported Data (2018 and 2019)
Due to rounding, totals may not equal 100.0*

Geographic Distribution

The geographic distribution of loans reflects adequate penetration throughout the assessment areas. This performance is consistent in the State of Oklahoma, the rated area receiving the greatest weight, and inconsistent in the State of Texas where performance exceeds the institution’s overall record. Examiners considered the loan product type reviewed relative to the available comparative data and any performance context issues when arriving at this conclusion. Examiners focused on the percentage by number of loans originated when arriving at conclusions. This factor only considered loans originated inside the bank’s assessment areas.

Borrower Profile

The distribution of borrowers reflects, given the product lines offered by the institution, good penetration among retail customers of different income levels and business customers of different size. This performance is consistent in the State of Oklahoma, the rated area receiving the greatest weight, and inconsistent in the State of Texas where performance exceeds the institution’s overall record. Examiners considered the loan product type reviewed relative to the available comparative data and any performance context issues when arriving at this conclusion. Examiners focused on the percentage by number of loans originated when arriving at conclusions. This factor only considered loans originated inside the bank’s assessment areas.

Innovative or Flexible Lending Practices

The institution makes extensive use of innovative and/or flexible lending practices in order to serve assessment area credit needs. These practices' excellent success, as primarily measured by the number and dollar volume of such loans, primarily supports this conclusion. Examiners analyzed performance for this criterion at the institution level only, as the bank offers all of its innovative or flexible lending programs throughout the rated areas and assessment areas.

The following table shows the loan activity attributed to the bank's innovative or flexible programs. Since the prior evaluation, the bank originated 1,325 innovative or flexible loans totaling nearly \$80.2 million. This dollar figure equates to 5.3 percent of average total assets and 10.3 percent of average net loans since the previous evaluation. These levels reflect increases over the 0.3 percent of average total assets and 0.6 percent of average net loans reported in the prior evaluation. The bank's current levels reflect excellent success based on the number and dollar volume of innovative or flexible loans.

Besides their level of success, the bank's innovative or flexible lending practices reflect a good degree of serving low- and moderate-income borrowers. The bank's Fresh Start loans, designed to clear customers' overdraft balances through interest-free loans, reflect some degree of serving low- and moderate-income individuals. In 2019 and 2020, customers residing in low- or moderate-income geographies accounted for 35.9 percent and 33.9 percent, respectively, of the total Fresh Start loans.

In addition to the above, in response to the COVID-19 pandemic, the bank originated 507 Small Business Administration Paycheck Protection Program (PPP) loans totaling \$36.8 million, considered small business loans with loan amounts of \$1 million or less during the review period, and 15 PPP loans exceeding \$1 million in loan amount, totaling more than \$42.8 million. The bank originated 140 PPP loans totaling nearly \$8.7 million with loan amounts of \$1 million or less, and 6 PPP loans totaling \$14.7 million with loan amounts exceeding \$1 million, in low- and moderate-income geographies. PPP loans were designed to help businesses retain workers and staff during the economic hardship resulting from the pandemic. The volume of PPP loans demonstrates the bank's responsiveness in helping to serve the credit needs, including those of small businesses, of its assessment areas in response to the COVID-19 pandemic.

Innovative or Flexible Lending Programs										
Institution										
Type of Program	2018		2019		2020		YTD 2021		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Fresh Start	0	0	387	249	416	283	0	0	803	532
PPP	0	0	0	0	521	78,009	1	1,623	522	79,632
Totals	0	0	387	249	937	78,292	1	1,623	1,325	80,164
<i>Source: Bank Data</i>										

The following table displays the bank’s innovative or flexible loans by rated area.

Innovative or Flexible Lending Programs by Rated Area Institution						
Rated Area	Fresh Start		PPP		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)
State of Oklahoma	799	531	506	60,741	1,305	61,272
State of Texas	4	1	16	18,891	20	18,892
Total	803	532	522	79,632	1,325	80,164
<i>Source: Bank Data</i>						

Community Development Loans

The institution is a leader in making CD loans. Its leadership regarding the dollar volume of CD loans and the CD loans’ excellent responsiveness support this conclusion. The bank’s overall performance is consistent with the conclusions for both rated areas.

During the evaluation period, IBC Oklahoma originated 73 CD loans totaling \$614.8 million. This level of activity represents 40.1 percent of average total assets of \$1.5 billion and 79.1 percent of average net loans of \$777.2 million. This activity reflects an increase in both number and dollar from the previous evaluation when the bank originated 52 CD loans totaling \$340.3 million, which represented 22.0 percent of average total assets and 42.1 percent of average net loans.

In addition to reflecting leadership based on their level, the lending activity reflects excellent responsiveness to the assessment areas’ community development needs. As detailed in the following table, 64.2 percent of the dollar volume of the institution’s community development lending revitalize or stabilize qualifying geographies and 33.4 percent promote economic development. As later noted, activities that revitalize or stabilize qualifying geographies represent a primary community development need for some of the bank’s assessment areas, while activities that benefit economic development also reflect a community development need in the assessment areas. The following tables show the bank’s community development lending by rated area, purpose, and year.

Community Development Lending by Rated Area Institution										
Rated Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
State of Oklahoma	3	6,763	2	2,575	4	32,723	41	278,362	50	320,423
State of Texas	0	0	1	5,000	7	172,784	13	66,597	21	244,381
Nationwide or Regional	0	0	0	0	0	0	2	50,000	2	50,000
Total	3	6,763	3	7,575	11	205,507	56	394,959	73	614,804
<i>Source: Bank Data</i>										

Community Development Lending Institution										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2018	0	0	0	0	0	0	0	0	0	0
2019	1	2,763	3	7,575	6	90,702	30	140,532	40	241,572
2020	1	2,000	0	0	5	114,805	23	245,377	29	362,182
YTD 2021	1	2,000	0	0	0	0	3	9,050	4	11,050
Total	3	6,763	3	7,575	11	205,507	56	394,959	73	614,804
<i>Source: Bank Data</i>										

The following lists an example of a CD loan benefiting a regional area.

- **Revitalize or Stabilize** – The institution originated a loan for \$25.0 million for the expansion of a sand/fracking company located in a moderate-income geography in Missouri, contiguous to the State of Oklahoma. This activity revitalizes or stabilizes a qualifying geography by helping to retain existing businesses or residents in low- or moderate-income geographies.

INVESTMENT TEST

IBC Oklahoma displayed an outstanding record for the bank as a whole regarding the Investment Test. An excellent level of qualified community development investments and donations, excellent responsiveness to credit and community development needs, and extensive use of innovative and/or complex investments supports this conclusion. The conclusion regarding the institution’s overall Investment Test performance is consistent with the conclusion in the State of Oklahoma, but inconsistent in the State of Texas where Investment Test performance falls below the institution’s overall record.

Investment and Grant Activity

The institution has an excellent level of qualified community development investments and grants, often in a leadership position, particularly those that are not routinely provided by private investors. The dollar volume of qualified investments primarily supports this conclusion. As seen in the following table, the bank made use of 159 qualified investments totaling \$45.1 million, which includes donations of approximately \$749,000 and prior period investments of approximately \$11.1 million, all directly benefitting the bank’s assessment areas. The total dollar amount equates to 2.9 percent of average total assets of \$1.5 billion since the previous evaluation and 13.2 percent of average securities of \$341.0 million for the same period. These levels reflect an increase over the 2.3 percent of average total assets and 8.8 percent of average securities reported in the previous evaluation. The tables below summarize the bank’s qualified investments, donations, and grants by rated area, purpose, and year.

Qualified Investments by Rated Area Institution										
Rated Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
State of Oklahoma	6	44,377	108	509	21	191	0	0	135	45,077
State of Texas	0	0	20	30	4	11	0	0	24	41
Total	6	44,377	128	539	25	202	0	0	159	45,118

Source: Bank Data

Qualified Investments Institution										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	3	11,081	0	0	0	0	0	0	3	11,081
2018	1	25,000	0	0	0	0	0	0	1	25,000
2019	0	0	0	0	0	0	0	0	0	0
2020	1	8,288	0	0	0	0	0	0	1	8,288
YTD 2021	0	0	0	0	0	0	0	0	0	0
Subtotal	5	44,369	0	0	0	0	0	0	5	44,369
Qualified Grants & Donations	1	8	128	539	25	202	0	0	154	749
Total	6	44,377	128	539	25	202	0	0	159	45,118

Source: Bank Data

Responsiveness to Credit and Community Development Needs

The institution exhibits excellent responsiveness to credit and community development needs. As reflected in the above tables, a substantial majority of the dollar volume of the bank's qualified investments funded affordable housing needs, which is an identified community development need.

Community Development Initiatives

The institution makes extensive use of innovative and/or complex investments to support community development initiatives. For example, the bank made equity investments into a proprietary fund established by IBC Oklahoma's Board of Directors to partner with various developers, city and state housing and development agencies, and builders to construct or refurbish affordable housing projects in Oklahoma. By using this proprietary fund as a general partner in the various projects, the bank leveraged low-income housing tax credits granted to developers as well as other tax incentives granted by municipalities to ensure the feasibility and sustainability of the various projects. IBC Oklahoma invested over \$44.3 million into this fund.

The establishment of this proprietary fund involved significant cost and expertise in various areas including real estate development, legal, tax, accounting, finance, zoning, and construction. This approach reflects a strong commitment to IBC Oklahoma's community development goals and exemplifies excellent responsiveness through extensive use of innovative and complex investments

not routinely provided by private investors that directly address identified needs in the bank’s assessment areas.

SERVICE TEST

IBC Oklahoma demonstrated an outstanding record for the bank as a whole regarding the Service Test. Its leadership in providing CD services primarily supports this conclusion. Additionally, the bank’s delivery systems are accessible to essentially all portions of the assessment areas, its opening and closing of branches has not adversely affected the accessibility of its delivery systems, and its services do not vary in a way that inconveniences certain portions of the assessment areas. The conclusion regarding the institution’s overall Service Test performance is consistent in each rated area.

Accessibility of Delivery Systems

Delivery systems are accessible to essentially all portions of the institution’s assessment areas. Readily accessible alternative delivery systems lifted the reasonably accessible branch distribution to support this conclusion.

The following table illustrates the distribution of the bank’s branches and ATMs by geography income level for 2020. The table shows that in low-income geographies, the percentages of branches and ATMs fall below, by 9.6 and 10.0 percentage points, respectively, the percentage of the assessment areas’ population residing in those areas, reflecting limited accessibility. The table further shows that in moderate-income geographies, the percentages of branches and ATMs land within adequate ranges, falling only 3.6 and 2.4 percentage points, respectively, below the percentage of the assessment areas’ population residing in those areas, reflecting reasonable accessibility. Examiners placed less weight on the level in low-income census tracts compared to moderate-income areas given the smaller population percentage in low-income geographies.

Branch and ATM Distribution by Geography Income Level Institution								
Tract Income Level	Census Tracts		Population		Branches		ATMs	
	#	%	#	%	#	%	#	%
Low	161	12.4	628,554	11.8	1	2.2	1	1.8
Moderate	392	30.3	1,584,704	29.7	12	26.1	15	27.3
Middle	424	32.7	1,790,602	33.6	20	43.4	24	43.6
Upper	303	23.4	1,316,901	24.7	12	26.1	14	25.5
NA	15	1.2	7,552	0.2	1	2.2	1	1.8
Total	1,295	100.0	5,328,313	100.0	46	100.0	55	100.0

*Source: 2015 ACS Data; Bank Data
Due to rounding, totals may not equal 100.0*

The institution makes its alternative delivery systems readily accessible to all portions of its assessment areas. In addition to its ATMs, the bank offers a variety of alternative systems that prove effective in delivering retail banking services in low- and moderate-income geographies or to low- and moderate-income individuals. As noted previously, due to IBC Oklahoma’s affiliation with its holding company, its customers also receive free access to all branch locations and ATMs

that make up the International Bancshares Corporation network. As of March 11, 2021, this network includes 185 branch locations and 279 ATMs. Further, IBC Oklahoma offers free, 24-hour customer access to accounts via a local telephone number. This free service allows customers to access balance and deposit information, make account transfers, and obtain information on checks cleared by the bank. The bank provides this service in both English and Spanish. IBC Oklahoma's customers make extensive use of this service, logging an average of 64,180 calls per month.

In addition, IBC Oklahoma provides an internet website that allows customers to view products, locate branches and ATMs, access their accounts, and pay bills free of charge 24 hours a day. Of the 51,265 consumer customers utilizing the site, 21.2 percent reside in low- or moderate-income geographies. Additionally, 8,373 of the bank's business customers utilize the online banking services, with 28.3 percent of these companies conducting business from low- or moderate-income geographies.

Further, IBC Oklahoma's IBC Link offers a cash management service for business customers that allows customers to access account information. Business customers may transfer funds between accounts, reconcile account balances, and perform wire transfers. Likewise, the bank's IBC Mobile allows the bank's online banking customers to check balances, pay bills, make transfers, and find branch and ATM locations from cellular phones or personal electronic devices. Corporate-wide, mobile deposit transactions grew significantly in 2020, by 136.4 percentage points, from the prior year. This is attributed to the COVID-19 pandemic and ensured customers could deposit checks, as necessary.

Finally, IBC Oklahoma's branch locations remained open and operating under normal business hours during the COVID-19 pandemic. Staying open during the pandemic ensured bank customers had access to all regular bank functions.

Changes in Branch Locations

To the extent changes have been made, the institution's opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. The bank did not open any branches and closed one branch since the last evaluation. The bank closed only one branch in the Oklahoma Non-MSA AA during the review period in a middle-income census tract. The branch closing was not located in a low- or moderate-income census tract, thus not affecting the accessibility of its delivery systems in those areas.

Reasonableness of Business Hours and Services

Services (including where appropriate, business hours) do not vary in a way that inconveniences certain portions of the assessment areas, particularly low- and moderate-income geographies and/or individuals. Some extended hours and a variety of services primarily support this conclusion.

The institution maintains consistent hours relative to the areas served and the industry. Hours of operation did not materially vary for offices in low- and moderate-income census tracts compared with those in middle- and upper-income tracts. IBC Oklahoma's customers also have free access to

all branch locations that make up the International Bancshares Corporation network, with many locations maintaining extended operating hours.

As previously discussed, the bank provides many services designed to meet the needs of low- and moderate-income areas and individuals as well as smaller sized businesses. The range of services covers a wide variety of products and services including consumer checking, savings, money market, certificates of deposit, and individual retirement accounts as well as prepaid, debit, and credit cards.

Community Development Services

The institution is a leader in providing CD services. The extent, or number, of CD services primarily supports this conclusion. The following table shows that the bank provided 812 CD services since the last evaluation. This number equates to an average of 7.3 CD services, per office, per year, since the last evaluation. The average figure reflects an increase over the average of 5.7 CD services, per office, per year, recorded at the prior evaluation. The services all involve bank personnel’s use of their technical expertise to benefit organizations or projects with a primary purpose of community development as defined by the CRA regulation.

The CD services exhibit excellent responsiveness to community development needs. As reflected in the below tables, a substantial majority of the CD services benefitted projects or organizations that provide community services targeted to low- and moderate-income individuals, which is an identified community development need. The following tables show the number of CD services by rated area, purpose, and year.

Community Development Services by Rated Area					
Institution					
Rated Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
State of Oklahoma	0	736	23	0	759
State of Texas	0	50	3	0	53
Total	0	786	26	0	812
<i>Source: Bank Data</i>					

Community Development Services					
Institution					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2018	0	0	0	0	0
2019	0	678	16	0	694
2020	0	105	7	0	112
YTD 2021	0	3	3	0	6
Total	0	786	26	0	812
<i>Source: Bank Data</i>					

The following are notable examples of the bank’s qualified CD services for the bank as a whole.

- **Community Services** – The bank developed a proprietary program entitled Minitropolis[®] that targets elementary school students in schools where a majority of student populations qualify for free or reduced lunch programs. IBC Oklahoma first established the Minitropolis[®] concept as an interactive way to teach important financial concepts that participants can utilize throughout their lives.

The “mini city” in the bank’s participating school provides a fully functioning, real-life community with business, governmental, and community sponsors, in addition to IBC Oklahoma sponsors, that create an engaging academic learning experience with a goal of helping students understand the value of leadership and responsibility that helps set them up for success as adults. In addition, the financial services learning environments at the “mini city” allows students to apply learned banking and saving principles that foster their knowledge of financial concepts. Thus, the program provides community services in the form of financial education targeted to low- and moderate-income individuals.

- **Community Services** – Bank staff presented FDIC’s Money Smart program at events targeting low- and moderate-income areas or individuals as well as unbanked individuals. The bank also presented its own version of Money Smart, called Money Buzz for children ages 5 through 9 and their parents. Money Buzz is a free, child-friendly lesson on personal finance that IBC Oklahoma and its affiliated institutions created to fill a void in personal finance education among America’s youth. Thus, the program provides community services in the form of financial education targeted to low- and moderate-income individuals.
- **Community Services** – In a leadership role, IBC Oklahoma and its affiliated institutions developed the We Do More Rx Card. The card, targeted to low- and moderate-income bank customers, provides discounts on all Food and Drug Administration-approved prescription drugs that amount to an average savings of 15.0 percent off the cash price for brand name drugs and 40.0 percent off for generic drugs. The activity provides community services by addressing health matters targeted to low- and moderate-income individuals.
- **Community Services** – Bank staff presented product and service information to businesses that employ individuals who are unbanked throughout the assessment areas. During the review period, the bank conducted 513 presentations to businesses located in low- and moderate-income geographies. Thus, the program provides community services in the form of financial education targeted to low- and moderate-income individuals.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

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

STATE OF OKLAHOMA

CRA RATING FOR STATE OF OKLAHOMA: OUTSTANDING

The Lending Test is rated: High Satisfactory

The Investment Test is rated: Outstanding

The Service Test is rated: Outstanding

DESCRIPTION OF INSTITUTION'S OPERATIONS IN STATE OF OKLAHOMA

IBC Oklahoma designated 9 assessment areas in Oklahoma: 1) Lawton MSA AA; 2) Oklahoma City MSA AA; 3) Tulsa MSA AA; 4) Beckham Non-MSA AA; 5) Carter Non-MSA AA; 6) Delaware Non-MSA AA; 7) Muskogee Non-MSA AA; 8) Payne Non-MSA AA; and 9) Pottawatomie Non-MSA AA. As previously noted, for presentation purposes, examiners combined the six nonmetropolitan assessment areas into the Oklahoma Non-MSA AA. All of the assessment areas in Oklahoma conform to the CRA regulatory requirements. The table below provides additional information for the bank's assessment areas in the State of Oklahoma.

Description of Assessment Areas			
Assessment Area	Counties in Assessment Area	# of CTs	# of Branches
Lawton MSA AA	Comanche	32	2
Oklahoma City MSA AA	Canadian, Cleveland, Grady, Lincoln, Logan, McClain, Oklahoma	363	19
Oklahoma Non-MSA AA	Beckham, Carter, Custer, Delaware, Garvin, Murray, Muskogee, Ottawa, Payne, Pottawatomie, Stephens, Washita	114	11
Tulsa MSA AA	Creek, Osage, Rogers, Tulsa, Wagoner	257	13

Source: Bank Data

SCOPE OF EVALUATION – STATE OF OKLAHOMA

As previously noted in more detail under the Scope of Evaluation at the institution level, examiners applied full-scope procedures to the Oklahoma City MSA AA and Tulsa MSA AA and limited-scope procedures to the Lawton MSA AA and Oklahoma Non-MSA AA. The following table shows, in addition to the deposit and branch activity for each area, the distribution of small business loans reviewed by assessment area based on the volume of loans originated inside the bank's assessment areas. Examiners weighed each area consistent with that area's overall lending level.

Assessment Area Breakdown of Loans, Deposits, and Branches State of Oklahoma						
Assessment Area	Loans		Deposits		Branches	
	\$(000s)	%	\$(000s)	%	#	%
Lawton MSA AA	105	0.4	188,576	15.1	2	4.5
Oklahoma City MSA AA	13,875	53.0	536,887	43.0	19	42.2
Oklahoma Non-MSA AA	141	0.5	213,120	17.1	11	24.4
Tulsa MSA AA	12,075	46.1	309,342	24.8	13	28.9
Total	26,196	100.0	1,247,925	100.0	45	100.0

Source: CRA Reported Data (2019); FDIC Summary of Deposits (06/30/2020); Bank Data

For the Lending Test, examiners considered the following loans granted inside the bank’s Oklahoma assessment areas, based on readily available information, as reported according to the CRA data collection reporting requirements:

Small Business Loans

- 2018: 163 loans totaling \$37,264,000
- 2019: 110 loans totaling \$26,196,000

Examiners placed all weight on the bank’s small business lending performance when arriving at applicable conclusions. While this evaluation generally presents 2019 data, the presentations for the Lawton MSA and Oklahoma Non-MSA AAs also include 2018 data given the lower lending levels in 2019 and trends identified.

The scopes for the Investment and Service Tests remain consistent with those of the institution as a whole. Refer to the institution level Scope of Evaluation section for additional information.

CONCLUSIONS ON PERFORMANCE CRITERIA IN STATE OF OKLAHOMA

LENDING TEST

IBC Oklahoma demonstrated a high satisfactory record in the State of Oklahoma regarding the Lending Test. Good lending activity and good borrower profile lending distribution coupled with adequate geographic loan distribution performance insufficiently lifted by the bank’s leadership in community development lending supports this conclusion. This performance is inconsistent in the Oklahoma City MSA AA where Lending Test performance exceeds the rated area’s record as well as in the Lawton MSA, Oklahoma Non-MSA, and Tulsa MSA AAs where performance falls below the rated area’s record.

Lending Activity

Lending levels reflect good responsiveness to assessment area credit needs in the State of Oklahoma. Good performance regarding small business loans supports this conclusion. This performance is inconsistent in the Lawton MSA, Oklahoma City MSA, Oklahoma Non-MSA, and Tulsa MSA AAs where lending activity performance lands below the rated area's record.

Small Business Loans

The level of small business lending activity reflects good responsiveness to assessment area credit needs. Good overall market ranking primarily supports this conclusion. For 2019, the bank originated 110 total reportable small business loans totaling approximately \$26.2 million inside its Oklahoma assessment areas. The bank captured a 0.2 percent market share of the total number of small business loans and a 1.1 percent market share of the total dollar volume of loans. This volume of activity ranks the bank 34th out of 171 reporting lenders inside its Oklahoma assessment areas, reflecting good performance. This ranking, which considers the total number and dollar volume of loans made by each institution, lands the bank in the top 19.9 percent of lenders reporting such loans in the assessment areas.

Geographic Distribution

The geographic distribution of loans reflects adequate penetration throughout the State of Oklahoma. This performance is consistent in the Oklahoma City MSA AA, while inconsistent in the Tulsa MSA AA where performance exceeds the rated area's record and the Lawton MSA and Oklahoma Non-MSA AAs where performance lands below the rated area's record.

Borrower Profile

The distribution of borrowers reflects, given the product lines offered by the institution, good penetration among retail customers of different income levels and business customers of different size in the State of Oklahoma. This performance is consistent in the Lawton MSA AA and inconsistent in the Oklahoma City MSA and Oklahoma Non-MSA AAs where performance exceeds the rated area's record and the Tulsa MSA AA where performance lands below the rated area's record.

Community Development Loans

The institution is a leader in making CD loans in the State of Oklahoma. Its leadership regarding the dollar volume of CD loans and the CD loans' excellent responsiveness support this conclusion. This performance is consistent in the Oklahoma City MSA and Oklahoma Non-MSA AAs, but inconsistent in the Lawton MSA and Tulsa MSA AAs where performance falls below the rated area's record.

During the evaluation period, IBC Oklahoma originated 50 CD loans totaling approximately \$320.4 million throughout Oklahoma. The bank reported CD loans of approximately \$87.9 million in its Oklahoma assessment areas at the previous evaluation. The current dollar amount equates to 87.3 percent of the bank's CD loans inside its assessment areas. Although still reflective of leader

performance, as noted, this state contributed 98.9 percent of reviewed loans. In addition to reflecting leadership based on their level, the CD loans reflect excellent responsiveness to the assessment areas' community development needs. As seen in the following table, 86.9 percent of the dollar volume of all CD loans revitalize or stabilize qualifying geographies, an identified community development need. The following table displays community development lending by area and purpose.

Community Development Lending by Assessment Area State of Oklahoma										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Lawton MSA AA	0	0	0	0	0	0	0	0	0	0
Oklahoma City MSA AA	2	4,000	2	2,575	0	0	27	173,738	31	180,313
Oklahoma Non-MSA AA	0	0	0	0	0	0	2	68,000	2	68,000
Tulsa MSA AA	1	2,763	0	0	4	32,723	12	36,624	17	72,110
Total	3	6,763	2	2,575	4	32,723	41	278,362	50	320,423
<i>Source: Bank Data</i>										

INVESTMENT TEST

IBC Oklahoma demonstrated an outstanding record in the State of Oklahoma regarding the Investment Test. The excellent level of qualified community development investments and donations along with the excellent responsiveness to credit and community development needs and the extensive use of complex qualified investments support this conclusion. This performance is consistent in the Oklahoma City MSA AA, but inconsistent in the Lawton MSA, Oklahoma Non-MSA, and Tulsa MSA AAs where Investment Test performance falls below the rated area's record.

Investment and Grant Activity

The institution has an excellent level of qualified community development investments and grants, often in a leadership position, particularly those that are not routinely provided by private investors in the State of Oklahoma. The dollar volume of qualified investments primarily supports this conclusion. The table below shows that the bank made use of 135 qualified investments totaling approximately \$45.0 million in the State of Oklahoma. This reflects an increase in the dollar amount of qualified investments of approximately \$36.2 million in the State of Oklahoma noted at the previous evaluation. The current dollar volume equates to 99.9 percent of the bank's overall excellent level of qualified investments. As noted, this state contributed 98.6 percent of the bank's total deposits. The following table displays qualified investments by area and purpose.

Qualified Investments by Assessment Area State of Oklahoma										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Lawton MSA AA	0	0	3	3	0	0	0	0	3	3
Oklahoma City MSA AA	5	42,567	85	432	12	155	0	0	102	43,154
Oklahoma Non-MSA AA	1	1,810	3	13	2	2	0	0	6	1,825
Tulsa MSA AA	0	0	17	61	7	34	0	0	24	95
Total	6	44,377	108	509	21	191	0	0	135	45,077
<i>Source: Bank Data</i>										

Responsiveness to Credit and Community Development Needs

The institution exhibits excellent responsiveness to credit and community development needs in the State of Oklahoma. As reflected in the above table, a substantial majority of the dollar volume of the bank's qualified investments funded affordable housing needs, which is an identified community development need.

Community Development Initiatives

The institution makes extensive use of innovative and/or complex investments to support community development initiatives in the State of Oklahoma. As previously noted, the bank makes equity investments into a proprietary fund established by the bank's Board of Directors to partner with various developers, city and state housing and development agencies, and builders to construct or refurbish affordable housing projects. Such fund was used to invest over \$44.3 million in the State of Oklahoma.

SERVICE TEST

IBC Oklahoma demonstrated an outstanding record in the State of Oklahoma regarding the Service Test. Its leadership in providing CD services primarily supports this conclusion. Additionally, the bank's delivery systems are accessible to essentially all portions of the assessment areas, its opening and closing of branches has not adversely affected the accessibility of its delivery systems, and its services do not vary in a way that inconveniences certain portions of the assessment areas. This performance is consistent in the Lawton MSA, Oklahoma City MSA, and Tulsa MSA AAs while inconsistent in the Oklahoma Non-MSA AA where Service Test performance falls below the rated area's record.

Accessibility of Delivery Systems

Delivery systems are accessible to essentially all portions of the institution's assessment areas in the State of Oklahoma. Readily accessible alternative delivery systems lifted the reasonably accessible branch distribution to support this conclusion. This performance is consistent in all of the bank's Oklahoma assessment areas with the exception of the Oklahoma City MSA AA where performance falls below the rated area's record.

The following table illustrates the distribution of the bank’s branches and ATMs by geography income level for 2020. The table shows that in low-income geographies, the percentages of branches and ATMs fall below, but within adequate ranges of, the percentage of the assessment areas’ population residing in those areas, thereby reflecting reasonable accessibility. The table further shows that in moderate-income geographies, the percentages of branches and ATMs land above, but within adequate ranges of, the percentage of the assessment areas’ population residing in those areas, thereby also reflecting reasonable accessibility.

Branch and ATM Distribution by Geography Income Level State of Oklahoma								
Tract Income Level	Census Tracts		Population		Branches		ATMs	
	#	%	#	%	#	%	#	%
Low	54	7.0	155,434	5.5	1	2.2	1	1.9
Moderate	205	26.8	642,180	22.6	12	26.7	15	27.8
Middle	314	41.0	1,234,356	43.4	20	44.5	24	44.4
Upper	183	23.9	808,023	28.4	11	24.4	13	24.0
NA	10	1.3	3,317	0.1	1	2.2	1	1.9
Total	766	100.0	2,843,310	100.0	45	100.0	54	100.0
<i>Source: 2015 ACS Data; Bank Data Due to rounding, totals may not equal 100.0</i>								

Further, the bank makes its alternative delivery systems readily accessible to all portions of the institution’s assessment areas in the State of Oklahoma. Refer to the institution’s Service Test section for specific details of retail banking systems available bank-wide through alternative delivery systems.

Changes in Branch Locations

To the extent changes have been made, the institution’s opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals in the State of Oklahoma. The bank did not open any branches and closed one branch during the review period in a middle-income census tract in the State of Oklahoma. The branch closing was not located in a low- or moderate-income census tract, thus not affecting the accessibility of its delivery systems in those areas.

Reasonableness of Business Hours and Services

Services (including where appropriate, business hours) do not vary in a way that inconveniences certain portions of the assessment areas, particularly low- and moderate-income geographies and/or individuals in the State of Oklahoma. Some extended hours and a variety of services primarily support this conclusion. The State of Oklahoma reflects product offerings, services, and branch hours consistent with the discussion for the institution as a whole.

Community Development Services

The institution is a leader in providing CD services in the State of Oklahoma. An excellent extent of CD services provided and responsiveness of CD services to available opportunities primarily support this conclusion. The following table shows that the bank provided 759 CD services since the previous evaluation. This number equates to an average of 7.5 CD services, per office, per year, since the previous evaluation, and reflects an increase from the 526 noted in the State of Oklahoma at the last evaluation. Leadership is evident through board or committee participation in a substantial number of those activities. Service activities demonstrate the bank’s responsiveness to community needs for community services and economic development, which are two identified community development needs in the State of Oklahoma. The following table displays CD services by area and purpose.

Community Development Services by Assessment Area State of Oklahoma					
Assessment Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
Lawton MSA AA	0	42	0	0	42
Oklahoma City MSA AA	0	270	12	0	282
Oklahoma Non-MSA AA	0	104	9	0	113
Tulsa MSA AA	0	320	2	0	322
Total	0	736	23	0	759
<i>Source: Bank Data</i>					

OKLAHOMA CITY MSA AA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN OKLAHOMA CITY MSA AA

The Oklahoma City MSA AA includes all of the following counties: Canadian, Cleveland, Grady, Lincoln, Logan, McClain, and Oklahoma Counties, the seven counties that comprise the Oklahoma City, OK MSA. The bank operates 19 full-service offices within this assessment area and also maintains 20 ATMs.

Economic and Demographic Data

The assessment area’s census tracts reflect the following income designations based on 2015 ACS data: 29 low-, 106 moderate-, 136 middle-, 83 upper-income tracts, and 9 tracts with no income designation. The following table notes certain demographic data for the area.

Demographic Information of the Assessment Area Oklahoma City MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	363	8.0	29.2	37.5	22.9	2.5
Population by Geography	1,318,408	6.2	23.9	40.9	28.7	0.2
Housing Units by Geography	552,016	6.2	25.9	40.9	26.7	0.3
Owner-Occupied Units by Geography	317,660	3.4	18.4	44.1	34.1	0.1
Occupied Rental Units by Geography	177,224	10.0	36.7	36.1	16.6	0.6
Vacant Units by Geography	57,132	10.0	34.4	38.4	16.7	0.5
Businesses by Geography	119,109	4.1	21.3	36.9	34.8	2.9
Farms by Geography	3,581	2.8	16.1	46.4	34.0	0.7
Family Distribution by Income Level	323,761	21.3	17.5	20.5	40.7	0.0
Household Distribution by Income Level	494,884	23.5	16.6	18.0	41.8	0.0
Median Family Income MSA - 36420 Oklahoma City, OK MSA		\$64,058	Median Housing Value Median Gross Rent Families Below Poverty Level			\$137,103 \$798 11.2%
<i>Source: 2015 ACS Data; 2019 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)</i>						

On June 1, 2019, FEMA declared Canadian and Logan Counties as major disaster areas due to tornadoes, straight-line winds, and flooding. On July 12, 2019, FEMA declared Lincoln County a major disaster area also due to tornadoes, straight-line winds, and flooding. On December 21, 2020, FEMA declared Canadian, Cleveland, Grady, Lincoln, Logan, McClain, and Oklahoma Counties as major disaster areas due to severe winter storms. Additionally, on March 25, 2020, FEMA declared all counties in the Oklahoma City MSA AA a major disaster area due to the COVID-19 pandemic.

Major employers in the Oklahoma City MSA AA include The University of Oklahoma, Tinker Air Force Base, the State of Oklahoma, and INTEGRIS Health. The following table notes unemployment rates over the evaluation period for the assessment area, State of Oklahoma, and nationwide.

Unemployment Rates Oklahoma City MSA AA			
Area	2018	2019	December 2020
	%	%	%
Canadian County	2.8	2.9	4.4
Cleveland County	2.9	2.8	4.2
Grady County	3.1	3.1	5.1
Lincoln County	3.6	3.5	4.7
Logan County	3.1	2.9	4.3
McClain County	2.8	2.7	4.3
Oklahoma County	3.3	3.1	5.2
State of Oklahoma	3.4	3.3	6.1
National Average	3.9	3.7	6.7
<i>Source: Bureau of Labor Statistics</i>			

Competition

According to the FDIC Deposit Market Share report as of June 30, 2020, 72 financial institutions operated 405 offices within the bank's assessment area, reflecting a competitive market for financial services. Of these institutions, IBC Oklahoma ranked 15th with a 1.3 percent deposit market share.

Community Contact

As part of the evaluation process, examiners contact third parties active in the assessment area to assist in identifying the credit and community needs. This information helps determine financial institutions' responsiveness to these needs and shows available credit opportunities.

Examiners reviewed a contact with a community member knowledgeable of the area's economic conditions to help assess community credit needs and potential opportunities for bank involvement in the assessment area. The contact stated that the housing industry is booming with houses selling very quickly, but there is always a need for additional low-income housing options. The contact also identified small business loans as a need. The contact stated banks are involved in the local industries; however, more active involvement with small businesses is needed, such as providing financial literacy to small businesses.

Credit and Community Development Needs and Opportunities

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

With respect to the area's community development needs, demographic data showing that 38.8 percent of the area's families reported low or moderate incomes suggests a need for activities that benefit projects or organizations that provide community services targeted to these families. In addition, 37.2 percent of the area's census tracts received low- or moderate-income designations, suggesting a need for activities that revitalize or stabilize qualifying geographies. Further, the community contact noted an affordable housing need.

CONCLUSIONS ON PERFORMANCE CRITERIA IN OKLAHOMA CITY MSA AA

LENDING TEST

IBC Oklahoma demonstrated an outstanding record in the Oklahoma City MSA AA regarding the Lending Test. The excellent performance record regarding borrower profile loan distribution and the bank's leadership in community development lending lifted the adequate performances regarding lending activity and geographic loan distribution to support this conclusion.

Lending Activity

Lending levels reflect adequate responsiveness to assessment area credit needs in the Oklahoma City MSA AA. Adequate performance regarding small business loans supports this conclusion.

Small Business Loans

Small business lending levels reflect adequate responsiveness to the assessment area credit needs. Adequate overall market ranking primarily supports this conclusion. For 2019, the bank originated 61 total reportable small business loans totaling approximately \$13.9 million in the Oklahoma City MSA AA. IBC Oklahoma captured a 0.2 percent market share of the total number of small business loans and a 1.2 percent market share of the total dollar volume of loans. The bank's activity ranks it 33rd out of 120 lenders that reported 28,577 small business originations, reflecting adequate performance. This ranking, which considers the total number and dollar volume of loans made by each institution, lands the bank in the top 27.5 percent of lenders reporting such loans in the Oklahoma City MSA AA.

Geographic Distribution

The geographic distribution of loans reflects adequate penetration throughout the Oklahoma City MSA AA. An adequate record regarding small business loans supports this conclusion.

Small Business Loans

The geographic distribution of small business loans reflects adequate penetration throughout the assessment area. Adequate performances in both low- and moderate-income geographies support this conclusion. As seen in the following table, the bank's lending in low-income tracts rises 0.7 percentage points above the aggregate data, reflective of adequate performance. The table further shows that in moderate-income census tracts the bank's lending level lands slightly below aggregate data by 0.9 percentage points, also reflecting an adequate level. Further, the table shows that in both low- and moderate-income geographies, the bank's levels fall within adequate ranges of available D&B data.

Geographic Distribution of Small Business Loans Oklahoma City MSA AA						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low	4.1	4.2	3	4.9	1,510	10.9
Moderate	21.3	18.9	11	18.0	3,213	23.2
Middle	36.9	37.1	18	29.5	3,047	22.0
Upper	34.8	37.5	24	39.3	4,448	32.1
Not Available	2.9	2.3	5	8.2	1,657	11.9
Total	100.0	100.0	61	100.0	13,875	100.0

*Source: 2019 D&B Data; CRA Reported Data (2019); 2019 CRA Aggregate Data
Due to rounding, totals may not equal 100.0*

Borrower Profile

The distribution of borrowers reflects, given the product lines offered by the institution, excellent penetration among retail customers of different income levels and business customers of different size in the Oklahoma City MSA AA. Excellent performance regarding small business loans supports this conclusion.

Small Business Loans

The distribution of borrowers reflects excellent penetration of small business loans among businesses of different sizes. Excellent lending performance to businesses with gross annual revenues of \$1 million or less supports this conclusion. As shown in the following table, the bank’s level of lending to businesses with gross annual revenues of \$1 million or less is lower than business demographic data but rises 24.6 percentage points higher than the aggregate level, reflecting excellent performance.

Distribution of Small Business Loans by Gross Annual Revenue Category Oklahoma City MSA AA						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
≤ \$1,000,000	87.0	45.9	43	70.5	6,034	43.5
>1,000,000	4.3	--	18	29.5	7,841	56.5
Revenue Not Available	8.7	--	0	0.0	0	0.0
Totals	100.0	100.0	61	100.0	13,875	100.0

*Source: 2019 D&B Data; CRA Reported Data (2019); 2019 CRA Aggregate Data; "--" data not available
Due to rounding, totals may not equal 100.0*

Community Development Loans

The institution is a leader in making CD loans in the Oklahoma City MSA AA. Specifically, the institution made 31 CD loans totaling approximately \$180.3 million during the evaluation period. The current dollar amount in this assessment area equates to 56.3 percent of the bank’s CD loans inside its assessment areas in the State of Oklahoma. As noted, the Oklahoma City MSA AA contributed 53.0 percent of reviewed loans for this rated area. The bank’s community development lending level is also significantly higher than its level at the last evaluation. For comparison, the institution made 12 CD loans totaling \$33.3 million in the Oklahoma City MSA AA at the previous evaluation. A significant majority of the CD loans by dollar volume supported efforts to revitalize or stabilize the area, which demonstrates the bank’s responsiveness to an identified community development need. The following table displays community development lending by year and purpose.

Community Development Lending Oklahoma City MSA AA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2018	0	0	0	0	0	0	0	0	0	0
2019	0	0	2	2,575	0	0	17	88,832	19	91,407
2020	1	2,000	0	0	0	0	7	75,856	8	77,856
YTD 2021	1	2,000	0	0	0	0	3	9,050	4	11,050
Total	2	4,000	2	2,575	0	0	27	173,738	31	180,313
<i>Source: Bank Data</i>										

The following are notable examples of the bank’s community development lending in the Oklahoma City MSA AA.

- **Affordable Housing** – The bank financed two loans totaling \$4.0 million to a local housing organization that provides affordable housing for low- and moderate-income families in the Oklahoma City MSA AA.
- **Revitalize or Stabilize** – The institution financed approximately \$18.7 million for expanding manufacturing warehouses located in a low-income geography in the assessment area. This activity revitalizes or stabilizes a qualifying geography by helping to attract new or retain existing businesses or residents.

INVESTMENT TEST

IBC Oklahoma demonstrated an outstanding record in the Oklahoma City MSA AA regarding the Investment Test. An excellent level of qualified community development investments and donation activity along with excellent responsiveness to community development needs and extensive use of innovative and/or complex investments support this conclusion.

Investment and Grant Activity

The institution has an excellent level of qualified community development investments and grants, often in a leadership position, particularly those that are not routinely provided by private investors in the Oklahoma City MSA AA. The bank made use of 102 qualified investments totaling approximately \$43.2 million in the Oklahoma City MSA AA. This reflects an increase in the dollar amount of qualified investments of approximately \$25.8 million in the Oklahoma City MSA AA noted at the previous evaluation. The current dollar amount represents 95.7 percent of the bank’s overall excellent level of qualified investments in the State of Oklahoma. As noted, the Oklahoma City MSA AA accounted for 43.0 percent of the bank’s deposits for this rated area. The table below summarizes the bank’s qualified investments and donations within this assessment area by year and purpose.

Qualified Investments Oklahoma City MSA AA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	2	9,271	0	0	0	0	0	0	2	9,271
2018	1	25,000	0	0	0	0	0	0	1	25,000
2019	0	0	0	0	0	0	0	0	0	0
2020	1	8,288	0	0	0	0	0	0	1	8,288
YTD 2021	0	0	0	0	0	0	0	0	0	0
Subtotal	4	42,559	0	0	0	0	0	0	4	42,559
Qualified Grants & Donations	1	8	85	432	12	155	0	0	98	595
Total	5	42,567	85	432	12	155	0	0	102	43,154
<i>Source: Bank Data</i>										

The following details a notable example of the bank’s qualified investment activity in the Oklahoma City MSA AA.

- **Affordable Housing** – The bank invested \$25.0 million in an equity investment bond in conjunction with the Oklahoma Housing Finance Agency. The investment provided for the construction of a 240-unit apartment complex located in the Oklahoma City MSA AA, of which 216 units, by designed expressed purpose, will provide affordable housing to families earning less than 60.0 percent of area’s median income, thus providing affordable housing to low- and moderate-income individuals.

Responsiveness to Credit and Community Development Needs

The institution exhibits excellent responsiveness to credit and community development needs in the Oklahoma City MSA AA. As reflected in the above table, a substantial majority of the dollar volume of the bank’s qualified investments helped to provide affordable housing, which demonstrates the bank’s responsiveness to an identified community development need.

Community Development Initiatives

The institution makes extensive use of innovative and/or complex investments to support community development initiatives in the Oklahoma City MSA AA. As previously noted, the bank makes equity investments into a proprietary fund established by the bank’s Board of Directors to partner with various developers, city and state housing and development agencies, and builders to construct or refurbish affordable housing projects. Such fund was used to invest over \$42.5 million in the Oklahoma City MSA AA.

SERVICE TEST

The institution demonstrated an outstanding record in the Oklahoma City MSA AA regarding the Service Test. Its leadership in providing CD services primarily supports this conclusion. Additionally, the bank’s delivery systems are reasonably accessible to essentially all portions of

the assessment area, its opening and closing of branches has not adversely affected the accessibility of its delivery systems, and its services do not vary in a way that inconveniences certain portions of the assessment area.

Accessibility of Delivery Systems

Delivery systems are reasonably accessible to essentially all portions of the Oklahoma City MSA AA. Limited accessibility of branches somewhat lifted by readily accessible alternative delivery systems support this conclusion.

The following table illustrates the distribution of the bank’s branches and ATMs by geography income level for 2020. The table shows that in low-income geographies, the bank does not operate any offices or ATMs; however, only 6.2 percent of the assessment area’s population resides in such areas, thereby reflecting reasonable accessibility. The table further shows that in moderate-income geographies, the percentages of the number of branches and ATMs fall below the percentage of the assessment area’s population residing in those areas. Specifically, the branch level falls 8.2 percentage points lower than the population percentage, while the ATM level falls 14.0 percentage points below, reflecting limited accessibility.

Branch and ATM Distribution by Geography Income Level Oklahoma City MSA AA								
Tract Income Level	Census Tracts		Population		Branches		ATMs	
	#	%	#	%	#	%	#	%
Low	29	8.0	81,316	6.2	0	0.0	0	0.0
Moderate	106	29.2	315,697	24.0	3	15.8	2	10.0
Middle	136	37.5	539,701	40.9	8	42.1	9	45.0
Upper	83	22.9	378,538	28.7	7	36.8	8	40.0
NA	9	2.5	3,156	0.2	1	5.3	1	5.0
Total	363	100.0	1,318,408	100.0	19	100.0	20	100.0
<i>Source: 2015 ACS Data; Bank Data Due to rounding, totals may not equal 100.0</i>								

Further, the institution makes its alternative delivery systems readily accessible to all portions of the assessment area. As previously noted, in addition to its ATMs, the bank offers other alternative delivery systems including online banking, remote deposit capture, telephone banking, and mobile banking services, with consistent services offered bank-wide.

Changes in Branch Locations

To the extent changes have been made, the institution’s opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals in the Oklahoma City MSA AA. IBC Oklahoma did not open or close any branches in this assessment area since the prior evaluation.

Reasonableness of Business Hours and Services

Services (including where appropriate, business hours) do not vary in a way that inconveniences certain portions of the assessment area, particularly low- and moderate-income geographies and/or individuals in the Oklahoma City MSA AA. The bank’s business hours and services within the Oklahoma City MSA AA are consistent with the bank’s overall conclusion.

Community Development Services

The institution is a leader in providing CD services in the Oklahoma City MSA AA. The bank provided 282 CD services since the previous evaluation in the Oklahoma City MSA AA. This number equates to an average of 6.6 CD services, per office, per year, since the previous evaluation, and reflects a slight decrease in the number of CD services of 291 noted in this assessment area at the previous evaluation. A substantial majority of the activities focused on community services, which demonstrates the bank’s responsiveness to an identified community development need. The following table summarizes the bank’s CD services by purpose and year.

Community Development Services Oklahoma City MSA AA					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2018	0	0	0	0	0
2019	0	197	10	0	207
2020	0	72	2	0	74
YTD 2021	0	1	0	0	1
Total	0	270	12	0	282
<i>Source: Bank Data</i>					

The following is a notable example of a CD service specific to the Oklahoma City MSA AA.

- **Community Services** – A large number of bank employees teach financial literacy classes in schools throughout the assessment area. A majority of the students’ families in the schools served reflect low- or moderate-incomes and are recipients of the government’s free or reduced lunch programs.

TULSA MSA AA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN TULSA MSA AA

The Tulsa MSA AA includes all of the following counties: Creek, Osage, Rogers, Tulsa, and Wagoner Counties, five of the seven counties that comprise the Tulsa, OK MSA. The bank operates 13 full-service offices within this assessment area and also maintains 17 ATMs.

Economic and Demographic Data

The assessment area’s census tracts reflect the following income designations based on 2015 ACS data: 17 low-, 70 moderate-, 102 middle-, and 68 upper-income tracts. The following table notes certain demographic data for the area.

Demographic Information of the Assessment Area						
Tulsa MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	257	6.6	27.2	39.7	26.5	0.0
Population by Geography	906,731	5.5	24.4	41.0	29.1	0.0
Housing Units by Geography	392,779	5.8	26.1	40.9	27.1	0.0
Owner-Occupied Units by Geography	228,861	2.9	18.8	44.0	34.3	0.0
Occupied Rental Units by Geography	122,504	10.0	36.6	36.4	17.0	0.0
Vacant Units by Geography	41,414	9.5	35.0	37.8	17.7	0.0
Businesses by Geography	85,077	3.1	21.4	39.1	36.4	0.0
Farms by Geography	2,390	2.3	14.7	51.2	31.8	0.0
Family Distribution by Income Level	233,772	21.1	17.5	20.4	41.0	0.0
Household Distribution by Income Level	351,365	23.8	16.3	17.9	42.0	0.0
Median Family Income MSA - 46140 Tulsa, OK MSA		\$61,182	Median Housing Value Median Gross Rent Families Below Poverty Level			\$135,465 \$773 11.2%
<i>Source: 2015 ACS Data; 2019 D&B Data</i>						
<i>Due to rounding, totals may not equal 100.0</i>						
<i>(*) The NA category consists of geographies that have not been assigned an income classification</i>						

On May 25, 2019, FEMA declared Osage, Tulsa, and Wagoner Counties as major disaster areas due to flooding. On June 1, 2019, FEMA declared Creek, Osage, Rogers, Tulsa, and Wagoner Counties as major disaster areas due to tornadoes, straight-line winds, and flooding. On July 12, 2019, FEMA declared Osage County a major disaster area due to severe winter storms. Additionally, on March 25, 2020, FEMA declared all counties in the Tulsa MSA AA a major disaster area due to the COVID-19 pandemic.

Major employers in the Tulsa MSA AA include American Airlines, Saint Francis Healthcare System, local school districts, and the University of Tulsa. The following table notes unemployment rates over the evaluation period for the assessment area, State of Oklahoma, and nationwide.

Unemployment Rates Tulsa MSA AA			
Area	2018	2019	December 2020
	%	%	%
Creek County	3.8	3.7	5.9
Osage County	4.3	3.8	5.7
Rogers County	3.3	3.1	5.1
Tulsa County	3.4	3.2	5.6
Wagoner County	3.3	3.1	5.2
State of Oklahoma	3.4	3.3	6.1
National Average	3.9	3.7	6.7
<i>Source: Bureau of Labor Statistics</i>			

Competition

According to the FDIC Deposit Market Share report as of June 30, 2020, 56 financial institutions operated 267 offices within the bank’s assessment area, reflecting a competitive market for financial services. Of these institutions, IBC Oklahoma ranked 22nd with a 0.9 percent deposit market share.

Community Contact

Examiners reviewed a contact with a community member knowledgeable of the area’s socio-economic conditions to help assess community credit needs and potential opportunities for bank involvement in the assessment area. The contact noted that several businesses have moved to the area over the past few years. The contact stated that the COVID-19 pandemic has had a huge impact on small businesses in the area with several small businesses closing. The contact indicated that the primary lending need of the area is small business lending and stated there is a definite need for financial literacy and education. Overall, the contact noted that financial institutions remain responsive to the credit needs of the area.

Credit and Community Development Needs and Opportunities

Considering information from the community contact, bank management, and demographic and economic data, examiners determined the primary credit need of the area includes small business loans.

With respect to the area’s community development needs, demographic data showing that 38.6 percent of the area’s families reported low or moderate incomes suggests a need for activities that benefit projects or organizations that provide community services targeted to these families. In addition, 33.8 of the area’s census tracts receiving low- or moderate-income designations and the assessment area counties designated as federal disaster areas suggest a need for activities that revitalize or stabilize qualifying geographies.

CONCLUSIONS ON PERFORMANCE CRITERIA IN TULSA MSA AA

LENDING TEST

IBC Oklahoma demonstrated a low satisfactory record in the Tulsa MSA AA regarding the Lending Test. Adequate lending levels coupled with an adequate borrower profile lending distribution and an adequate level of CD loans, insufficiently lifted by an excellent geographic lending distribution primarily supports this conclusion.

Lending Activity

Lending levels reflect adequate responsiveness to assessment area credit needs in the Tulsa MSA AA. Adequate performance regarding small business loans supports this conclusion.

Small Business Loans

Small business lending levels reflect adequate responsiveness to the assessment area credit needs. Adequate overall market ranking primarily supports this conclusion. For 2019, the bank originated 42 total reportable small business loans totaling approximately \$12.1 million in the Tulsa MSA AA. IBC Oklahoma captured a 0.3 percent market share of the total number of small business loans and a 1.8 percent market share of the total dollar volume of loans. The bank's activity ranks it 28th out of 108 lenders that reported 16,852 small business originations, reflecting adequate performance. This ranking, which considers the total number and dollar volume made by each institution, lands the bank in the top 25.9 percent of lenders reporting such loans in the Tulsa MSA AA.

Geographic Distribution

The geographic distribution of loans reflects excellent penetration throughout the Tulsa MSA AA. Excellent performance regarding small business loans supports this conclusion.

Small Business Loans

The geographic distribution of small business loans reflects excellent penetration throughout the assessment area. Adequate performance in low-income geographies sufficiently lifted by excellent performance in moderate-income geographies supports this conclusion. As seen in the following table, the bank's lending in low-income census tracts lands 2.2 percentage points above the aggregate data, reflective of adequate performance. The table further shows that in moderate-income census tracts the bank's lending level exceeds aggregate data by 15.7 percentage points, reflecting excellent performance. Further, the table shows that in both low- and moderate-income geographies, the bank's levels exceed available D&B data.

Geographic Distribution of Small Business Loans Tulsa MSA AA						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low	3.1	2.6	2	4.8	216	1.8
Moderate	21.4	20.0	15	35.7	5,781	47.9
Middle	39.1	40.9	18	42.9	5,328	44.1
Upper	36.4	36.5	7	16.7	750	6.2
Not Available	0.0	0.0	0	0.0	0	0.0
Total	100.0	100.0	42	100.0	12,075	100.0
<i>Source: 2019 D&B Data; CRA Reported Data (2019); 2019 CRA Aggregate Data Due to rounding, totals may not equal 100.0</i>						

Borrower Profile

The distribution of borrowers reflects, given the product lines offered by the institution, adequate penetration among retail customers of different income levels and business customers of different size in the Tulsa MSA AA. Adequate performance regarding small business loans supports this conclusion.

Small Business Loans

The distribution of borrowers reflects adequate penetration of small business loans among businesses of different sizes. Adequate lending performance to businesses with gross annual revenues of \$1 million or less supports this conclusion. As shown in the following table, the bank's level of lending to businesses with gross annual revenues of \$1 million or less lands below demographic data and falls 3.1 percentage points lower than the aggregate level, reflecting adequate performance.

Distribution of Small Business Loans by Gross Annual Revenue Category Tulsa MSA AA						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
≤ \$1,000,000	86.3	46.0	18	42.9	2,856	23.7
>1,000,000	5.0	--	24	57.1	9,219	76.3
Revenue Not Available	8.7	--	0	0.0	0	0.0
Totals	100.0	100.0	42	100.0	12,075	100.0
<i>Source: 2019 D&B Data; CRA Reported Data (2019); 2019 CRA Aggregate Data; "--" data not available Due to rounding, totals may not equal 100.0</i>						

Community Development Loans

The institution has made an adequate level of CD loans in the Tulsa MSA AA. Specifically, the institution made 17 CD loans totaling approximately \$72.1 million during the evaluation period. The current dollar amount in this assessment area equates to 22.5 percent of the bank’s CD loans inside its assessment areas in the State of Oklahoma. As noted, the Tulsa MSA AA contributed 46.1 percent of reviewed loans for this rated area. The bank’s community development lending level is also higher than its level at the last evaluation. For comparison, the institution made 16 CD loans totaling \$48.7 million in the Tulsa MSA AA at the previous evaluation. Some of the CD loans supported efforts to revitalize and stabilize the area, which demonstrates the bank’s responsiveness to an identified community development need. The following table displays community development lending by year and purpose.

Community Development Lending Tulsa MSA AA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2018	0	0	0	0	0	0	0	0	0	0
2019	1	2,763	0	0	3	12,886	6	15,438	10	31,087
2020	0	0	0	0	1	19,837	6	21,186	7	41,023
YTD 2021	0	0	0	0	0	0	0	0	0	0
Total	1	2,763	0	0	4	32,723	12	36,624	17	72,110
<i>Source: Bank Data</i>										

The following details an example of the bank’s community development lending in the Tulsa MSA AA.

- **Affordable Housing** – The bank financed one loan totaling over \$2.7 million to a local housing organization that provides affordable housing for low- and moderate-income families in the Tulsa MSA AA.

INVESTMENT TEST

IBC Oklahoma demonstrated a needs to improve record in the Tulsa MSA AA regarding the Investment Test. A poor level of qualified community development investments and donation activity along with poor responsiveness to assessment area needs primarily supports this conclusion. Further, the bank did not use innovative or complex investments to support community development initiatives in this assessment area.

Investment and Grant Activity

The institution has a poor level of qualified community development investments and grants, but not in a leadership position, particularly those that are not routinely provided by private investors in the Tulsa MSA AA. The bank made use of 24 qualified donations totaling approximately \$95,000 in the Tulsa MSA AA. By dollar volume, this equates to 0.2 percent of the bank’s overall excellent level

of qualified investments in the State of Oklahoma. As noted, the Tulsa MSA AA accounted for 24.8 percent of the bank’s deposits for this rated area. Further, the current dollar volume reflects a significant decrease from the qualified investments of approximately \$8.5 million noted in the Tulsa MSA AA at the previous evaluation. The table below summarizes the bank’s qualified investments and donations within this assessment area by year and purpose.

Qualified Investments Tulsa MSA AA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	0	0	0	0	0	0	0	0	0	0
2018	0	0	0	0	0	0	0	0	0	0
2019	0	0	0	0	0	0	0	0	0	0
2020	0	0	0	0	0	0	0	0	0	0
YTD 2021	0	0	0	0	0	0	0	0	0	0
Subtotal	0	0	0	0	0	0	0	0	0	0
Qualified Grants & Donations	0	0	17	61	7	34	0	0	24	95
Total	0	0	17	61	7	34	0	0	24	95
<i>Source: Bank Data</i>										

The following details an example of the bank’s qualified investment activity in the Tulsa MSA AA.

- **Community Services** – The bank awarded \$10,000 to a scholarship program that supports low- and moderate-income students in the Tulsa MSA AA.

Responsiveness to Credit and Community Development Needs

The institution exhibits poor responsiveness to credit and community development needs in the Tulsa MSA AA. Although, as reflected in the above table, a slight majority of the dollar volume of the bank’s qualified donations helped to fund community services, which addresses an identified community development need, the limited volume exhibits poor responsiveness to community development needs.

Community Development Initiatives

The institution does not use innovative and/or complex investments to support community development initiatives in the Tulsa MSA AA. As reflected in the above table, the bank’s qualified investment activity in the Tulsa MSA AA included donations only, none of which were noted to be innovative or complex.

SERVICE TEST

IBC Oklahoma demonstrated an outstanding record in the Tulsa MSA AA regarding the Service Test. Its leadership in providing CD services primarily supports this conclusion. Additionally, the bank’s delivery systems are accessible to essentially all portions of the assessment area, its opening and closing of branches has not adversely affected the accessibility of its delivery systems, and its services do not vary in a way that inconveniences certain portions of the assessment area.

Accessibility of Delivery Systems

Delivery systems are accessible to essentially all portions of the Tulsa MSA AA. The reasonably accessible branch distribution lifted by readily accessible alternative delivery systems support this conclusion.

The following table illustrates the distribution of the bank’s branches and ATMs by geography income level for 2020. The table shows that in low-income geographies, the percentages of the number of branches and ATMs land above, and within adequate ranges of, the percentage of the assessment area’s population residing in those areas, reflecting reasonable accessibility. The table further shows that in moderate-income geographies, the percentages of the number of branches and ATMs land above, and within adequate ranges of, the percentage of the assessment area’s population residing in those areas, also reflecting reasonable accessibility.

Branch and ATM Distribution by Geography Income Level Tulsa MSA AA								
Tract Income Level	Census Tracts		Population		Branches		ATMs	
	#	%	#	%	#	%	#	%
Low	17	6.6	50,118	5.5	1	7.6	1	5.9
Moderate	70	27.2	221,349	24.4	4	30.8	5	29.4
Middle	102	39.7	371,445	41.0	6	46.2	9	52.9
Upper	68	26.5	263,819	29.1	2	15.4	2	11.8
NA	0	0	0	0	0	0	0	0
Total	257	100.0	906,731	100.0	13	100.0	17	100.0

*Source: 2015 ACS Data; Bank Data
Due to rounding, totals may not equal 100.0*

Further, the institution makes its alternative delivery systems readily accessible to all portions of the assessment area. As previously noted, in addition to its ATMs, the bank offers other alternative delivery systems including online banking, remote deposit capture, telephone banking, and mobile banking services, with consistent services offered bank-wide.

Changes in Branch Locations

To the extent changes have been made, the institution’s opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals in the Tulsa MSA AA. IBC Oklahoma did not open or close any branches in this assessment area since the prior evaluation.

Reasonableness of Business Hours and Services

Services (including where appropriate, business hours) do not vary in a way that inconveniences certain portions of the assessment area, particularly low- and moderate-income geographies and/or individuals in the Tulsa MSA AA. The bank’s business hours and services within the Tulsa MSA AA are consistent with the bank’s overall conclusion.

Community Development Services

The institution is a leader in providing CD services in the Tulsa MSA AA. The bank provided 322 CD services since the previous evaluation in the Tulsa MSA AA. This number equates to an average of 11.0 CD services, per office, per year, since the previous evaluation, and reflects an increase from the 133 CD services in the Tulsa MSA AA noted at the previous evaluation. A substantial majority of the activities focused on community services, which demonstrates the bank’s responsiveness to an identified community development need. The following table summarizes the bank’s CD services by purpose and year.

Community Development Services Tulsa MSA AA					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2018	0	0	0	0	0
2019	0	298	1	0	299
2020	0	21	1	0	22
YTD 2021	0	1	0	0	1
Total	0	320	2	0	322
<i>Source: Bank Data</i>					

The following is a notable example of a CD service specific to the Tulsa MSA AA.

- **Community Services** – A large number of bank employees teach financial literacy classes in schools throughout the assessment area. A majority of the students’ families in the schools served reflect low- or moderate-incomes and are recipients of the government’s free or reduced lunch programs.

OTHER ASSESSMENT AREAS – Limited-Scope Review

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE LIMITED-SCOPE ASSESSMENT AREAS

The following table identifies whether conclusions regarding the applicable tests for the noted assessment areas for which examiners performed a limited-scope review either exceed, are consistent with, or fall below the performance in the State of Oklahoma. Examiners made these determinations through a review of available facts and data, aggregate lending data comparisons, and demographic

information. The conclusions from the limited-scope reviews contributed to the institution’s overall performance in the State of Oklahoma.

Assessment Area	Lending Test	Investment Test	Service Test
Lawton MSA AA	Below	Below	Consistent
Oklahoma Non-MSA AA	Below	Below	Below

Facts and data supporting conclusions for each limited-scope assessment area follow, beginning with a summary of the institution’s operations and activities, followed by geographic distribution and borrower profile performances. The Appendix includes demographic data for the limited-scope assessment areas.

Lawton MSA AA

The bank’s Lawton MSA AA consists of all of Comanche County, one of the two counties that comprise the Lawton, OK MSA. IBC Oklahoma operates two branches in this assessment area in moderate-income census tracts. The following table provides details regarding this area’s activities.

Activity	#	\$(000s)
Small Business Loans	7	777
Community Development Loans	0	0
Qualified Investments	3	3
Community Development Services	42	-

Source: CRA Reported Data (2018 and 2019); Bank Data

Oklahoma Non-MSA AA

The bank’s Oklahoma Non-MSA AA consists of all of Beckham, Carter, Custer, Delaware, Garvin, Murray, Muskogee, Ottawa, Payne, Pottawatomie, Stephens, and Washita Counties throughout the State of Oklahoma. IBC Oklahoma operates 11 branches in this assessment area with three branches located in moderate-income census tracts. The bank closed one branch located in a middle-income geography in this assessment area since the prior evaluation. The following table provides details regarding this area’s activities.

Activity	#	\$(000s)
Small Business Loans	19	1,083
Community Development Loans	2	68,000
Qualified Investments	6	1,825
Community Development Services	113	-

Source: CRA Reported Data (2018 and 2019); Bank Data

Geographic Distribution and Borrower Profile

The following tables demonstrate the bank’s geographic and borrower profile distribution performances for the limited-scope assessment areas.

Geographic Distribution

Lawton MSA AA

Small Business Loans

Geographic Distribution of Small Business Loans Lawton MSA AA						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2018	5.5	3.5	0	0.0	0	0.0
2019	5.2	3.2	0	0.0	0	0.0
Moderate						
2018	36.5	33.2	2	40.0	517	76.9
2019	34.1	32.9	0	0.0	0	0.0
Middle						
2018	31.9	31.0	2	40.0	80	11.9
2019	32.3	33.8	1	50.0	30	28.6
Upper						
2018	25.9	32.3	1	20.0	75	11.2
2019	28.1	30.1	1	50.0	75	71.4
Not Available						
2018	0.2	0.0	0	0.0	0	0.0
2019	0.2	0.0	0	0.0	0	0.0
Total						
2018	100.0	100.0	5	100.0	672	100.0
2019	100.0	100.0	2	100.0	105	100.0
<i>Source: 2018 and 2019 D&B Data; CRA Reported Data (2018 and 2019); 2018 and 2019 CRA Aggregate Data Due to rounding, totals may not equal 100.0</i>						

Oklahoma Non-MSA AA

Small Business Loans

Geographic Distribution of Small Business Loans Oklahoma Non-MSA AA						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2018	6.1	3.9	0	0.0	0	0.0
2019	5.7	3.9	0	0.0	0	0.0
Moderate						
2018	15.1	11.8	0	0.0	0	0.0
2019	14.5	12.1	0	0.0	0	0.0
Middle						
2018	51.5	54.6	9	64.3	654	69.4
2019	51.7	52.3	4	80.0	91	64.5
Upper						
2018	27.3	29.7	5	35.7	288	30.6
2019	28.1	31.7	1	20.0	50	35.5
Not Available						
2018	0.0	0.0	0	0.0	0	0.0
2019	0.0	0.0	0	0.0	0	0.0
Total						
2018	100.0	100.0	14	100.0	942	100.0
2019	100.0	100.0	5	100.0	141	100.0
<i>Source: 2018 and 2019 D&B Data; CRA Reported Data (2018 and 2019); 2018 and 2019 CRA Aggregate Data Due to rounding, totals may not equal 100.0</i>						

Borrower Profile

Lawton MSA AA

Small Business Loans

Distribution of Small Business Loans by Gross Annual Revenue Category Lawton MSA AA						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
≤ \$1,000,000						
2018	79.4	56.4	3	60.0	155	23.1
2019	81.7	44.1	2	100.0	105	100.0
> \$1,000,000						
2018	4.7	--	2	40.0	517	76.9
2019	3.9	--	0	0.0	0	0.0
Subtotal						
2018	84.1	--	5	100.0	672	100.0
2019	85.6	--	2	100.0	105	100.0
Revenue Not Available						
2018	15.9	--	0	0.0	0	0.0
2019	14.4	--	0	0.0	0	0.0
Total						
2018	100.0	100.0	5	100.0	672	100.0
2019	100.0	100.0	2	100.0	105	100.0
<i>Source: 2018 and 2019 D&B Data; CRA Reported Data (2018 and 2019); 2018 and 2019 CRA Aggregate Data; "--" data not available Due to rounding, totals may not equal 100.0</i>						

Oklahoma Non-MSA AA

Small Business Loans

Distribution of Small Business Loans by Gross Annual Revenue Category Oklahoma Non-MSA AA						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
≤ \$1,000,000						
2018	78.4	45.9	12	85.7	403	42.8
2019	81.1	46.4	5	100.0	141	100.0
> \$1,000,000						
2018	6.1	--	2	14.3	539	57.2
2019	5.2	--	0	0.0	0	0.0
Subtotal						
2018	84.5	--	14	100.0	942	100.0
2019	86.3	--	5	100.0	141	100.0
Revenue Not Available						
2018	15.5	--	0	0.0	0	0.0
2019	13.7	--	0	0.0	0	0.0
Total						
2018	100.0	100.0	14	100.0	942	100.0
2019	100.0	100.0	5	100.0	141	100.0
<i>Source: 2018 and 2019 D&B Data; CRA Reported Data (2018 and 2019); 2018 and 2019 CRA Aggregate Data; "--" data not available Due to rounding, totals may not equal 100.0</i>						

STATE OF TEXAS

CRA RATING FOR STATE OF TEXAS: SATISFACTORY

The Lending Test is rated: High Satisfactory

The Investment Test is rated: Low Satisfactory

The Service Test is rated: Outstanding

DESCRIPTION OF INSTITUTION'S OPERATIONS IN STATE OF TEXAS

IBC Oklahoma designated one assessment area, the Dallas MD AA, in the Dallas-Plano-Irving, TX MD that includes all of Dallas County in Texas. The bank's assessment area in Texas conforms to the CRA regulatory requirements. The bank operates one full-service office in this area and one ATM. The bank did not open or close any offices in this assessment area since the previous evaluation. The table below provides additional information for the bank's assessment area in the State of Texas.

Description of Assessment Area			
Assessment Area	Counties in Assessment Area	# of CTs	# of Branches
Dallas MD AA	Dallas	529	1
<i>Source: Bank Data</i>			

Economic and Demographic Data

The assessment area's census tracts reflect the following income designations based on 2015 ACS data: 107 low-, 187 moderate-, 110 middle-, 120 upper-income tracts, and 5 tracts with no income designation. The following table notes certain demographic data for the area.

Demographic Information of the Assessment Area Dallas MD AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	529	20.2	35.3	20.8	22.7	0.9
Population by Geography	2,485,003	19.0	37.9	22.4	20.5	0.2
Housing Units by Geography	964,713	19.5	34.0	22.9	23.3	0.2
Owner-Occupied Units by Geography	451,480	10.0	33.4	25.6	30.8	0.2
Occupied Rental Units by Geography	429,799	27.5	35.0	21.0	16.1	0.3
Vacant Units by Geography	83,434	30.1	32.0	17.7	19.9	0.3
Businesses by Geography	257,060	10.6	26.3	26.0	35.8	1.3
Farms by Geography	3,530	10.1	28.3	24.4	36.1	1.2
Family Distribution by Income Level	576,726	31.5	18.9	17.4	32.2	0.0
Household Distribution by Income Level	881,279	29.5	18.8	17.9	33.8	0.0
Median Family Income MSA - 19124 Dallas-Plano-Irving, TX		\$71,149	Median Housing Value Median Gross Rent Families Below Poverty Level			\$171,738 \$952 15.9%
Source: 2015 ACS Data; 2019 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						

On March 25, 2020, FEMA declared Dallas County a major disaster area due to the COVID-19 pandemic. Major employers in the Dallas MD AA include American Airlines, AT&T, and Lockheed Martin. The following table notes unemployment rates over the evaluation period for the assessment area, State of Texas, and nationwide. The assessment area's unemployment rate of 3.0 percent for December 2020 falls below the 7.6 percent rate for the State of Texas and the national rate of 6.7 percent.

Unemployment Rates Dallas MD AA			
Area	2018	2019	December 2020
	%	%	%
Dallas County	3.8	3.2	3.0
State of Texas	3.9	3.5	7.6
National Average	3.9	3.7	6.7
Source: Bureau of Labor Statistics			

Competition

According to the FDIC Deposit Market Share report as of June 30, 2020, 111 financial institutions operated 599 offices serving a population of 2,485,003 within the bank's assessment area, reflecting a competitive market for financial services. Of these institutions, IBC Oklahoma ranked 100th with a 0.01 percent deposit market share.

Community Contact

Examiners reviewed a prior contact knowledgeable of the area's economy to help assess the area's current economic conditions, community credit needs, and potential opportunities for bank involvement. The contact stated that the area is experiencing continued growth including housing needs, particularly since the COVID-19 pandemic. The contact indicated that numerous unemployment indicators have increased due to the pandemic which resulted in numerous layoffs from multiple companies in the area. The contact noted general opportunities for outreach events such as financial education, and participation in home ownership programs for low- to moderate-income families. The contact identified a need for an increase in programs to help bring homes up to current building codes for lower income and senior housing. The contact indicated that local financial institutions do a good job balancing the loan demand with available resources.

Credit and Community Development Needs and Opportunities

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

With respect to the area's community development needs, demographic data showing that 50.4 percent of the area's families reported low or moderate incomes suggest a need for activities that benefit projects or organizations that provide community services targeted to these families. In addition, 55.5 percent of the area's census tracts received low- or moderate-income designations, suggesting a need for activities that revitalize or stabilize qualifying geographies.

SCOPE OF EVALUATION – STATE OF TEXAS

As previously noted in more detail under the Scope of Evaluation at the institution level, examiners applied full-scope procedures to the Dallas MD AA, and placed all weighting on the bank's performance in the Dallas MD AA when arriving at applicable conclusions for the State of Texas.

For the Lending Test in the State of Texas, examiners considered the same loan category reviewed for the institution. Examiners placed all weight on the bank's small business lending performance when arriving at applicable conclusions. Examiners reviewed small business loans originated in 2019, based on readily available information. Additionally, given the lower lending levels in the Dallas MD AA in 2019, examiners also reviewed small business loans originated in 2020 in order to form a more meaningful analysis. Consequently, examiners considered and this evaluation includes a presentation of the following loans granted inside the bank's Dallas MD AA as reported according to CRA data collection reporting requirements:

Small Business Loans

- 2019: 3 loans totaling \$275,000
- 2020: 13 loans totaling \$1,321,000

The scopes for the Investment and Service Tests remain consistent with those of the institution as a whole. Refer to the institution level Scope of Evaluation section for additional information.

CONCLUSIONS ON PERFORMANCE CRITERIA IN STATE OF TEXAS

LENDING TEST

IBC Oklahoma demonstrated a high satisfactory record in the State of Texas regarding the Lending Test. Its leadership in community development lending coupled with the excellent borrower profile loan distribution hampered by good geographic loan distribution and poor lending levels in the Dallas MD AA primarily support this conclusion.

While the institution reports a lower level of small business loans in the Dallas MD AA, examiners considered performance context and determined that the bank appears to meet the credit needs of its assessment area provided its resources and capabilities. Such considerations included the nominal deposit level generated by the sole branch located in Dallas County, which operates with limited staff, and the level of community development activities benefitting this area. Additionally, IBC Oklahoma refers all consumer purpose residential applications to the mortgage division of its affiliate International Bank of Commerce, Laredo, Texas. During 2018 and 2019, the mortgage division granted a majority of the 406 residential applications with properties in the Dallas MD AA received from IBC Oklahoma and relationship partners.

Lending Activity

Lending levels reflect poor responsiveness to assessment area credit needs in the State of Texas. Poor performance regarding small business loans in the Dallas MD AA supports this conclusion.

Small Business Loans

The level of small business lending activity reflects poor responsiveness to assessment area credit needs in the Dallas MD AA. Poor overall market ranking primarily supports this conclusion. For 2019, the bank originated 3 total reportable small business loans totaling approximately \$275,000 inside the Dallas MD AA. The bank captured a less than 0.01 percent market share of the total number of loans and a 0.01 percent market share of the total dollar volume of loans. This volume of activity ranks the bank 126th out of 192 reporting lenders in the Dallas MD AA, reflecting poor performance. This ranking, which considers the total number and dollar volume of loans made by each institution, lands the bank in the top 65.6 percent of lenders reporting such loans in the Dallas MD AA.

Geographic Distribution

The geographic distribution of loans reflects good penetration throughout the State of Texas. A good record regarding small business loans in the Dallas MD AA supports this conclusion.

Small Business Loans

The geographic distribution of small business loans reflects good penetration throughout the Dallas MD AA. Excellent performance in low-income geographies hampered by adequate performance in moderate-income geographies supports this conclusion. As detailed in the following table, the bank’s level of lending in low-income census tracts landed 56.1 percentage points above the aggregate level of lending in 2019, and also above the D&B level, indicative of overall excellent performance, although a declining trend was noted in 2020 with the bank’s level rising only 5.0 percentage points above the D&B level. The table further shows that the bank did not originate any small business loans in moderate-income tracts in 2019, typically reflective of very poor performance when compared to the 28.1 percent aggregate level; however, examiners noted an improving trend in 2020 with the bank’s level landing only 2.2 percentage points below D&B data, reflecting adequate performance.

Geographic Distribution of Small Business Loans Dallas MD AA						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2019	10.6	10.6	2	66.7	25	9.1
2020	10.4	--	2	15.4	26	2.0
Moderate						
2019	26.3	28.1	0	0.0	0	0.0
2020	25.3	--	3	23.1	95	7.2
Middle						
2019	26.0	24.7	0	0.0	0	0.0
2020	26.3	--	5	38.5	1,060	80.3
Upper						
2019	35.8	35.1	1	33.3	250	90.9
2020	36.5	--	3	23.1	140	10.6
Not Available						
2019	1.3	1.6	0	0.0	0	0.0
2020	1.5	--	0	0.0	0	0.0
Total						
2019	100.0	100.0	3	100.0	275	100.0
2020	100.0	100.0	13	100.0	1,321	100.0
<i>Source: 2019 and 2020 D&B Data; CRA Reported Data (2019 and 2020); 2019 CRA Aggregate Data Due to rounding, totals may not equal 100.0</i>						

Borrower Profile

The distribution of borrowers reflects, given the product lines offered by the institution, excellent penetration among retail customers of different income levels and business customers of different size in the State of Texas. An excellent record regarding small business loans in the Dallas MD AA supports this conclusion.

Small Business Loans

The distribution of borrowers reflects excellent penetration of small business loans among businesses of different sizes in the Dallas MD AA. Excellent lending performance to businesses with gross annual revenues of \$1 million or less supports this conclusion. As shown in the following table, in 2019, the bank originated all small business loans to businesses with gross annual revenues of \$1 million or less, exceeding aggregate performance by 56.0 percentage points, reflecting excellent performance. The bank’s level also exceeds business demographic data. While the bank’s level of lending to businesses with gross annual revenues of \$1 million or less in 2020 falls below available business demographic data, the level continues to reflect excellent performance.

Distribution of Small Business Loans by Gross Annual Revenue Category Dallas MD AA						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
≤ \$1,000,000						
2019	85.7	44.0	3	100.0	275	100.0
2020	86.8	--	10	76.9	180	13.6
> \$1,000,000						
2019	5.5	--	0	0.0	0	0.0
2020	4.9	--	3	23.1	1,141	86.4
Subtotal						
2019	91.2	--	3	100.0	275	100.0
2020	91.7	--	13	100.0	1,321	100.0
Revenue Not Available						
2019	8.8	--	0	0.0	0	0.0
2020	8.3	--	0	0.0	0	0.0
Total						
2019	100.0	100.0	3	100.0	275	100.0
2020	100.0	--	13	100.0	1,321	100.0
<i>Source: 2019 and 2020 D&B Data; CRA Reported Data (2019 and 2020); 2019 CRA Aggregate Data; "--" data not available Due to rounding, totals may not equal 100.0</i>						

Community Development Loans

The institution is a leader in making CD loans in the State of Texas. Its leadership regarding the dollar volume of CD loans and the CD loans’ excellent responsiveness support this conclusion. Specifically, the institution granted 21 CD loans totaling nearly \$244.4 million during the evaluation period. The level of community development lending has increased since the previous evaluation where the bank granted 12 CD loans totaling \$131.7 million. The current dollar amount of those inside the Dallas MD AA equates to 12.7 percent of the bank’s CD loans inside its assessment areas. As noted, this state contributed 1.1 percent of reviewed loans. In addition to reflecting leadership based on their level, the CD loans reflect excellent responsiveness to the assessment area’s community development needs. As seen in the following tables, a clear majority of the CD loans by dollar volume in the Dallas MD AA supported efforts to revitalize and stabilize the area, which

demonstrates the bank’s responsiveness to an identified community development need. The following tables display community development lending by area, year, and purpose.

Community Development Lending by Assessment Area State of Texas										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Dallas MD AA	0	0	1	5,000	1	10,000	7	31,610	9	46,610
Statewide or Regional	0	0	0	0	6	162,784	6	34,987	12	197,771
Total	0	0	1	5,000	7	172,784	13	66,597	21	244,381
<i>Source: Bank Data</i>										

Community Development Lending State of Texas										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2018	0	0	0	0	0	0	0	0	0	0
2019	0	0	1	5,000	3	77,816	6	11,262	10	94,078
2020	0	0	0	0	4	94,968	7	55,335	11	150,303
YTD 2021	0	0	0	0	0	0	0	0	0	0
Total	0	0	1	5,000	7	172,784	13	66,597	21	244,381
<i>Source: Bank Data</i>										

The following is a notable example of a CD loan originated within the Dallas MD AA.

- Revitalize or Stabilize** – The institution financed approximately \$20.0 million used to purchase developed lot inventory and construction of single-family homes and duplexes. The land borders low-income geographies in the assessment area, which will benefit from the development of single-family homes and duplexes. This project will bring more businesses to the area, which will provide jobs to the individuals residing in the low-income areas. This activity revitalizes or stabilizes by helping to attract new or retain existing businesses or residents.

INVESTMENT TEST

IBC Oklahoma demonstrated a low satisfactory record in the State of Texas regarding the Investment Test. An adequate level of qualified community development investments and donations along with adequate responsiveness to assessment area needs primarily supports this conclusion. The bank did not use innovative or complex investments to support community development initiatives in this rated area.

Investment and Grant Activity

The institution has an adequate level of qualified community development investments and grants, although rarely in a leadership position, particularly those that are not routinely provided by private investors in the State of Texas. The dollar volume of qualified investments primarily supports this conclusion. The table below shows that the bank made use of 24 qualified donations totaling \$41,000, which reflects an increase from 3 donations totaling approximately \$7,000 invested in the Dallas MD AA at the previous evaluation. The current dollar amount represents 0.1 percent of the bank’s overall excellent level of qualified investments. As noted, this state contributed 1.4 percent of the bank’s total deposits. The table below summarizes the bank’s qualified investments within the State of Texas by year and purpose, which benefited the Dallas MD AA.

Qualified Investments State of Texas										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	0	0	0	0	0	0	0	0	0	0
2018	0	0	0	0	0	0	0	0	0	0
2019	0	0	0	0	0	0	0	0	0	0
2020	0	0	0	0	0	0	0	0	0	0
YTD 2021	0	0	0	0	0	0	0	0	0	0
Subtotal	0	0	0	0	0	0	0	0	0	0
Qualified Grants & Donations	0	0	20	30	4	11	0	0	24	41
Total	0	0	20	30	4	11	0	0	24	41

Source: Bank Data

The following details a notable example of the bank’s donation activity in the Dallas MD AA.

- **Community Services** – The bank awarded \$15,000 from a scholarship program to low- and moderate-income students in the Dallas MD AA.

Responsiveness to Credit and Community Development Needs

The institution exhibits adequate responsiveness to credit and community development needs in the State of Texas. As reflected in the above table, some of the bank’s qualified donations helped to fund community services, which demonstrates the bank’s responsiveness to an identified community development need.

Community Development Initiatives

The institution does not use innovative and/or complex investments to support community development initiatives in the State of Texas. As reflected in the above table, the bank’s qualified investment activity in the State of Texas included donations only, none of which were noted to be innovative or complex.

SERVICE TEST

IBC Oklahoma demonstrated an outstanding record in the State of Texas regarding the Service Test. Its leadership in providing CD services primarily supports this conclusion. Additionally, the bank’s delivery systems are reasonably accessible to essentially all portions of the assessment area, its opening and closing of branches has not adversely affected the accessibility of its delivery systems, and its services do not vary in a way that inconveniences certain portions of the assessment area.

Accessibility of Delivery Systems

Delivery systems are reasonably accessible to essentially all portions of the institution’s assessment area in the State of Texas. Limited accessibility of branches somewhat lifted by readily accessible alternative delivery systems support this conclusion.

The following table illustrates the distribution of the bank’s branches and ATMs by geography income level for 2020. The table shows that the bank does not operate any offices or ATMs in low- or moderate-income geographies, typically reflective of inaccessibility when compared to the respective percentage of the assessment area’s population residing in such areas. However, the sole branch is located within one mile of low- and moderate-income geographies. Thus, the bank indirectly serves limited portions of the area, including low- and moderate-income geographies. Further, the institution maintains only one office in this rated area, providing limited comparative value when considering the placement of the office.

Branch and ATM Distribution by Geography Income Level State of Texas								
Tract Income Level	Census Tracts		Population		Branches		ATMs	
	#	%	#	%	#	%	#	%
Low	107	20.2	473,120	19.0	0	0	0	0
Moderate	187	35.3	942,524	37.9	0	0	0	0
Middle	110	20.8	556,246	22.4	0	0	0	0
Upper	120	22.7	508,878	20.5	1	100.0	1	100.0
NA	5	0.9	4,235	0.2	0	0	0	0
Total	529	100.0	2,485,003	100.0	1	100.0	1	100.0
<i>Source: 2015 ACS Data; Bank Data Due to rounding, totals may not equal 100.0</i>								

Further, the institution makes its alternative delivery systems readily accessible to all portions of the institution’s assessment area in the State of Texas. Refer to the institution’s Service Test section for specific details of retail banking systems available bank-wide through alternative delivery systems.

Changes in Branch Locations

To the extent changes have been made, the institution’s opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals in the State of Texas. IBC Oklahoma did not open or close any branches in the Dallas MD AA since the prior evaluation.

Reasonableness of Business Hours and Services

Services (including where appropriate, business hours) do not vary in a way that inconveniences certain portions of the assessment area, particularly low- and moderate-income geographies and/or individuals in the State of Texas. Some extended hours and a variety of services primarily support this conclusion. The State of Texas, specifically the Dallas MD AA, reflects product offerings, services, and branch hours consistent with the discussion for the institution as a whole.

Community Development Services

The institution is a leader in providing CD services in the State of Texas. An excellent extent of CD services provided and responsiveness of CD services to available opportunities primarily support this conclusion. During the evaluation period, bank employees engaged in 53 instances of community development activities in the Dallas MD AA. This number equates to an average of 23.6 CD services, per office, per year, since the previous evaluation, and reflects an increase from the 14 CD services in the Dallas MD AA noted at the previous evaluation. A substantial majority of the activities focused on community services, which demonstrates the bank’s responsiveness to an identified community development need. The following table summarizes the bank’s CD services within the State of Texas by purpose and year, which benefited the Dallas MD AA.

Community Development Services State of Texas					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2018	0	0	0	0	0
2019	0	48	2	0	50
2020	0	2	1	0	3
YTD 2021	0	0	0	0	0
Total	0	50	3	0	53

Source: Bank Data

The following is a notable example of the bank’s CD service activity within the Dallas MD AA.

- **Community Services** – A large number of bank employees teach financial literacy classes in schools throughout the Dallas MD AA. A majority of the students’ families in the schools served reflect low- or moderate-incomes and are recipients of the government’s free or reduced lunch programs.

APPENDICES

LARGE 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) through its lending activities by considering a bank's home mortgage, small business, small farm, and community development lending. If consumer lending constitutes a substantial majority of a bank's business, the FDIC will evaluate the bank's consumer lending in one or more of the following categories: motor vehicle, credit card, other secured, and other unsecured. The bank's lending performance is evaluated pursuant to the following criteria:

- 1) The number and amount of the bank's home mortgage, small business, small farm, and consumer loans, if applicable, in the bank's assessment area;
- 2) The geographic distribution of the bank's home mortgage, small business, small farm, and consumer loans, if applicable, based on the loan location, including:
 - i. The proportion of the bank's lending in the bank's assessment area(s);
 - ii. The dispersion of lending in the bank's assessment areas(s); and
 - iii. The number and amount of loans in low-, moderate-, middle- and upper-income geographies in the bank's assessment area(s);
- 3) The distribution, particularly in the bank's assessment area(s), of the bank's home mortgage, small business, small farm, and consumer loans, if applicable, based on borrower characteristics, including the number and amount of:
 - i. Home mortgage loans low-, moderate-, middle- and upper-income individuals
 - ii. Small business and small farm loans to businesses and farms with gross annual revenues of \$1 million or less;
 - iii. Small business and small farm loans by loan amount at origination; and
 - iv. Consumer loans, if applicable, to low-, moderate-, middle- and upper-income individuals;
- 4) The bank's community development lending, including the number and amount of community development loans, and their complexity and innovativeness; and
- 5) The bank's use of innovative or flexible lending practices in a safe and sound manner to address the credit needs of low- and moderate-income individuals or geographies.

Investment Test

The Investment Test evaluates the institution's record of helping to meet the credit needs of its assessment area(s) through qualified investments that benefit its assessment area(s) or a broader statewide or regional area that includes the bank's assessment area(s). Activities considered under the Lending or Service Test may not be considered under the investment test. The bank's investment performance is evaluated pursuant to the following criteria:

- 1) The dollar amount of qualified investments;
- 2) The innovativeness or complexity of qualified investments;
- 3) The responsiveness of qualified investments to available opportunities; and
- 4) The degree to which qualified investments are not routinely provided by private investors.

Service Test

The Service Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by analyzing both the availability and effectiveness of the bank's systems for delivering retail banking services and the extent and innovativeness of its community development services.

The bank's retail banking services are evaluated pursuant to the following criteria:

- 1) The current distribution of the bank's branches among low-, moderate-, middle-, and upper-income geographies;
- 2) In the context of its current distribution of the bank's branches, the bank's record of opening and closing branches, particularly branches located in low- or moderate-income geographies or primarily serving low- or moderate-income individuals;
- 3) The availability and effectiveness of alternative systems for delivering retail banking services (*e.g.*, RSFs, RSFs not owned or operated by or exclusively for the bank, banking by telephone or computer, loan production offices, and bank-at-work or bank-by-mail programs) in low- and moderate-income geographies and to low- and moderate-income individuals; and
- 4) The range of services provided in low-, moderate-, middle-, and upper-income geographies and the degree to which the services are tailored to meet the needs of those geographies.

The bank's community development services are evaluated pursuant to the following criteria:

- 1) The extent to which the bank provides community development services; and
- 2) The innovativeness and responsiveness of community development services.

SCOPE OF EVALUATION

International Bank of Commerce	
Full-scope reviews were performed on the following assessment areas within the noted rated areas: State of Oklahoma: Oklahoma City MSA AA Tulsa MSA AA State of Texas: Dallas MD AA	
Time Period Reviewed:	12/18/2018 to 03/11/2021
Products Reviewed: Small Business Loans: (01/01/2018 – 12/31/2019)	

SUMMARY OF RATINGS FOR RATED AREAS

Rated Area	Lending Test	Investment Test	Service Test	Rating
State of Oklahoma	High Satisfactory	Outstanding	Outstanding	Outstanding
State of Texas	High Satisfactory	Low Satisfactory	Outstanding	Satisfactory

DESCRIPTION OF LIMITED-SCOPE ASSESSMENT AREAS

STATE OF OKLAHOMA

Lawton MSA AA

The bank’s Lawton MSA AA consists of all of Comanche County, one of the two counties that comprise the Lawton, OK MSA. The bank operates two full-service branches in this assessment area. The assessment area’s census tracts reflect the following income designations based on 2015 ACS data: 3 low-, 10 moderate-, 11 middle-, 7 upper-income tracts, and 1 tract with no income designation. The following table notes certain demographic data for the area.

Demographic Information of the Assessment Area						
Lawton MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	32	9.4	31.3	34.4	21.9	3.1
Population by Geography	125,531	6.4	23.8	41.1	28.6	0.1
Housing Units by Geography	51,481	7.0	25.4	38.4	29.2	0.0
Owner-Occupied Units by Geography	23,887	4.2	16.8	38.9	40.1	0.0
Occupied Rental Units by Geography	19,353	9.9	33.1	38.1	18.8	0.0
Vacant Units by Geography	8,241	8.2	32.2	37.7	21.9	0.0
Businesses by Geography	6,390	5.2	34.1	32.3	28.1	0.2
Farms by Geography	301	2.3	13.6	25.6	58.5	0.0
Family Distribution by Income Level	28,272	22.4	18.3	18.6	40.7	0.0
Household Distribution by Income Level	43,240	23.5	16.4	17.9	42.1	0.0
Median Family Income MSA - 30020 Lawton, OK MSA	\$57,051	Median Housing Value Median Gross Rent Families Below Poverty Level				\$110,561 \$772 13.9%
<i>Source: 2015 ACS Data; 2019 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</i>						

The assessment area is competitive in the financial services market. According to the FDIC Deposit Market Share data as of June 30, 2020, 11 institutions operated 38 offices within this assessment area. Of these institutions, IBC Oklahoma ranked 11th with less than 0.1 percent deposit market share. The top 5 financial institutions account for 82.3 percent of the total deposit market share.

Oklahoma Non-MSA AA

The Oklahoma Non-MSA AA consists of all of Beckham, Carter, Custer, Delaware, Garvin, Murray, Muskogee, Ottawa, Payne, Pottawatomie, Stephens, and Washita Counties throughout the State of Oklahoma. The bank operates 11 full-service branches in this assessment area. The assessment area’s census tracts reflect the following income designations based on 2015 ACS data: 5 low-, 19 moderate-, 65 middle-, and 25 upper-income tracts. The following table notes certain demographic data for the area.

Demographic Information of the Assessment Area Oklahoma Non-MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	114	4.4	16.7	57.0	21.9	0.0
Population by Geography	492,640	3.3	15.3	55.1	26.3	0.0
Housing Units by Geography	223,442	2.7	15.5	57.0	24.9	0.0
Owner-Occupied Units by Geography	121,947	0.7	11.3	59.7	28.3	0.0
Occupied Rental Units by Geography	63,332	6.1	23.7	48.1	22.1	0.0
Vacant Units by Geography	38,163	3.4	15.1	62.9	18.5	0.0
Businesses by Geography	30,697	5.7	14.5	51.7	28.1	0.0
Farms by Geography	1,663	1.3	7.7	62.1	28.9	0.0
Family Distribution by Income Level	121,551	21.3	17.1	19.8	41.8	0.0
Household Distribution by Income Level	185,279	25.1	15.9	17.0	42.0	0.0
Median Family Income Non-MSAs - OK		\$51,491	Median Housing Value Median Gross Rent Families Below Poverty Level			\$105,573 \$672 13.8%
<i>Source: 2015 ACS Data; 2019 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</i>						

The assessment area is competitive in the financial services market. According to the FDIC Deposit Market Share data as of June 30, 2020, 69 institutions operated 206 offices within this assessment area. Of these institutions, IBC Oklahoma ranked 18th with a 1.9 percent deposit market share. The top 5 financial institutions account for 35.2 percent of the total deposit market share.

GLOSSARY

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

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

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

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

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

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

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

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

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

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

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

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

Community Development Loan: A loan that:

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

Community Development Service: A service that:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Micropolitan Statistical Area: CBSA associated with at least one urbanized area having a population of at least 10,000, but less than 50,000.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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