

PUBLIC DISCLOSURE

June 24, 2024

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

International Bank of Commerce
Certificate Number: 59093

3817 N.W. Expressway, Suite 100
Oklahoma City, Oklahoma 73112

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

600 North Pearl Street, Suite 700
Dallas, Texas 75201

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

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INSTITUTION RATING

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

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

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

The Lending Test is rated **High Satisfactory.**

- Lending levels reflect adequate 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 no 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 CD 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 CD needs.
- The institution makes extensive use of innovative and/or complex investments to support CD initiatives.

The Service Test is rated Low Satisfactory.

- 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 provides an adequate level of CD services.

DESCRIPTION OF INSTITUTION

International Bank of Commerce, Oklahoma City, Oklahoma (IBC Oklahoma) chartered in 2017 and remains headquartered in Oklahoma City, Oklahoma. IBC Oklahoma received an Outstanding rating at its prior March 11, 2021, 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 (IBC), 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 CD activities.

IBC Oklahoma functions as a retail bank operating 41 full-service offices in 8 assessment areas located throughout Oklahoma and Texas. Since the last evaluation, the bank did not open any new branch locations and closed five branch locations. 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 46 automated teller machines (ATMs), 40 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.

As of the March 31, 2024, Consolidated Reports of Condition and Income, the bank reported total assets of \$1.5 billion, total loans of \$616.3 million, total deposits of \$1.1 billion, and total securities of \$552.1 million. Since the previous evaluation, total assets, net loans, and total deposits reflected a decrease of 15.7, 18.9, and 18.4 percent, respectively. As seen in the following table, the mix of outstanding loans as of March 31, 2024, shows that commercial loans at 73.2 percent represents the largest loan category.

Loan Portfolio Distribution as of 03/31/2024		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	130,115	21.1
Secured by Farmland	50	<0.1
Secured by 1-4 Family Residential Properties	11,107	1.8
Secured by Multifamily (5 or more) Residential Properties	21,339	3.5
Secured by Nonfarm Nonresidential Properties	240,674	39.0
Total Real Estate Loans	403,285	65.4
Commercial and Industrial Loans	210,539	34.2
Agricultural Production and Other Loans to Farmers	0	0.0
Consumer Loans	1,389	0.2
Obligations of State and Political Subdivisions in the U.S.	125	<0.1
Other Loans	953	0.2
Lease Financing Receivable (net of unearned income)	0	0.0
Less: Unearned Income	0	0.0
Total Loans	616,291	100.0
<i>Source: Reports of Condition and Income</i>		

Examiners did not identify any financial, legal, or other impediments that affect the institution's ability to meet the credit needs of its assessment areas.

DESCRIPTION OF ASSESSMENT AREAS

IBC Oklahoma designated 7 assessment areas consisting of 17 counties in the State of Oklahoma and one assessment area consisting of one county in the State of Texas. In the State of Oklahoma, the bank designated the following: 1) Lawton Metropolitan Statistical Area (MSA) Assessment Area (AA); 2) Oklahoma City MSA AA; 3) Tulsa MSA AA; 4) Carter Non-MSA AA; 5) Ottawa Non-MSA AA; 6) Payne Non-MSA AA; and 7) Pottawatomie Non-MSA AA. For presentation purposes, examiners combined the four nonmetropolitan assessment areas into the Oklahoma Non-

MSA AA. In the State of Texas, the bank designated the Dallas Metropolitan Division (MD) AA. Since the previous evaluation, the closing of branches and adjustments to the assessment areas removed Beckham, Canadian, Custer, Delaware, Muskogee, Osage, Wagoner, and Washita counties from the assessment area delineations.

The combined assessment areas include a total of 1,417 census tracts that reflect the following income designations based on the 2020 U.S. Census: 155 low-, 429 moderate-, 438 middle-, 359 upper-income census tracts, and 36 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 March 11, 2021, to the current evaluation date of June 24, 2024. The procedures consist of the Lending, Investment, and Service Tests. The Appendices include the performance criteria for each test.

Examiners applied full-scope procedures assess performance in the Oklahoma City MSA AA and Oklahoma Non-MSA AA in the State of Oklahoma as the Oklahoma City MSA AA maintained the greatest level of lending, deposits, and branches and the Oklahoma Non-MSA AA has not been reviewed under full-scope procedures in prior evaluations. Examiners applied limited-scope procedures to the Lawton MSA AA and Tulsa MSA AA as these areas accounted for a lower proportion of the institution's activity and operations, and the performance in these areas had limited influence on the overall conclusions. Lastly, examiners also used full-scope procedures to assess the bank's performance in its Dallas MD AA within the State of Texas. Please refer to the rated area sections for additional details.

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. Additionally, the following table shows 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	100	1.0	104,001	8.8	2	4.9
Oklahoma City MSA AA	3,486	33.2	540,073	45.6	17	41.5
Oklahoma Non-MSA AA	1,158	11.0	193,473	16.4	8	19.5
Tulsa MSA AA	5,080	48.5	315,252	26.6	13	31.7
Oklahoma Subtotal	9,824	93.7	1,152,799	97.4	40	97.6
Dallas MD AA	660	6.3	30,967	2.6	1	2.4
Texas Subtotal	660	6.3	30,967	2.6	1	2.4
Total	10,484	100.0	1,183,766	100.0	41	100.0
<i>Source: CRA Small Business Reported Data (2022); FDIC Summary of Deposits (06/30/2023); Bank Data</i>						

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 according to the CRA data collection reporting requirements:

Small Business Loans

- 2021: 370 loans totaling \$33,210,000
- 2022: 45 loans totaling \$10,484,000
- 2023: 35 loans totaling \$6,923,000

Small Farm Loans

- 2021: 1 loan totaling \$100,000
- 2022: No small farm loans reported
- 2023: 2 loans totaling \$200,000

Community Development Loans:

- March 11, 2021 – June 24, 2024: 38 loans totaling \$353,550,000

This evaluation does not present home mortgage or small farm loans, since the bank was not subject to home mortgage reporting requirements during the review period and given the very limited data for small farm loans in any one particular assessment area, conclusions regarding them would not materially affect any conclusions or ratings. Additionally, examiners considered consumer loans in the Oklahoma Non-MSA AA since it represents a majority of the bank's loans by dollar volume.

Since no trends exist between the different years' data that materially affect applicable conclusions or ratings, unless otherwise noted, this evaluation only presents 2022 data, the most recent year for which aggregate data exists as of this evaluation date. However, examiners presented all years of loan data since the prior evaluation in the assessment area concentration criterion. Examiners primarily compared the bank's performance to applicable aggregate data when reaching overall

conclusions and ratings although this evaluation also includes demographic data based on the 2020 U.S. Census and 2022 D&B business demographic data. Examiners considered the universes of loans reviewed by number and dollar volume, as well as management's stated business strategy, to determine the weighting applied to the loan categories reviewed.

This evaluation also reviewed the bank's qualified investments and CD services for the period since the previous CRA evaluation through June 24, 2024. Qualified investments included new investments and donations, as well as outstanding qualified investments from the prior evaluation. Finally, the evaluation encompassed a review of delivery systems, including branches and alternative delivery systems and the impact of any branch openings and closings, as well as a review of retail banking products and services targeted to low- and moderate-income individuals or small businesses.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

IBC Oklahoma demonstrated a high satisfactory record for the bank as a whole under the Lending Test. The bank's leadership in CD lending, along with a high percentage of loans inside the assessment areas, good borrower profile lending distribution, adequate geographic loan distribution performance, and adequate lending activity primarily supports this conclusion. The institution's overall Lending Test performance is consistent in the State of Oklahoma, but inconsistent with the State of Texas where performance was below the overall performance.

Lending Activity

Lending levels reflect adequate responsiveness to assessment area credit needs. An adequate record regarding small business lending supports this conclusion. This performance is consistent in the State of Oklahoma, 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 adequate responsiveness to assessment area credit needs. Adequate overall market ranking primarily supports this conclusion. The bank's small business loan originations have decreased since the previous evaluation. For 2022, IBC Oklahoma captured less than 0.1 percent market share of the total number of small business loans and a 0.2 percent market share of the total dollar volume of loans. This volume of activity ranks the bank 89th out of 274 reporting lenders inside its assessment areas, 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 32.5 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										
2021	370	83.3	74	16.7	444	33,210	77.1	9,892	23.0	43,102
2022	45	76.3	14	23.7	59	10,484	71.0	4,283	29.0	14,767
2023	35	74.5	12	25.5	47	6,923	58.7	4,879	41.3	11,802
Total	450	81.8	100	18.2	550	50,617	72.7	19,054	27.3	69,671
Source: CRA Reported Data (2021, 2022, and 2023) 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 both the State of Oklahoma and the State of Texas. 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 and inconsistent in the State of Texas where performance falls below 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 no use of innovative and/or flexible lending practices in order to serve assessment area credit needs. However, IBC Oklahoma refers all consumer purpose residential applications to the mortgage division of its affiliate International Bank of Commerce, Laredo, Texas, which offers innovative and/or flexible lending programs.

Community Development Loans

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

During the evaluation period, IBC Oklahoma originated 38 CD loans totaling \$353.6 million. This level of activity represents 20.5 percent of average total assets of \$1.7 billion and 56.7 percent of average net loans of \$623.4 million. This activity reflects a decrease in both number and dollar from the previous evaluation when the bank originated 73 CD loans totaling \$614.8 million, which represented 40.1 percent of average total assets and 79.1 percent of average net loans.

The lending activity reflects adequate responsiveness to the assessment areas' CD needs. As detailed in the following table, 83.2 percent of the dollar volume of the institution's CD lending revitalize or stabilize qualifying geographies and 12.9 percent promote economic development. Activities that revitalize or stabilize qualifying geographies and activities that benefit economic development represent primary CD needs for bank's assessment areas. The following tables show the bank's CD 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	0	0	0	0	2	36,822	14	82,395	16	119,217
State of Texas	2	13,852	0	0	1	8,677	19	211,804	22	234,333
Total	2	13,852	0	0	3	45,499	33	294,199	38	353,550
<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)
2021	2	13,852	0	0	2	10,838	11	66,893	15	91,583
2022	0	0	0	0	1	34,662	14	123,753	15	158,415
2023	0	0	0	0	0	0	6	92,181	6	92,181
YTD 2024	0	0	0	0	0	0	2	11,371	2	11,371
Total	2	13,852	0	0	3	45,499	33	294,199	38	353,550
<i>Source: Bank Data</i>										

INVESTMENT TEST

IBC Oklahoma displayed an outstanding record for the bank as a whole regarding the Investment Test. An excellent level of qualified CD investments and donations, excellent responsiveness to credit and CD 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 CD 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 210 qualified investments totaling \$58.3 million, which includes donations of approximately \$874,000, all directly benefitting the bank's assessment areas. The total dollar amount equates to 3.4 percent of average total assets of \$1.7 billion since the previous evaluation and 8.2 percent of average securities of \$709.4 million for the same period. These levels reflect an increase over the 2.9 percent of average total assets and 13.2 percent of average securities reported in the previous evaluation. The tables below summarize the bank's qualified investments, donations, and grants by rated area, and purpose.

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	57,457	161	485	20	136	0	0	187	58,078
State of Texas	0	0	22	251	1	2	0	0	23	253
Total	6	57,457	183	736	21	138	0	0	210	58,331
<i>Source: Bank Data</i>										

Responsiveness to Credit and Community Development Needs

The institution exhibits excellent responsiveness to credit and CD 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 CD need.

Community Development Initiatives

The institution makes extensive use of innovative and/or complex investments to support CD 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 \$57.4 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 CD 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 a low satisfactory record for the bank as a whole regarding the Service Test. Its adequate level of CD services primarily supports this conclusion. Additionally, the bank’s delivery systems are reasonably 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 the State of Oklahoma, but inconsistent with performance in the State of Texas where the performance was above the overall level.

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 2022. The table shows that in low-income geographies, the percentages of branches and ATMs fall below, by 6.5 and 7.1 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 1.2 and 2.2 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	155	10.9	589,407	11.4	2	4.9	2	4.3
Moderate	429	30.3	1,571,822	30.5	12	29.3	13	28.3
Middle	438	30.9	1,631,880	31.6	18	43.9	21	45.7
Upper	359	25.3	1,303,322	25.3	9	21.9	10	21.7
NA	36	2.5	60,592	1.2	0	0.0	0	0.0
Total	1,417	100.0	5,157,023	100.0	41	100.0	46	100.0
<i>Source: 2020 U.S. Census; Bank Data</i> <i>Due to rounding, totals may not equal 100.0</i>								

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 December 31, 2023, this network includes 166 branch locations and 256 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. IBC Oklahoma provides this service in both English and Spanish. IBC Oklahoma's customers make extensive use of this service, logging an average of 37,121 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. From its 53,119 consumer customers utilizing the online banking service, 20.84 percent reside in low- or moderate-income geographies. Additionally, 8,313 of the bank's business customers utilize the online banking services, with 21.23 percent of these companies conducting business from low- or moderate-income geographies.

Further, 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, make deposits, pay bills, make transfers, and find branch and ATM locations from cellular phones or personal electronic devices. IBC Oklahoma's mobile deposit activity continues to increase with 240,734 transactions totaling \$138,870,022 from 2021 to 2023.

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 five branches since the last evaluation. The bank closed two branches in the Oklahoma City MSA AA during the review period with both in a census tract with no income designation. The bank closed three branches in the Oklahoma Non-MSA AA during the review period with two in a middle-income census tract, and one in a moderate-income census tract. While IBC Oklahoma closed one branch in a moderate-income tract, alternate delivery systems are available to customers in that area.

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 provides an adequate level of CD services. The extent, or number, of CD services primarily supports this conclusion.

The following table shows that the bank provided 207 CD services since the last evaluation. The number of CD services reflects a significant decrease over the 812 CD services recorded at the prior evaluation. The major reason of the decrease was many services including financial literacy classes were not available during the time period of the COVID-19 pandemic. The services all involve bank personnel's use of their technical expertise to benefit organizations or projects with a primary purpose of CD as defined by the CRA regulation. In addition to the extent, CD services exhibit reasonable responsiveness to available opportunities as illustrated by the level of addressing identified CD needs in the AAs. The following tables summarize the CD service activity by AA, 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	141	50	0	191
State of Texas	0	7	9	0	16
Total	0	148	59	0	207
<i>Source: Bank Data</i>					

Community Development Services Institution					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2021	0	16	16	0	32
2022	0	15	19	0	34
2023	0	73	22	0	95
YTD 2024	0	44	2	0	46
Total	0	148	59	0	207
<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** – Bank staff presented FDIC's Money Smart program at events targeting low- and moderate-income areas or individuals. The bank also presented its own version of Money Smart, called Money Buzz for children ages 5 through 9. 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.

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: SATISFACTORY

The Lending Test is rated: High Satisfactory

The Investment Test is rated: Outstanding

The Service Test is rated: Low Satisfactory

DESCRIPTION OF INSTITUTION'S OPERATIONS IN STATE OF OKLAHOMA

IBC Oklahoma designated 7 assessment areas in Oklahoma: 1) Lawton MSA AA; 2) Oklahoma City MSA AA; 3) Tulsa MSA AA; 4) Carter Non-MSA AA; 5) Ottawa Non-MSA AA, 6) Payne Non-MSA AA; and 7) Pottawatomie Non-MSA AA. As previously noted, for presentation purposes, examiners combined the four nonmetropolitan assessment areas into the Oklahoma Non-MSA AA. All of the assessment areas in Oklahoma conform to the technical 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	38	2
Oklahoma City MSA AA	Cleveland, Grady, Lincoln, Logan, McClain, Oklahoma	382	17
Oklahoma Non-MSA AA	Carter, Garvin, Murray, Ottawa, Payne, Pottawatomie, Stephens	93	8
Tulsa MSA AA	Creek, Rogers, Tulsa	259	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 Oklahoma Non-MSA AA and limited-scope procedures to the Lawton MSA AA and Tulsa MSA AA. Examiners generally weighed the records in the Tulsa MSA AA heaviest when arriving at applicable conclusions and ratings and generally weighed each area consistent with that area's lending level. Refer to the institution's Scope of Evaluation for the Assessment Area Breakdown of Loans, Deposits, and Branches table.

Assessment Area Breakdown of Loans, Deposits, and Branches State of Oklahoma						
Assessment Area	Loans		Deposits		Branches	
	\$(000s)	%	\$(000s)	%	#	%
Lawton MSA AA	100	1.0	104,001	9.0	2	5.0
Oklahoma City MSA AA	3,486	35.5	540,073	46.9	17	42.5
Oklahoma Non-MSA AA	1,158	11.8	193,473	16.8	8	20.0
Tulsa MSA AA	5,080	51.7	315,252	27.3	13	32.5
Total	9,824	100.0	1,152,799	100.0	40	100.0
<i>Source: CRA Reported Data (2022); FDIC Summary of Deposits (06/30/2023); Bank Data</i>						

Examiners selected from the same loan categories as those noted at the institution level. This evaluation relied on all reported small business and CD loans in the State of Oklahoma when arriving at applicable conclusions. Refer to the institution level Scope of Evaluation section for additional information regarding years reviewed and presented and comparative data used. The weightings for the specific loan categories vary for each of the assessment areas. However, small business lending received more weight than consumer loans when reaching applicable conclusions and ratings for the State of Oklahoma given the reported data in this rated area.

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 borrower profile lending distribution coupled with good lending activity and adequate geographic loan distribution performance insufficiently lifted by the bank's leadership in CD lending supports this conclusion. This performance is consistent in the Oklahoma City MSA and Tulsa MSA AAs where Lending Test, while inconsistent in the Lawton MSA and Oklahoma Non-MSA AAs where performance falls below the rated area's record.

Lending Activity

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

Small Business Loans

The level of small business lending activity reflects adequate responsiveness to assessment area credit needs. Adequate overall market ranking primarily supports this conclusion. For 2022, the

bank captured a 0.1 percent market share of the total number of small business loans and a 0.4 percent market share of the total dollar volume of loans. This volume of activity ranks the bank 59th out of 179 reporting lenders inside its Oklahoma assessment areas, 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 33.0 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 Non-MSA AA, while inconsistent in the Tulsa MSA AA where performance exceeds the rated area's record and the Lawton MSA and Oklahoma City 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 AA where performance exceeds the rated area's record and the Oklahoma Non-MSA and Tulsa MSA AAs 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 record regarding the dollar volume of CD loans and responsiveness supports 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 16 CD loans totaling approximately \$119.2 million throughout Oklahoma. This activity reflects a decrease in dollar volume from the previous evaluation when the bank originated 50 CD loans totaling \$320.4 million. The current dollar amount equates to 33.7 percent of the bank's CD loans. Although still reflective of leader performance, as noted, this state contributed 93.7 percent of reviewed loans. In addition to reflecting leadership based on their level, the CD loans reflect excellent responsiveness to the assessment areas' CD needs. As seen in the following table, 69.1 percent of the dollar volume of all CD loans revitalize or stabilize qualifying geographies, an identified CD need. The following table displays CD 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	0	0	0	0	1	34,662	9	36,934	10	71,596
Oklahoma Non-MSA AA	0	0	0	0	0	0	2	35,700	2	35,700
Tulsa MSA AA	0	0	0	0	1	2,160	3	9,761	4	11,921
Total	0	0	0	0	2	36,822	14	82,395	16	119,217
<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 CD investments and donations along with the excellent responsiveness to credit and CD 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 CD 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 187 qualified investments totaling approximately \$58.1 million in the State of Oklahoma. This reflects an increase from the 135 qualified investments of approximately \$45.0 million in the State of Oklahoma noted at the previous evaluation. The current dollar volume equates to 99.6 percent of the bank's overall excellent level of qualified investments. As noted, this state contributed 97.4 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	9	0	0	0	0	3	9
Oklahoma City MSA AA	5	55,647	134	413	15	115	0	0	154	56,175
Oklahoma Non-MSA AA	1	1,810	8	16	1	1	0	0	10	1,827
Tulsa MSA AA	0	0	16	48	4	20	0	0	20	68
Total	6	57,457	161	486	20	136	0	0	187	58,079
<i>Source: Bank Data</i>										

Responsiveness to Credit and Community Development Needs

The institution exhibits excellent responsiveness to credit and CD 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 CD need.

Community Development Initiatives

The institution makes extensive use of innovative and/or complex investments to support CD 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 \$57.4 million in the State of Oklahoma.

SERVICE TEST

IBC Oklahoma demonstrated a low satisfactory record in the State of Oklahoma regarding the Service Test. Its adequate level of 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 and the Oklahoma City MSA AAs while inconsistent in the Oklahoma Non-MSA AA where Service Test performance falls below the rated area's record and the Tulsa MSA AA where Service Test Performance exceeds 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 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 2022. The table shows that in low-income geographies, the percentages of branches and ATMs fall slightly below 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	48	6.2	132,176	5.2	2	5.0	2	4.4
Moderate	206	26.7	625,037	24.6	12	30.0	13	28.9
Middle	278	36.0	965,737	38.0	18	45.0	21	46.7
Upper	215	27.8	786,321	30.9	8	20.0	9	20.0
NA	25	3.2	34,213	1.3	0	0.0	0	0.0
Total	772	100.0	2,543,484	100.0	40	100.0	45	100.0
Source: 2020 U.S. Census; Bank Data Due to rounding, totals may not equal 100.0								

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 five branches since the last evaluation. The bank closed two branches in a census tract with no income designation in the Oklahoma City MSA AA and three branches in the Oklahoma Non-MSA AA during the review period, two in a middle-income census tract, and one in a moderate-income census tract. While IBC Oklahoma closed one branch in a moderate-income tract, alternate delivery systems are available to customers in that area.

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 provides an adequate level of CD services in the State of Oklahoma. An adequate 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 191 CD services since the previous evaluation, which equates to an average of 1.6 CD services, per office, per year, since the previous evaluation, and reflects a decrease from the 759 noted at the last evaluation. Service activities demonstrate the bank's responsiveness to community needs for community services and economic development, which are two identified CD 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	1	1	0	2
Oklahoma City MSA AA	0	75	28	0	103
Oklahoma Non-MSA AA	0	5	2	0	7
Tulsa MSA AA	0	60	19	0	79
Total	0	141	50	0	191
<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: Cleveland, Grady, Lincoln, Logan, McClain, and Oklahoma Counties, the six of the seven counties that comprise the Oklahoma City, OK MSA. The bank operates 17 full-service offices within this assessment area and also maintains 18 ATMs.

Economic and Demographic Data

The assessment area’s census tracts reflect the following income designations based on 2020 U.S. Census: 29 low-, 99 moderate-, 135 middle-, 100 upper-income tracts, and 19 tracts with no income designation. On February 24, 2021, FEMA declared Oklahoma County as a major disaster area due to severe winter storms. On April 24, 2023, FEMA declared McClain County a major disaster area due to severe storms, straight-line winds, and tornadoes. 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)	382	7.6	25.9	35.3	26.2	5.0
Population by Geography	1,271,290	6.1	23.6	38.4	30.1	1.7
Housing Units by Geography	529,331	6.4	25.5	39.5	27.1	1.5
Owner-Occupied Units by Geography	301,938	3.7	19.0	40.8	35.5	1.0
Occupied Rental Units by Geography	175,492	9.8	34.4	38.0	15.4	2.3
Vacant Units by Geography	51,901	10.3	33.0	37.2	17.3	2.3
Businesses by Geography	212,401	4.8	21.9	34.3	36.7	2.3
Farms by Geography	6,656	3.3	18.8	39.1	37.9	1.0
Family Distribution by Income Level	303,519	21.9	17.7	20.3	40.1	0.0
Household Distribution by Income Level	477,430	24.6	16.7	18.4	40.4	0.0
Median Family Income MSA - 36420 Oklahoma City, OK MSA		\$75,170	Median Housing Value Median Gross Rent Families Below Poverty Level			\$163,384 \$901 10.0%
Source: 2020 U.S. Census; 2022 D&B Data Due to rounding, totals may not equal 100.0 (*) The NA category consists of geographies that have not been assigned an income classification						

Major employers in the Oklahoma City MSA AA include Tinker Air Force Base, The University of Oklahoma, INTEGRIS Health, and Amazon Air Hub and Distribution. 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	2021	2022	2023
	%	%	%
Cleveland County	3.4	2.6	2.8
Grady County	3.6	2.8	2.9
Lincoln County	3.7	3.1	3.2
Logan County	3.4	2.7	3.1
McClain County	3.3	2.7	2.9
Oklahoma County	4.2	3.0	3.2
State of Oklahoma	4.0	3.1	3.2
National Average	5.3	3.6	3.6
Source: Bureau of Labor Statistics			

Competition

According to the FDIC Deposit Market Share report as of June 30, 2023, 68 financial institutions operated 355 offices within the bank's assessment area, reflecting a competitive market for financial services. Of these institutions, IBC Oklahoma ranked 14th with a 1.1 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 an existing community contact with a representative of an economic development organization that serves two counties located in the AA. The contact noted economic conditions continue to improve from the COVID-19 pandemic, with support by new companies moving to the area. The contact stated that small business and startup loans are the main credit needs in the area. The contact stated that local banks remain involved in the community and appropriately serve the area's current credit needs.

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 represent the primary credit need of the assessment area.

With respect to the area's CD needs, demographic data showing that 39.6 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, 33.5 percent of the area's census tracts are designated low- or moderate-income, suggesting a need for activities that revitalize or stabilize qualifying geographies. Further, the community contact noted an economic development need.

CONCLUSIONS ON PERFORMANCE CRITERIA IN OKLAHOMA CITY MSA AA

LENDING TEST

IBC Oklahoma demonstrated a high satisfactory 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 CD lending lifted the adequate performance regarding lending activity and poor performance regarding 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 2022, the bank captured a 0.1 percent market share of the total number of small business loans and a 0.3 percent market share of

the total dollar volume of loans. The bank's activity ranks it 62nd out of 146 reporting lenders inside the assessment area, based on 2022 aggregate CRA data. This ranking, which considers the total number and dollar volume of loans made by each institution, lands the bank in the top 42.5 percent of lenders reporting such loans in the Oklahoma City MSA AA.

Geographic Distribution

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

Small Business Loans

The geographic distribution of small business loans reflects poor penetration throughout the assessment area. Poor performances in moderate-income geographies support this conclusion. As seen in the following table, the bank did not originate any loans in low-income tracts. This level lands below aggregate data by 4.2 percentage points, reflective of limited lending opportunities in such tracts. The table further shows that in moderate-income census tracts the bank's lending level lands below aggregate data by 9.1 percentage points, reflecting poor performance.

Geographic Distribution of Small Business Loans Oklahoma City MSA AA						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low	4.7	4.2	0	0.0	0	0.0
Moderate	22.2	20.9	2	11.8	121	3.5
Middle	34.1	33.4	5	29.4	1,365	39.2
Upper	36.5	39.7	10	58.8	2,000	57.4
Not Available	2.4	1.8	0	0.0	0	0.0
Total	100.0	100.0	17	100.0	3,486	100.0
<i>Source: 2022 D&B Data; CRA Reported Data (2022); 2022 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 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 24.0 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	91.3	52.5	13	76.5	1,836	52.7
>1,000,000	2.5	--	4	23.5	1,650	47.3
Revenue Not Available	6.2	--	0	0.0	0	0.0
Totals	100.0	100.0	17	100.0	3,486	100.0
Source: 2022 D&B Data; CRA Reported Data (2022); 2022 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 10 CD loans totaling approximately \$71.6 million during the evaluation period. The current dollar amount in this assessment area equates to 60.0 percent of the bank's CD loans inside its assessment areas in the State of Oklahoma. As noted, the Oklahoma City MSA AA contributed 35.5 percent of reviewed loans for this rated area. The bank's CD lending level decreased from its level at the previous evaluation that noted 31 CD loans totaling \$180.3 million in the Oklahoma City MSA AA. A 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 CD need. The following point highlights an example of the bank's CD lending in the Oklahoma City MSA AA.

- ***Revitalize or Stabilize*** – The institution financed \$6.0 million loan to a local business located in a moderate-income geography in the assessment area, thereby revitalizing or stabilizing a qualifying geography by helping to retain existing businesses or residents to the area.

INVESTMENT TEST

IBC Oklahoma demonstrated an outstanding record in the Oklahoma City MSA AA regarding the Investment Test. An excellent level of qualified CD investments and donation activity along with excellent responsiveness to CD 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 CD 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 154 qualified investments totaling approximately \$56.2 million in the Oklahoma City MSA AA. This reflects an increase in the dollar amount of qualified investments of approximately \$43.2 million in the Oklahoma City MSA AA noted at the previous

evaluation. The current dollar amount represents 96.7 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 46.9 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. The following details a notable example of the bank's qualified investment activity in the Oklahoma City MSA AA.

- ***Affordable Housing*** – The bank invested approximately \$13.1 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 CD 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 CD need.

Community Development Initiatives

The institution makes extensive use of innovative and/or complex investments to support CD 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 \$55.6 million in the Oklahoma City MSA AA.

SERVICE TEST

The institution demonstrated a low satisfactory record in the Oklahoma City MSA AA regarding the Service Test. Its adequate level of 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 2022. The table shows that in low-income geographies, the bank does not operate any offices or ATMs; however, only 6.1 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 branches and ATMs fall below, by 6.0 and 6.9 percentage points, respectively, the percentage of the assessment areas' population residing in those areas, 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	7.6	77,805	6.1	0	0.0	0	0.0
Moderate	99	25.9	300,304	23.6	3	17.6	3	16.7
Middle	135	35.3	488,572	38.4	10	58.8	11	61.1
Upper	100	26.2	382,941	30.1	4	23.5	4	22.2
NA	19	5.0	21,668	1.7	0	0.0	0	0.0
Total	382	100.0	1,271,290	100.0	17	100.0	18	100.0
<i>Source: 2020 U.S. Census; 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 any branches and closed two branches in census tracts with no income designation 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 provides an adequate level of CD services in the Oklahoma City MSA AA. The bank provided 103 CD services since the previous evaluation in the Oklahoma City MSA AA. This number equates to an average of 2.0 CD services, per office, per year, since the previous evaluation, and reflects a decrease in the number of CD services of 282 noted in this assessment area at the

previous evaluation. A majority of the activities focused on community services, which demonstrates the bank’s responsiveness to an identified CD need. The following is a notable example of a CD service specific to the Oklahoma City MSA AA.

- ***Community Services*** – Several bank employees teach financial literacy classes in schools throughout the assessment area where 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.

OKLAHOMA NON-MSA AA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN OKLAHOMA NON-MSA AA

The Oklahoma Non-MSA AA includes all of the following counties: Carter, Garvin, Murray, Ottawa, Payne, Pottawatomie, and Stephens Counties. The bank operates 8 full-service offices within this assessment area and also maintains 8 ATMs.

Economic and Demographic Data

The assessment area’s census tracts reflect the following income designations based on 2020 U.S. Census: 3 low-, 18 moderate-, 49 middle-, 21 upper-income tracts, and 2 tracts with no income designation. On February 24, 2021, FEMA declared Carter and Stephens Counties as major disaster areas due to severe winter storms. On April 24, 2023, FEMA declared Pottawatomie County a major disaster area due to severe storms, straight-line winds, and tornadoes. On July 19, 2023, FEMA declared Payne County a major disaster area due to severe storms, straight-line winds, and tornadoes. On June 12, 2024, FEMA declared Carter and Murray County a major disaster area due to severe storms, straight-line winds, and tornadoes. 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)	93	3.2	19.4	52.7	22.6	2.2
Population by Geography	314,796	1.9	17.4	51.3	27.8	1.5
Housing Units by Geography	142,777	2.4	17.4	53.0	25.9	1.3
Owner-Occupied Units by Geography	78,448	0.4	12.7	54.5	32.2	0.2
Occupied Rental Units by Geography	41,546	5.8	24.3	48.6	18.5	2.8
Vacant Units by Geography	22,783	2.9	21.3	56.2	17.4	2.2
Businesses by Geography	34,339	3.3	14.5	50.1	31.4	0.6
Farms by Geography	1,912	1.0	9.2	56.7	32.9	0.2
Family Distribution by Income Level	76,012	19.7	17.0	19.5	43.7	0.0
Household Distribution by Income Level	119,994	23.8	16.3	17.2	42.7	0.0
Median Family Income MSA - Oklahoma Non-MSA		\$58,565	Median Housing Value Median Gross Rent Families Below Poverty Level			\$122,888 \$764 12.3%
Source: 2020 U.S. Census; 2022 D&B Data Due to rounding, totals may not equal 100.0 (*) The NA category consists of geographies that have not been assigned an income classification						

Major employers in the Oklahoma Non-MSA AA include Oklahoma State University, Duncan Regional Hospital, and Stillwater Medical Center. The following table notes unemployment rates over the evaluation period for the assessment area, State of Oklahoma, and nationwide.

Unemployment Rates Oklahoma Non-MSA AA			
Area	2021	2022	2023
	%	%	%
Carter County	4.6	3.5	3.7
Garvin County	3.9	2.9	3.1
Murray County	4.1	3.1	3.4
Ottawa County	3.4	2.8	3.0
Payne County	3.4	2.8	3.0
Pottawatomie County	4.1	3.5	3.6
Stephens County	4.7	3.3	3.5
State of Oklahoma	4.0	3.1	3.2
National Average	5.3	3.6	3.6
Source: Bureau of Labor Statistics			

Competition

According to the FDIC Deposit Market Share report as of June 30, 2023, 40 financial institutions operated 129 offices within the bank's assessment area, reflecting a competitive market for financial services. Of these institutions, IBC Oklahoma ranked 14th with a 2.3 percent deposit market share.

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 CD needs, demographic data showing that 36.7 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, 22.6 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 OKLAHOMA NON-MSA AA

LENDING TEST

IBC Oklahoma demonstrated a low satisfactory record in the Oklahoma Non-MSA AA regarding the Lending Test. Adequate geographic lending distribution, adequate borrower profile lending distribution, and an outstanding level of CD loans primarily supports this conclusion.

Lending Activity

Due to the limited small business lending activity in the Oklahoma Non-MSA AA, examiners did not review this criterion as it would not provide meaningful conclusions.

Geographic Distribution

The geographic distribution of loans reflects adequate penetration throughout the Oklahoma Non-MSA AA. Adequate performance regarding consumer loans supports this conclusion.

Consumer Loans

The geographic distribution of consumer loans reflects adequate penetration throughout the assessment area. Adequate performance in both low- and moderate-income geographies supports this conclusion. The following table shows the bank did not originate any consumer loans in low-income census tracts, however demographic data of 2.3 percent indicates limited lending opportunities in such tracts. The table further shows that in moderate-income census tracts the bank's lending level exceeds demographic data by 1.8 percentage points, reflecting adequate performance.

Geographic Distribution of Consumer Loans Oklahoma Non-MSA AA					
Tract Income Level	% of Households	#	%	\$(000s)	%
Low	2.3	0	0.0	0	0.0
Moderate	16.7	10	18.5	24	8.0
Middle	52.4	35	64.8	255	86.0
Upper	27.5	9	16.7	18	6.0
Not Available	1.1	0	0.0	0	0.0
Total	100.0	54	100.0	297	100.0
<i>Source: 2020 U.S. Census; Bank Data</i>					

Borrower Profile

The distribution of borrowers reflects, given the product lines offered by the institution, adequate penetration among individuals of different income levels (including low- and moderate-income) in the Oklahoma Non-MSA AA. Adequate performance regarding consumer loans supports this conclusion.

Consumer Loans

The distribution of borrowers reflects adequate penetration of consumer loans among individuals of different income levels, including low- and moderate-income borrowers. The adequate performance to moderate-income borrowers primarily supports this conclusion.

As shown in the following table, the bank's performance to low-income borrowers fell below demographic data by 12.7 percentage points, reflecting poor performance. However, examiners noted certain performance context data affecting performance. The demographic data shows that 12.3 percent of families in the AA fall below the poverty level, which increases obstacles in qualifying for traditional bank financing, and limits a bank's ability to extend consumer loans to low-income borrowers. Considering this additional information, examiners afforded less weight to conclusions regarding low-income borrowers. The bank's performance to moderate-income borrowers exceeds demographic data by 2.2 percentage points, reflecting reasonable performance. Overall, the distribution of consumer loans to individuals of different income levels reflects reasonable performance given the heavier weighting afforded to performance to moderate-income borrowers. Additionally, a large percentage of the sampled loans included borrowers whose income was not provided due to being deposit secured. Therefore, examiners placed less weight on the borrower profile of consumer loans since it results in less meaningful conclusions given that 66.7 percent of loans were originated to borrowers with income not available.

Distribution of Consumer Loans by Borrower Income Level Oklahoma Non-MSA AA					
Borrower Income Level	% of Households	#	%	\$(000s)	%
Low	23.8	6	11.1	28	9.4
Moderate	16.3	10	18.5	62	20.8
Middle	17.2	1	1.9	4	1.5
Upper	42.7	1	1.8	4	1.4
Income Not Available	0.0	36	66.7	199	66.9
Total	100.0	54	100.0	297	100.0
<i>Source: 2020 U.S. Census; Bank Data</i>					

Community Development Loans

The institution is a leader in making CD loans in the Oklahoma Non-MSA AA. Specifically, the institution made 2 CD loans totaling approximately \$35.7 million during the evaluation period. The current dollar amount in this assessment area equates to 29.9 percent of the bank's CD loans inside its assessment areas in the State of Oklahoma. As noted, the Oklahoma Non-MSA AA contributed 11.8 percent of reviewed loans for this rated area. The bank's CD lending level is lower than its level at the last evaluation. For comparison, the institution made 2 CD loans totaling \$68.0 million in the Oklahoma Non-MSA AA at the previous evaluation. The CD loans supported efforts to revitalize and stabilize the area, which demonstrates the bank's responsiveness to an identified CD need. The following details an example of the bank's CD lending in the Oklahoma Non-MSA AA.

- ***Revitalize or Stabilize*** – The institution financed a \$3.2 million loan that provided for the purchase of a local business located in a moderate-income geography in the assessment area, thereby revitalizing or stabilizing a qualifying geography by helping to attract new or retain existing businesses or residents.

INVESTMENT TEST

IBC Oklahoma demonstrated a low satisfactory record in the Oklahoma Non-MSA AA regarding the Investment Test. An adequate level of qualified CD investments and donation activity along with adequate responsiveness to CD needs and occasional use of innovative and/or complex investments support this conclusion.

Investment and Grant Activity

The institution has an adequate level of qualified CD investments and grants, although rarely in a leadership position, particularly those that are not routinely provided by private investors in the Oklahoma Non-MSA AA. The bank made use of 10 qualified investments totaling approximately \$1.8 million in the Oklahoma Non-MSA AA. By dollar volume, this equates to 3.1 percent of the bank's overall excellent level of qualified investments in the State of Oklahoma. As noted, the Oklahoma Non-MSA AA accounted for 16.8 percent of the bank's deposits for this rated area. Further, the current dollar volume reflects no change from the qualified investments of approximately \$1.8 million noted in the Oklahoma Non-MSA AA at the previous evaluation. The

following details an example of the bank’s qualified investment activity in the Oklahoma Non-MSA AA.

- ***Community Services*** – The bank awarded \$6,000 to a scholarship program that supports low- and moderate-income students in the Oklahoma Non-MSA AA, thereby providing a community service targeted to low- and moderate-income individuals.

Responsiveness to Credit and Community Development Needs

The institution exhibits adequate responsiveness to credit and CD needs in the Oklahoma Non-MSA AA. 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 CD need.

Community Development Initiatives

The institution makes occasional use of innovative and/or complex investments to support CD initiatives in the Oklahoma Non-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 \$1.8 million in the Oklahoma Non-MSA AA.

SERVICE TEST

IBC Oklahoma demonstrated a low satisfactory record in the Oklahoma Non-MSA AA regarding the Service Test. Its limited level of 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 reasonably accessible to essentially all portions of the Oklahoma Non-MSA AA. The reasonably accessible branch distribution and 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 2022. The table shows that in low-income geographies, the bank does not operate any offices or ATMs; however, only 1.9 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 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 Oklahoma Non-MSA AA								
Tract Income Level	Census Tracts		Population		Branches		ATMs	
	#	%	#	%	#	%	#	%
Low	3	3.2	6,131	1.9	0	0.0	0	0.0
Moderate	18	19.4	54,749	17.4	2	25.0	2	25.0
Middle	49	52.7	161,507	51.3	4	50.0	4	50.0
Upper	21	22.6	87,600	27.8	2	25.0	2	25.0
NA	2	2.2	4,809	1.5	0	0	0	0
Total	93	100.0	314,796	100.0	8	100.0	8	100.0
Source: 2020 U.S. Census; 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 Oklahoma Non-MSA AA. IBC Oklahoma did not open any branches and closed three branches in this assessment area since the prior evaluation. Two of the closed branches were located in middle-income census tracts, and one was located in a moderate-income census tract. While IBC Oklahoma closed one branch in a moderate-income tract, alternate delivery systems are available to customers in that area.

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 Non-MSA AA. The bank's business hours and services within the Oklahoma Non-MSA AA are consistent with the bank's overall conclusion.

Community Development Services

The institution provides a limited level of CD services in the Oklahoma Non-MSA AA. The bank provided 7 CD services since the previous evaluation in the Oklahoma Non-MSA AA. This number equates to an average of 0.3 CD services, per office, per year, since the previous evaluation, and reflects a significant decrease from the 113 CD services in the Oklahoma Non-MSA AA noted at the previous evaluation. The following is a notable example of a CD service specific to the Oklahoma Non-MSA AA.

- **Community Services** – Senior officers served on the board of an organization that provides services and support in various ways targeted to low- and moderate-income individuals and families.

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	Below
Tulsa MSA AA	Consistent	Below	Consistent

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. Examiners utilized the same review period as that noted for the whole institution. The appendices include the demographic data and market share information 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	1	100
Community Development Loans	0	0
Qualified Investments	3	9
Community Development Services	2	-
<i>Source: CRA Reported Data (2022); Bank Data</i>		

Tulsa MSA AA

The bank's Tulsa MSA AA consists of all of Creek, Rogers, and Tulsa Counties, three of the seven counties that comprise the Tulsa, OK MSA. IBC Oklahoma operates 13 branches in this assessment area with two branches located in low-income census tracts and five branches located in moderate-income census tracts. The following table provides details regarding this area's activities.

Activity	#	\$(000s)
Small Business Loans	23	5,080
Community Development Loans	4	11,921
Qualified Investments	20	67,479
Community Development Services	79	-
<i>Source: CRA Reported Data (2022); Bank Data</i>		

Geographic Distribution

Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																	2022		
	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
Assessment Area:	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
Lawton MSA AA	1	100	2.2	1,626	5.9	0.0	5.6	30.2	0.0	28.0	36.8	0.0	33.8	24.8	100.0	30.5	2.3	0.0	2.1
Tulsa MSA AA	23	5,080	51.1	19,033	3.5	4.3	3.3	24.2	34.8	22.7	31.9	21.7	32.5	40.3	39.1	41.4	0.1	0.0	0.1
Total	24	5,180	100.0	20,659	3.7	4.2	3.5	24.6	33.3	23.1	32.2	20.8	32.6	39.2	41.7	40.5	0.3	0.0	0.3
Source: 2022 D&B Data; 01/01/2022 - 12/31/2022 Bank Data; 2022 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%																			

Borrower Profile

Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues										2022	
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Lawton MSA AA	1	100	2.2	75,503	87.2	100.0	58.7	2.4	0.0	10.4	0.0
Tulsa MSA AA	23	5,080	51.1	5,356	90.2	56.5	52.5	3.3	43.5	6.6	0.0
Total	24	5,180	100.0	20,659	89.9	58.3	53.0	3.2	41.7	6.9	0.0
Source: 2022 D&B Data; CRA Reported Data (2022); 2022 CRA Aggregate Data Due to rounding, totals may not equal 100.0%											

STATE OF TEXAS

CRA RATING FOR STATE OF TEXAS: SATISFACTORY

The Lending Test is rated: Low Satisfactory

The Investment Test is rated: Low Satisfactory

The Service Test is rated: High Satisfactory

DESCRIPTION OF INSTITUTION'S OPERATIONS IN STATE OF TEXAS

IBC Oklahoma designated one assessment area, the Dallas MD AA that includes all of Dallas County in the Dallas-Plano-Irving, TX MD Texas. The bank's assessment area in Texas conforms to technical 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.

Economic and Demographic Data

The assessment area's census tracts reflect the following income designations based on 2020 U.S. Census: 107 low-, 223 moderate-, 160 middle-, 144 upper-income tracts, and 11 tracts with no income designation. On February 19, 2021, FEMA declared Dallas County a major disaster area due to severe winter storms. 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)	645	16.6	34.6	24.8	22.3	1.7
Population by Geography	2,613,539	17.5	36.2	25.5	19.8	1.0
Housing Units by Geography	1,027,813	17.7	33.4	25.7	21.9	1.2
Owner-Occupied Units by Geography	476,375	10.5	32.6	29.1	27.4	0.4
Occupied Rental Units by Geography	469,621	24.4	34.5	22.8	16.3	2.0
Vacant Units by Geography	81,817	22.1	31.8	21.7	22.4	2.0
Businesses by Geography	500,270	8.6	22.5	29.1	38.7	1.1
Farms by Geography	6,413	7.5	23.0	27.7	40.8	1.0
Family Distribution by Income Level	607,453	30.4	20.1	18.5	31.1	0.0
Household Distribution by Income Level	945,996	28.5	19.5	18.1	33.9	0.0
Median Family Income MSA - 19124 Dallas-Plano-Irving, TX		\$88,315	Median Housing Value Median Gross Rent Families Below Poverty Level			\$234,735 \$1,197 11.4%
Source: 2020 U.S. Census; 2022 D&B Data Due to rounding, totals may not equal 100.0 (* The NA category consists of geographies that have not been assigned an income classification						

Major employers in the Dallas MD AA include Walmart Inc, UT Southwestern Medical Center, Baylor Scott and White Health, and Lockheed Martin. The following table notes unemployment rates over the evaluation period for the assessment area, State of Texas, and nationwide. The

following table notes unemployment rates over the evaluation period for the assessment area, State of Texas, and nationwide.

Unemployment Rates Dallas MD AA			
Area	2021	2022	2023
	%	%	%
Dallas County	5.6	3.8	3.8
State of Texas	5.6	3.9	3.9
National Average	5.3	3.6	3.6
<i>Source: Bureau of Labor Statistics</i>			

Competition

According to the FDIC Deposit Market Share report as of June 30, 2023, 113 financial institutions operated 574 offices serving on average approximately 4,553 people, reflecting a competitive market for financial services. Of these institutions, IBC Oklahoma ranked 94th with a 0.01 percent deposit market share.

Community Contact

Examiners reviewed an existing community contact with a representative of a CD organization that serves the entire state of Texas. The contact noted a shortage of affordable homes in the area due to investors buying the affordable homes raising prices. The contact also stated that small businesses have not fully recovered from the COVID-19 pandemic due to increased operating cost on equipment and supplies. The contact noted improvement in banking relationships in the area, but that more opportunities exist. For instance, the contact indicated banks can invest in CD organizations that assist individuals and small business in the community and partnering up to assist future borrowers with mortgages and provide more consumer loans within the area.

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 represent the primary credit needs of the assessment area.

With respect to the area's CD needs, demographic data showing that 50.5 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, 51.2 percent of the area's census tracts received low- or moderate-income designations, suggesting a need for activities that revitalize or stabilize qualifying geographies. Additionally, there is a need for activities that benefit economic development of small businesses.

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.

Examiners selected from the same loan categories as those noted at the institution level and relied on all reported small business and CD loans in the State of Texas when arriving at applicable conclusions. Additionally, given the lower lending levels in the Dallas MD AA in 2022, examiners also reviewed small business loans originated in 2023 in order to form a more meaningful analysis. Refer to the institution level Scope of Evaluation section for additional information regarding years reviewed and presented and comparative data used.

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 low satisfactory record in the State of Texas regarding the Lending Test. Its leadership in CD lending, adequate borrower profile loan distribution and geographic loan distribution, and poor lending levels in the Dallas MD AA support this conclusion.

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. For 2022, the bank captured a less than 0.01 percent market share of the total number of loans and a 0.02 percent market share of the total dollar volume of loans. This volume of activity ranks the bank 197th out of 236 reporting lenders in the Dallas MD AA. This ranking, which considers the total number and dollar volume of loans made by each institution, lands the bank among the 83.5 percent of lenders reporting such loans in the Dallas MD AA.

While the institution reports a low level of small business loans in the Dallas MD AA, examiners considered performance context and determined that the bank meets the credit needs of its assessment area provided its resources and capabilities. Performance context considerations included the nominal deposit level generated by the sole branch located in Dallas County, which operates with limited staff, and the level of CD 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 2022 and 2023, the mortgage division granted 119 residential loans with properties in the Dallas MD AA as a result of referrals from IBC Oklahoma and relationship partners.

Geographic Distribution

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

Small Business Loans

The geographic distribution of small business loans reflects adequate penetration throughout the Dallas MD AA. Poor performance in low-income geographies and adequate performance in moderate-income geographies support this conclusion. The following table shows that the bank did not originate any small business loans in low-income tracts which reflects poor performance when compared to the 10.6 percent aggregate level. The table also shows the bank's level of lending in moderate-income census tracts is 71.9 percentage points above the aggregate level of lending in 2022, typically indicative of excellent performance. However, the one loan originated in 2022 reflects a declining trend from the previous evaluation where the bank originated three loans in moderate-income geographies. The performance also declined in 2023 when the bank did not originate any loans in moderate-income geographies. Examiners placed more weight on bank performance in 2022 as it was the most recent year for which aggregate data exists as of this evaluation date and performance in moderate-income geographies where there are more lending opportunities as reflected by aggregate performance and demographic data.

Geographic Distribution of Small Business Loans Dallas MD AA						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2022	8.1	10.6	0	0.0	0	0.0
2023	8.6	--	0	0.0	0	0.0
Moderate						
2022	22.1	28.1	1	100.0	660	100.0
2023	22.5	--	0	0.0	0	0.0
Middle						
2022	29.4	24.7	0	0.0	0	0.0
2023	26.3	--	1	100.0	70	100.0
Upper						
2022	35.8	35.1	0	0.0	0	0.0
2023	36.5	--	0	0.0	0	0.0
Not Available						
2022	1.3	1.6	0	0.0	0	0.0
2023	1.5	--	0	0.0	0	0.0
Total						
2022	100.0	100.0	1	100.0	660	100.0
2023	100.0	100.0	1	100.0	70	100.0
<i>Source: 2022 and 2023 D&B Data; CRA Reported Data (2022 and 2023); 2022 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 State of Texas. An adequate record regarding small business loans in the Dallas MD AA supports this conclusion.

Small Business Loans

The distribution of borrowers reflects adequate penetration of small business loans among businesses of different sizes in the Dallas MD AA. Adequate lending performance to businesses with gross annual revenues of \$1 million or less in 2022 and very poor performance in 2023 support this conclusion. As shown in the following table, in 2022, the bank originated one small business loan to a business with gross annual revenue of \$1 million or less. The percentage exceeds aggregate performance by 53.6 percentage points, typically reflective of excellent performance. However, the one loan originated in 2022 reflects a declining trend from the previous evaluation where the bank originated thirteen loans to businesses with gross annual revenues of \$1 million or less in 2 years. The performance also declined in 2023 when the table shows no loans were originated to businesses with gross annual revenues of \$1 million or less. Examiners placed more weight on bank performance in 2022 as it was the most recent year for which aggregate data exists as of this evaluation date.

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						
2022	90.6	46.4	1	100.0	660	100.0
2023	91.5	--	0	0.0	0	0.0
> \$1,000,000						
2022	3.1	--	0	0.0	0	0.0
2023	2.8	--	1	100.0	70	100.0
Subtotal						
2022	93.7	--	1	100.0	660	100.0
2023	94.3	--	1	100.0	70	100.0
Revenue Not Available						
2022	6.3	--	0	0.0	0	0.0
2023	5.8	--	0	0.0	0	0.0
Total						
2022	100.0	100.0	1	100.0	660	100.0
2023	100.0	--	1	100.0	70	100.0
Source: 2022 and 2023 D&B Data; CRA Reported Data (2022 and 2023); 2022 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 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 22 CD loans totaling nearly \$234.3 million during the evaluation period. The level of CD lending has remained steady since the previous evaluation where the bank granted 21 CD loans totaling \$244.4 million. The current dollar amount equates to 66.3 percent of the bank's CD loans. As noted, this state contributed 6.3 percent of reviewed loans. In addition to reflecting leadership based on their level, the CD loans reflect excellent responsiveness to the assessment area's CD 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 CD need. The following tables display CD lending by area 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	0	0	0	0	6	14,249	6	14,249
Statewide or Regional	2	13,852	0	0	1	8,678	13	197,555	16	220,085
Total	2	13,852	0	0	1	8,678	19	211,804	22	234,334
<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 \$4.0 million used to develop lot inventory and construction of single-family homes and duplexes in low-income geographies in the assessment area. Funds will aid in efforts to attract and retain new and existing businesses and residents to the area.

INVESTMENT TEST

IBC Oklahoma demonstrated a low satisfactory record in the State of Texas regarding the Investment Test. An adequate level of qualified CD 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 CD initiatives in this rated area.

Investment and Grant Activity

The institution has an adequate level of qualified CD 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 23 qualified donations totaling \$253,000, which reflects an increase from 24 donations totaling approximately \$41,000 invested in the Dallas MD AA at the previous evaluation. The current dollar amount represents 0.4 percent of the bank's

overall excellent level of qualified investments. As noted, this state contributed 2.6 percent of the bank's total deposits.

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

- ***Community Services*** – The bank awarded \$4,000 from a scholarship program that provides financial assistance targeted 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 CD needs in the State of Texas. A majority of the bank's qualified donations helped to fund community services, which demonstrates responsiveness to an identified CD need.

Community Development Initiatives

The institution does not use innovative and/or complex investments to support CD 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 a high satisfactory record in the State of Texas regarding the Service Test. Its relatively high level of 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 2022. 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's branches and ATMs provide limited accessibility to 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	16.6	457,231	17.5	0	0	0	0
Moderate	223	34.6	946,785	36.2	0	0	0	0
Middle	160	24.8	666,143	25.5	0	0	0	0
Upper	144	22.3	517,001	19.8	1	100.0	1	100.0
NA	11	1.7	26,379	1.0	0	0	0	0
Total	645	100.0	2,613,539	100.0	1	100.0	1	100.0
<i>Source: 2020 U.S. Census; 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 provides a relatively high level of CD services in the State of Texas. A relatively high level of CD services provided and responsiveness of CD services to available opportunities primarily support this conclusion. During the evaluation period, bank employees engaged in 16 instances of CD activities in the Dallas MD AA. This number equates to an average of 4.6 CD services, per office, per year, since the previous evaluation, and reflects a decrease from the 53 CD services in the Dallas MD AA noted at the previous evaluation. A substantial majority of the activities focused on economic development, which demonstrates the bank's responsiveness to an identified CD 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
	#	#	#	#	#
2021	0	0	2	0	2
2022	0	0	2	0	2
2023	0	2	4	0	6
YTD 2024	0	5	1	0	6
Total	0	7	9	0	16
<i>Source: Bank Data</i>					

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

- ***Community Services*** – Several 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 Oklahoma Non-MSA AA State of Texas: Dallas MD AA	
Time Period Reviewed:	03/11/2021 to 06/24/2024
Products Reviewed: Small Business Loans: (01/01/2021 – 12/31/2023)	

SUMMARY OF RATINGS FOR RATED AREAS

Rated Area	Lending Test	Investment Test	Service Test	Rating
State of Oklahoma	High Satisfactory	Outstanding	Low Satisfactory	Satisfactory
State of Texas	Low Satisfactory	Low Satisfactory	High Satisfactory	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 2020 U.S. Census: 3 low-, 10 moderate-, 15 middle-, 7 upper-income tracts, and 3 tracts 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)	38	7.9	26.3	39.5	18.4	7.9
Population by Geography	121,125	6.2	22.7	44.1	23.3	3.8
Housing Units by Geography	51,665	8.4	25.0	42.4	21.8	2.4
Owner-Occupied Units by Geography	23,075	5.4	15.6	46.0	31.9	1.1
Occupied Rental Units by Geography	20,166	10.2	34.7	38.7	12.7	3.7
Vacant Units by Geography	8,424	12.6	27.3	41.0	15.9	3.1
Businesses by Geography	10,695	5.8	29.7	37.0	25.2	2.3
Farms by Geography	471	3.2	12.7	40.3	43.7	0.0
Family Distribution by Income Level	27,941	22.1	17.5	18.8	41.6	0.0
Household Distribution by Income Level	43,241	23.3	15.8	18.7	42.2	0.0
Median Family Income MSA - 30020 Lawton, OK MSA		\$65,335	Median Housing Value Median Gross Rent Families Below Poverty Level			\$120,454 \$830 11.8%
Source: 2020 U.S. Census; 2022 D&B Data Due to rounding, totals may not equal 100.0 (*) The NA category consists of geographies that have not been assigned an income classification						

The assessment area is competitive in the financial services market. According to the FDIC Deposit Market Share data as of June 30, 2023, 10 institutions operated 34 offices within this assessment area. Of these institutions, IBC Oklahoma ranked 6th with 5.0 percent deposit market share. The top 5 financial institutions account for 87.8 percent of the total deposit market share.

Tulsa MSA AA

The Tulsa MSA AA consists of all of Creek, Rogers, and Tulsa Counties, three of the seven counties that comprise the Tulsa, OK MSA. The bank operates 13 full-service branches in this assessment area. The assessment area's census tracts reflect the following income designations based on 2020 U.S. Census: 13 low-, 79 moderate-, 79 middle-, 87 upper-income tracts, and 1 census tract without an income designation. 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)	259	5.0	30.5	30.5	33.6	0.4
Population by Geography	836,273	4.9	29.0	31.4	34.4	0.4
Housing Units by Geography	353,475	5.5	30.2	32.1	31.9	0.3
Owner-Occupied Units by Geography	198,326	2.8	22.2	33.9	41.1	0.1
Occupied Rental Units by Geography	117,184	9.7	40.4	29.5	19.8	0.7
Vacant Units by Geography	37,965	7.4	40.5	30.2	21.1	0.8
Businesses by Geography	134,190	3.6	24.1	31.7	40.5	0.1
Farms by Geography	3,907	2.7	22.1	40.1	34.9	0.2
Family Distribution by Income Level	203,383	21.1	17.4	19.4	42.1	0.0
Household Distribution by Income Level	315,510	23.7	16.3	17.6	42.5	0.0
Median Family Income MSA – 46140 Tulsa, OK MSA		\$72,203	Median Housing Value Median Gross Rent Families Below Poverty Level			\$162,000 \$887 10.5%
Source: 2020 U.S. Census; 2022 D&B Data Due to rounding, totals may not equal 100.0 (*) The NA category consists of geographies that have not been assigned an income classification						

The assessment area is competitive in the financial services market. According to the FDIC Deposit Market Share data as of June 30, 2023, 51 institutions operated 234 offices within this assessment area. Of these institutions, IBC Oklahoma ranked 22nd with a 1.0 percent deposit market share. The top 5 financial institutions account for 52.8 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.