

PUBLIC DISCLOSURE

April 7, 2025

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Worthington Bank
RSSD # 3150205
200 West Main Street
Arlington, Texas 76010

Federal Reserve Bank of Dallas
2200 North Pearl Street
Dallas, Texas 75201

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

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INSTITUTION'S COMMUNITY REINVESTMENT ACT RATING

This Institution is rated: **Satisfactory**.

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

The Community Development (CD) Test is rated: **Outstanding**.

Worthington Bank (Worthington or the bank) is rated **Satisfactory**. This rating is based on the following conclusions with respect to the performance criteria under the Lending and CD Tests:

- Worthington's 27-quarter net loan-to-deposit ratio (NLTD) is reasonable given the bank's asset size, financial condition, and credit needs of the assessment area (AA).
- A majority of the bank's loans are originated inside the AA.
- A reasonable distribution of loans occurs throughout the bank's AA.
- Lending reflects a reasonable distribution among individuals of different income levels, including low- and moderate-income (LMI), and businesses of different sizes.
- Neither the bank nor the Federal Reserve Bank of Dallas (Reserve Bank) have received any CRA-related complaints since the previous evaluation.
- CD activity reflects excellent responsiveness to the needs of the AA.

SCOPE OF THE EVALUATION

Examiners utilized the Federal Financial Institutions Examination Council's (FFIEC's) *Interagency Examination Procedures for Intermediate Small Institutions* to evaluate the bank's CRA performance. The evaluation considered CRA performance context, including the bank's asset size, financial condition, business strategy and market competition, as well as AA demographic and economic characteristics, and credit needs. Performance was assessed within Worthington's only AA, DFW Metropolitan. Examiners reviewed the following data:

- Worthington's 27-quarter average NLTD ratio, ending December 31, 2024;
- The home mortgage loans reported on the bank's 2023 Home Mortgage Disclosure Act (HMDA) Loan/Application Register (LAR), consisting of 66 originated loans;
- A statistically derived sample of 68 small business loans out of universe of 102 loans originated between January 1, 2023, and December 31, 2023;
- CD loans, qualified investments and donations, and CD services from August 7, 2018, to April 7, 2025; and,
- Information provided by two community contacts serving the bank's AA to ascertain the credit and CD needs of the communities, the responsiveness of area banks in meeting the credit needs, and the local economic conditions.

In drawing conclusions regarding the bank's performance, more weight was given to small business lending rather than HMDA-reportable lending, as the bank is primarily a commercial lender and originated a greater number of small business loans during the review period.

DESCRIPTION OF THE INSTITUTION

Worthington Bank, an intrastate community bank headquartered in Arlington, Texas, has the following characteristics:

- The bank is a wholly owned subsidiary of BancFirst Corporation, a financial holding company in Oklahoma City, Oklahoma. Worthington is affiliated through common ownership to BancFirst in Oklahoma City, Oklahoma and Pegasus Bank in Dallas, Texas.
- As of December 31, 2024, Worthington has total assets of \$612.8 million.
- In addition to its main office in Arlington, the bank has four additional offices located in Colleyville, Denton, and Fort Worth, Texas.
- Worthington operates four cash only automated teller machines (ATMs).
- During the review period, the bank participated in the Small Business Administration's (SBA) Paycheck Protection Program (PPP) to help businesses in the AA keep the workforce employed during the COVID-19 pandemic.
- As shown in Table 1, Worthington's primary business focus is commercial lending. As of December 31, 2024, commercial loans comprised 66.5 percent of the bank's loan portfolio.

Table 1

Composition of Loan Portfolio as of December 31, 2024		
Loan Type	\$(000)	%
Residential Real Estate	129,044	28.4
Agricultural	9,815	2.2
Commercial	302,395	66.5
Consumer	10,449	2.3
Other	2,841	0.6
Gross Loans	454,544	100.0
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>		

The Office of the Comptroller of the Currency (OCC) rated Worthington's performance under the CRA as Outstanding at its August 6, 2018, performance evaluation. There are no known legal, financial, or other factors impeding the bank's ability to help meet the credit needs in its communities.

DFW METROPOLITAN ASSESSMENT AREA
(Full Scope Review)

DESCRIPTION OF THE INSTITUTION'S OPERATIONS IN THE DFW METROPOLITAN ASSESSMENT AREA

DFW Metropolitan AA consists of Denton and Tarrant Counties. Denton County is part of the Dallas-Plano-Irving, TX Metropolitan Division (MD) but the AA excludes from the MD Collin, Dallas, Ellis, Hunt, Kaufman, and Rockwall counties. Tarrant County is part of the Fort Worth-Arlington-Grapevine, TX MD but the AA but excludes Johnson, Parker, Wise counties. Refer to Appendix A for an AA map. The following information provides performance context about the AA relevant to the CRA evaluation.

- Worthington opened a branch in Denton, TX in 2023, at which time the AA was expanded to include Denton County.
- According to the American Community Survey (ACS), the AA consists of 642 census tracts: 40 low-income census tracts (6.2 percent), 158 moderate-income census tracts (24.6 percent), 204 middle-income census tracts (31.8 percent), 232 upper-income census tracts (36.1 percent), and 8 census tracts (1.2 percent) with unknown-income.
- Worthington operates five branches within the AA: one branch in a low-income census tract, one in a moderate-income census tract, and three in upper-income census tracts.
- According to June 30, 2024, Federal Deposit Insurance Corporation (FDIC) Market Share report, Worthington held 0.2 percent of the deposit market share, ranking 26th out of 87 federally insured depository institutions operating in the AA. Charles Schwab Bank, SSB led the market with 68.5 percent of the market share. Other market leaders include Charles Schwab Premier Bank, SSB and JPMorgan Chase Bank, National Association with 6.2 percent and 5.8 percent, respectively.
- In 2023, 862 institutions originated or purchased 74,021 HMDA reportable loans in the DFW Metropolitan AA. Worthington ranked 146th, originating 41 HMDA reportable loans, less than 0.1 percent of the total HMDA reportable loans.
- Examiners conducted two community contacts within the AA. A representative of a nonprofit organization that promotes community development and a representative of an organization the promote affordable housing discussed the local economic challenges and needs of the AA.

Table 2

Population Change Assessment Area: DFW Metropolitan			
Area	2015 Population	2020 Population	Percent Change
DFW Metropolitan	2,646,377	3,017,062	14
Denton County, TX	731,851	906,422	23.9
Tarrant County, TX	1,914,526	2,110,640	10.2
Dallas-Plano-Irving, TX MD	4,519,004	5,129,966	13.5
Fort Worth-Arlington-Grapevine, TX MD	2,252,637	2,507,421	11.3
Texas	26,538,614	29,145,505	9.8
Source: 2011-2015 U.S. Census Bureau American Community Survey 2020 U.S. Census Bureau Decennial Census			

- As shown in Table 2, the population grew significantly between 2015 and 2020, adding over 370 thousand residents to the AA. Denton County's population grew twice the rate of the state of Texas while Tarrant County growth is comparable to the state. This growth indicates the suburban areas are growing significantly faster than the core of the MSA.

Table 3

Median Family Income Change Assessment Area: DFW Metropolitan 2023 Analysis Year			
Area	2015 Median Family Income	2020 Median Family Income	Percent Change
DFW Metropolitan	\$87,591	\$89,862	2.6
Denton County, TX	\$99,628	\$111,436	11.9
Tarrant County, TX	\$76,367	\$82,856	8.5
Dallas-Plano-Irving, TX MD	\$77,736	\$88,315	13.6
Fort Worth-Arlington-Grapevine, TX MD	\$75,758	\$82,649	9.1
Texas	\$68,523	\$76,073	11.0
Source: 2011 - 2015 U.S. Census Bureau American Community Survey 2016 - 2020 U.S. Census Bureau American Community Survey Median Family Incomes have been inflation-adjusted and are expressed in 2020 dollars.			

- As shown in Table 3, the median family income (MFI) in Tarrant and Denton Counties is greater than the state of Texas. Despite the difference, MFI in the AA grew at a slower rate than the state between 2015 and 2020.
- There are 712,876 families in the AA. Of those, 18.9 percent of families are classified as low- income, 16.6 percent as moderate-income, 19.9 percent as middle-income, and 44.6 percent are classified as upper-income families.
- According to the 2023 FFIEC data, 7.3 percent of AA families live below the poverty level, which is less than the 10.9 percent of families living below poverty at the state level. Within the AA, fewer families live below poverty in Denton County (4.5 percent) than Tarrant County (8.4 percent).

- The community contact noted that families in Denton County living below federal poverty level have increased, noting that one in three households earn less than the survival wage.¹

Table 4

Housing Cost Burden						
Assessment Area: DFW Metropolitan 2023 Analysis Year						
Area	Cost Burden - Renters			Cost Burden - Owners		
	Low Income	Moderate Income	All Renters	Low Income	Moderate Income	All Owners
DFW Metropolitan	85.8	57.3	45.2	66.5	39.5	19.3
Denton County, TX	88.4	58.5	42.7	70.7	50.0	19.0
Tarrant County, TX	84.9	56.8	46.2	65.2	35.8	19.4
Dallas-Plano-Irving, TX MD	82.7	51.6	43.0	65.1	38.0	21.1
Fort Worth-Arlington-Grapevine, TX MD	83.7	55.1	45.4	61.9	34.6	18.9
Texas	79.4	49.8	43.5	59.0	32.7	19.4
<i>Cost Burden is housing cost that equals 30 percent or more of household income</i>						
<i>Source: U.S. Department of Housing and Urban Development (HUD), 2017-2021 Comprehensive Housing Affordability Strategy</i>						

- As shown in Table 4, there is a greater housing burden for LMI renters than LMI homeowners in the AA, indicating that it is more economical for LMI families to purchase a home rather than rent. However, barriers to homeownership such as down payment requirements, high property taxes, and underwriting requirements prevent many LMI families from owning a home.
- There are approximately 1.1 million housing units within the AA, and the median age of housing stock is 37 years.
- Of the housing units within the AA, 57.5 percent are owner-occupied, 35.6 percent are rental, and 6.9 percent are vacant.
- The median housing value is 237,385, which is 26.8 percent higher than the state median housing value of 187,200.

Table 5

Unemployment Rates					
Assessment Area: DFW Metropolitan 2023 Analysis Year					
Area	2019	2020	2021	2022	2023
DFW Metropolitan	3.2	7.1	5.0	3.6	3.7
Denton County, TX	3.0	6.6	4.5	3.3	3.6
Tarrant County, TX	3.3	7.4	5.3	3.7	3.8
Dallas-Plano-Irving, TX MD	3.3	7.1	5.0	3.6	3.8
Fort Worth-Arlington-Grapevine, TX MD	3.3	7.2	5.2	3.6	3.7
Texas	3.5	7.7	5.6	3.9	4.0
<i>Source: Bureau of Labor Statistics (BLS), Local Area Unemployment Statistics</i>					

- Table 5 shows the AA unemployment rate peaked in 2020 during the COVID-19 pandemic. Unemployment rates stabilized in 2022, nearing the pre-pandemic levels, but increased slightly the following year.

¹Asset Limited, Income Constrained, Employed (ALICE) Housing Survival Threshold comprised of households that earn more than federal poverty level but less than the statewide basic cost of living.

- The AA experienced a sharp increase in unemployment in 2020 due to the COVID -19 pandemic. The bank participated in the SBA's PPP Loan program in efforts to help minimize unemployment and stabilize the negative economic impact of the pandemic.
- The largest industries in the AA are healthcare and social assistance, retail trade, and accommodation and food services.
- The AA hosts major employers that support a diverse job market. The largest employers in the AA are University of North Texas, Peterbilt Motor Company, Texas Health Presbyterian Hospital Denton, Lockheed Martin, and Dallas Fort Worth International Airport.

Table 6

Home Mortgage Loan Trends					
Assessment Area: DFW Metropolitan 2023 Home Mortgage Trends					
Area	2019	2020	2021	2022	2023
DFW Metropolitan 2023	81,119	134,583	131,110	69,838	49,641
Denton County, TX	31,405	56,656	54,788	29,468	21,130
Tarrant County, TX	49,714	77,927	76,322	40,370	28,511
Dallas-Plano-Irving, TX MD	124,069	216,785	215,254	118,886	84,873
Fort Worth-Arlington-Grapevine, TX MD	61,449	97,641	96,543	53,480	38,101
Texas	592,278	976,795	1,008,094	592,384	419,006
Source: Federal Financial Institutions Examination Council (FFIEC), Home Mortgage Disclosure Act Loan/Application Records					

- As shown in Table 6, the number of home mortgages originated in the AA peaked in 2020, coinciding with the increased demand during a low-interest rate environment. In 2022, mortgage originations significantly dropped as both interest rates and costs of homes rose, and that trend continued in 2023.
- A community contact observed challenges impacting housing affordability in the AA. Significant population growth has increased demand and reduced the housing supply as new residents flock to the AA, driving up the prices of homes. While increased interest rates have reduced demand for mortgages, homes remain less affordable for LMI individuals who are less likely to be able to afford the increased mortgage payments associated with higher interest rates.

Table 7 on the following page details selected characteristics of the AA.

Table 7

2023 DFW Metropolitan AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	40	6.2	29,750	4.2	8,921	30.0	134,601	18.9
Moderate	158	24.6	149,656	21.0	20,833	13.9	118,584	16.6
Middle	204	31.8	240,962	33.8	14,053	5.8	141,667	19.9
Upper	232	36.1	288,750	40.5	7,652	2.7	318,024	44.6
Unknown	8	1.2	3,758	0.5	360	9.6	0	0.0
Total AA	642	100.0	712,876	100.0	51,819	7.3	712,876	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	61,206	12,173	1.9	19.9	40,171	65.6	8,862	14.5
Moderate	261,855	102,705	16.3	39.2	135,784	51.9	23,366	8.9
Middle	372,317	219,783	34.8	59.0	130,601	35.1	21,933	5.9
Upper	395,317	294,419	46.6	74.5	80,748	20.4	20,150	5.1
Unknown	7,955	2,682	0.4	33.7	3,965	49.8	1,308	16.4
Total AA	1,098,650	631,762	100.0	57.5	391,269	35.6	75,619	6.9
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low	5,233	3.6	4,806	3.5	393	5.0	34	2.0
Moderate	28,128	19.1	25,671	18.6	2,235	28.7	222	13.3
Middle	44,615	30.3	42,338	30.7	1,885	24.2	392	23.6
Upper	68,120	46.3	63,947	46.4	3,165	40.6	1,008	60.6
Unknown	1,044	0.7	924	0.7	113	1.5	7	0.4
Total AA	147,140	100.0	137,686	100.0	7,791	100.0	1,663	100.0
Percentage of Total Businesses:				93.6		5.3		1.1
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low	11	0.9	10	0.8	1	7.7	0	0.0
Moderate	127	10.1	125	10.0	2	15.4	0	0.0
Middle	448	35.5	447	35.8	1	7.7	0	0.0
Upper	670	53.1	661	52.9	9	69.2	0	0.0
Unknown	6	0.5	6	0.5	0	0.0	0	0.0
Total AA	1,262	100.0	1,249	100.0	13	100.0	0	0.0
Percentage of Total Farms:				99.0		1.0		0.0
Source: 2023 FFIEC Census Data 2023 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.								

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

Worthington's overall performance under the Lending Test is rated Satisfactory. The bank's NLTD ratio is reasonable, and Worthington extended a majority of loans inside the delineated AA. Additionally, the distribution of loans among borrowers and businesses of different revenue sizes is reasonable. Furthermore, the geographic distribution of HMDA and small business loans throughout the AA is reasonable. In drawing conclusions, greater weight was given to small business lending based on Worthington's portfolio composition and business strategy.

Net Loan-to-Deposit Ratio

This performance criterion evaluates the bank's average NLTD ratio to determine the reasonableness of lending in light of performance context, such as the bank's capacity to lend, the availability of lending opportunities, the demographic and economic factors present in the AA, and in comparison, to similarly situated institutions insured by the Federal Deposit Insurance Corporation (FDIC). Examiners considered asset size, activity in the delineated AA and loan portfolio composition when selecting similarly situated institutions.

Worthington's 27-quarter NLTD ratio is reasonable and within the range of the NLTD ratios of similarly situated banks. The bank's NLTD reflects the institution's willingness to extend credit given the demands and opportunities in the AA.

Table 8
Comparative NLTD Ratios
April 1, 2018 – December 31, 2024

Institution	Location	Asset Size \$(000)	27 Quarter Average NLTD Ratio (%)
Worthington Bank	Arlington, Texas	612,795	77.4
Similarly Situated Institutions			
Comparator Banks	Grandview, Texas	657,993	68.5
	Fort Worth, Texas	421,780	86.5
	Grapevine, Texas	802,927	67.9

Assessment Area Concentration

This performance criterion evaluates the percentage of lending extended inside and outside the bank's delineated AA. As indicated in the table below, Worthington originated a majority of loans both by number and dollar amount inside the AA.

Table 9

Lending Inside and Outside the Assessment Area								
Loan Types	Inside				Outside			
	#	%	\$(000s)	%	#	%	\$(000s)	%
Home Improvement	3	60	\$520	81.8	2	40	\$116	18.2
Home Purchase - Conventional	23	69.7	\$13,332	70.5	10	30.3	\$5,579	29.5
Multi-Family Housing	1	100	\$755	100	0	0	\$0	0
Other Purpose Closed-End	4	100	\$1,295	100	0	0	\$0	0
Refinancing	10	83.3	\$3,846	76.2	2	16.7	\$1,200	23.8
Total HMDA	41	74.5	\$19,748	74.1	14	25.5	\$6,895	25.9
Total Small Business	56	82.4	\$15,291	82.1	12	17.6	\$3,336	17.9
TOTAL LOANS	97	78.9	\$35,039	77.4	26	21.1	\$10,231	22.6

Geographic Distribution of Loans

This performance criterion evaluates the bank's distribution of lending within its AA by income level of census tracts with consideration given to the dispersion of loans throughout the AA. Worthington's home mortgage and small business lending reflects reasonable distribution among census tracts of different income levels throughout the AA.

Residential Real Estate (HMDA-reportable) Lending

The geographic distribution of HMDA-reportable lending is reasonable. Worthington's distribution of HMDA-reportable loans among low-income census tracts outperformed both aggregate HMDA-reporting institutions and the percentage of owner-occupied units in low-income census tracts (demographic figure). In moderate-income census tracts, however, Worthington's distribution of HMDA-reportable loans fell below both aggregate HMDA-reporting institutions and demographic figures. It is also noteworthy that the bank's HMDA-reportable lending represents less than 0.1 percent of the HMDA market share. Given the fierce competition and the bank's market position, it is clear that reasonable efforts are made to lend in the various geographies within the AA, including low- and moderate-income census tracts.

Table 10 (1 of 2)

Distribution of 2023 Home Mortgage Lending by Income Level of Geography							
Assessment Area: DFW Metropolitan							
Geographic Income Level	Bank And Aggregate Loans						Owner Occupied Units %
	Bank		Agg	Bank		Agg	
	#	#%	#%	\$(000)	%	%	
Home Purchase Loans							
Low	4	17.4	1.6	1,203	9.0	1.0	1.9
Moderate	3	13.0	11.2	702	5.3	7.6	16.3
Middle	3	13.0	39.7	3,271	24.5	35.4	34.8
Upper	13	56.5	47.2	8,156	61.2	55.9	46.6
Unknown	0	0.0	0.2	0	0.0	0.2	0.4
Total	23	100.0	100.0	13,332	100.0	100.0	100.0
Refinance Loans							
Low	0	0.0	1.8	0	0.0	1.2	1.9
Moderate	0	0.0	14.1	0	0.0	10.4	16.3
Middle	6	60.0	36.7	1,086	28.2	28.8	34.8
Upper	4	40.0	47.0	2,760	71.8	59.2	46.6
Unknown	0	0.0	0.4	0	0.0	0.3	0.4
Total	10	100.0	100.0	3,846	100.0	100.0	100.0
Home Improvement Loans							
Low	0	0.0	1.2	0	0.0	1.0	1.9
Moderate	0	0.0	10.1	0	0.0	7.3	16.3
Middle	0	0.0	27.8	0	0.0	21.5	34.8
Upper	3	100.0	60.5	520	100.0	69.7	46.6
Unknown	0	0.0	0.5	0	0.0	0.5	0.4
Total	3	100.0	100.0	520	100.0	100.0	100.0
Multifamily Loans							Multi- family Units %
Low	1	100.0	18.4	755	100.0	10.2	
Moderate	0	0.0	36.0	0	0.0	22.6	34.6
Middle	0	0.0	27.2	0	0.0	29.5	30.4
Upper	0	0.0	16.7	0	0.0	21.9	21.4
Unknown	0	0.0	1.8	0	0.0	15.7	1.5
Total	1	100.0	100.0	755	100.0	100.0	100.0
Total Home Mortgage Loans							Owner Occupied Units %
Low	5	12.2	1.6	1,958	9.9	1.8	
Moderate	3	7.3	11.6	702	3.6	9.2	16.3
Middle	9	22.0	38.6	4,357	22.1	34.0	34.8
Upper	24	58.5	48.0	12,731	64.5	53.5	46.6
Unknown	0	0.0	0.2	0	0.0	1.5	0.4
Total	41	100.0	100.0	19,748	100.0	100.0	100.0
Source: 2023 FFIEC Census Data							
2016-2020 U.S. Census Bureau: American Community Survey							
Note: Percentages may not total 100.0 percent due to rounding.							

Table 10 (2 of 2)

Distribution of 2023 Home Mortgage Lending by Income Level of Geography Assessment Area: DFW Metropolitan							
Geographic Income Level	Bank And Aggregate Loans						Owner Occupied Units %
	Bank		Agg	Bank		Agg	
	#	#%	#%	\$(000)	%	%	
Other Purpose LOC							
Low	0	0.0	0.7	0	0.0	0.4	1.9
Moderate	0	0.0	6.8	0	0.0	4.9	16.3
Middle	0	0.0	29.6	0	0.0	20.5	34.8
Upper	0	0.0	62.6	0	0.0	74.0	46.6
Unknown	0	0.0	0.2	0	0.0	0.1	0.4
Total	0	0.0	100.0	0	0.0	100.0	100.0
Other Purpose Closed/Exempt							
Low	0	0.0	1.5	0	0.0	1.2	1.9
Moderate	0	0.0	12.0	0	0.0	9.7	16.3
Middle	0	0.0	33.9	0	0.0	25.8	34.8
Upper	4	100.0	52.4	1,295	100.0	63.2	46.6
Unknown	0	0.0	0.2	0	0.0	0.1	0.4
Total	4	100.0	100.0	1,295	100.0	100.0	100.0
Purpose Not Applicable							
Low	0	0.0	1.4	0	0.0	1.2	1.9
Moderate	0	0.0	24.5	0	0.0	19.0	16.3
Middle	0	0.0	45.8	0	0.0	43.3	34.8
Upper	0	0.0	28.1	0	0.0	36.1	46.6
Unknown	0	0.0	0.2	0	0.0	0.4	0.4
Total	0	0.0	100.0	0	0.0	100.0	100.0
Source: 2023 FFIEC Census Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.							

Small Business Lending

The geographic distribution of small business lending is reasonable. As shown in Table 10, Worthington originated 5.4 percent of its small business loans to businesses located in low-income census tracts, which exceeds the percentage of AA businesses located in low-income census tracts, at 3.6 percent (demographic), and reflects favorably on the bank's performance. In moderate-income census tracts, Worthington's small business lending lagged the demographic. However, Worthington's lending is considered reasonable given the small business credit needs of the AA and the highly competitive market conditions in which it operates.

Table 11

Distribution of 2023 Small Business Lending by Income Level of Geography					
Assessment Area: DFW Metropolitan					
Geographic Income Level	Bank Loans				Total Businesses %
	#	#%	\$(000)	%	
Low	3	5.4	1,133	7.4	3.6
Moderate	8	14.3	1,815	11.9	19.1
Middle	11	19.6	2,630	17.2	30.3
Upper	34	60.7	9,713	63.5	46.3
Unknown	0	0.0	0	0.0	0.7
Total	56	100.0	15,291	100.0	100.0
Source: 2023 FFIEC Census Data					
2023 Dun & Bradstreet Data					
2016-2020 U.S. Census Bureau: American Community Survey					
Note: Percentages may not total 100.0 percent due to rounding.					

Lending to Borrowers of Different Income Levels and to Businesses of Different Revenue Sizes

This performance criterion evaluates the bank's lending to borrowers of different income levels and businesses of different revenue sizes. Overall, Worthington's lending reflects a reasonable distribution among borrowers of different income levels and businesses of different sizes. While HMDA reportable-lending reflects poor distribution, lending to businesses of different revenues sizes reflects reasonable distribution. In drawing conclusions regarding performance, greater weight was placed on small business lending as Worthington originated both a greater number and larger dollar amount of small business loans than HMDA-reportable loans.

Residential Real Estate (HMDA-reportable) Lending

The borrower distribution of HMDA-reportable lending is poor when compared to aggregate lenders and the demographic (percent of families by family income). During the review period, Worthington only originated one² HMDA-reportable loan to a moderate-income borrower and no loans to low-income borrowers. As previously discussed, factors such as competition, income disparities, and limited affordable housing stock create challenges for mortgage originators in the

² Worthington originated 19 loans to borrowers of unknown income levels. In conversations with the bank, these borrowers are most likely businesses purchasing residential properties and therefore have minimal impact on the conclusions drawn.

AA. Aggregate lenders reporting HMDA loans also fell below the demographic; however, they still originated significantly more mortgage loans, as a percentage of total HMDA lending, to LMI borrowers than Worthington. This reflects demand and opportunity to originate home mortgage loans among LMI borrowers.

Table 12 (1 of 2)

Distribution of 2023 Home Mortgage Lending by Borrower Income Level Assessment Area: DFW Metropolitan							
Borrower Income Level	Bank And Aggregate Loans						Families by Family Income %
	Bank		Agg	Bank		Agg	
	#	#%	#%	\$(000)	%	%	
Home Purchase Loans							
Low	0	0.0	1.2	0	0.0	0.6	18.9
Moderate	0	0.0	11.1	0	0.0	7.2	16.6
Middle	1	4.3	21.0	330	2.5	17.5	19.9
Upper	9	39.1	39.7	5,978	44.8	49.5	44.6
Unknown	13	56.5	27.0	7,024	52.7	25.2	0.0
Total	23	100.0	100.0	13,332	100.0	100.0	100.0
Refinance Loans							
Low	0	0.0	6.9	0	0.0	3.5	18.9
Moderate	0	0.0	17.2	0	0.0	10.7	16.6
Middle	0	0.0	20.7	0	0.0	16.0	19.9
Upper	4	40.0	40.0	2,760	71.8	49.9	44.6
Unknown	6	60.0	15.3	1,086	28.2	20.0	0.0
Total	10	100.0	100.0	3,846	100.0	100.0	100.0
Home Improvement Loans							
Low	0	0.0	4.0	0	0.0	2.4	18.9
Moderate	0	0.0	12.2	0	0.0	7.7	16.6
Middle	0	0.0	20.5	0	0.0	14.4	19.9
Upper	3	100.0	61.1	520	100.0	72.0	44.6
Unknown	0	0.0	2.2	0	0.0	3.6	0.0
Total	3	100.0	100.0	520	100.0	100.0	100.0
Total Home Mortgage Loans							
Low	0	0.0	2.2	0	0.0	0.9	18.9
Moderate	1	2.5	11.9	100	0.5	7.5	16.6
Middle	1	2.5	20.8	330	1.7	17.2	19.9
Upper	19	47.5	41.0	10,453	55.0	50.1	44.6
Unknown	19	47.5	24.1	8,110	42.7	24.2	0.0
Total	40	100.0	100.0	18,993	100.0	100.0	100.0
Source: 2023 FFIEC Census Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding. Multifamily loans are not included in the borrower distribution analysis.							

Table 12 (2 of 2)

Distribution of 2023 Home Mortgage Lending by Borrower Income Level Assessment Area: DFW Metropolitan							
Borrower Income Level	Bank And Aggregate Loans						Families by Family Income %
	Bank		Agg	Bank		Agg	
	#	№%	№%	\$(000)	%	№%	
Other Purpose LOC							
Low	0	0.0	5.4	0	0.0	3.6	18.9
Moderate	0	0.0	10.9	0	0.0	6.4	16.6
Middle	0	0.0	23.0	0	0.0	14.4	19.9
Upper	0	0.0	58.9	0	0.0	73.0	44.6
Unknown	0	0.0	1.8	0	0.0	2.6	0.0
Total	0	0.0	100.0	0	0.0	100.0	100.0
Other Purpose Closed/Exempt							
Low	0	0.0	5.6	0	0.0	3.1	18.9
Moderate	1	25.0	15.4	100	7.7	10.2	16.6
Middle	0	0.0	21.2	0	0.0	14.1	19.9
Upper	3	75.0	49.5	1,195	92.3	60.5	44.6
Unknown	0	0.0	8.3	0	0.0	12.1	0.0
Total	4	100.0	100.0	1,295	100.0	100.0	100.0
Purpose Not Applicable							
Low	0	0.0	0.5	0	0.0	0.3	18.9
Moderate	0	0.0	0.5	0	0.0	0.2	16.6
Middle	0	0.0	0.2	0	0.0	0.2	19.9
Upper	0	0.0	0.2	0	0.0	1.4	44.6
Unknown	0	0.0	98.6	0	0.0	97.9	0.0
Total	0	0.0	100.0	0	0.0	100.0	100.0
Source: 2023 FFIEC Census Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.							

Small Business Lending

The borrower distribution of small business lending is reasonable. As shown in Table 12, 93.6 percent of businesses in the AA reported revenues of \$1 million or less (demographic). Worthington extended 46.4 percent of business loans to businesses with revenues of \$1 million or less, which is below the demographic. However, during the review period, compiled data related to aggregate CRA-reporting lenders reflected 52.4 percent of small business loans were originated to business with annual revenues of \$1 million or less, which is comparable to Worthington performance. While Worthington did not report CRA small business data, and its performance is not directly compared to the performance of aggregate CRA lenders, this data point provides context related to the loan demand. Considering this context, the bank's performance is reasonable.

Table 13

Distribution of 2023 Small Business Lending by Revenue Size of Businesses					
Assessment Area: DFW Metropolitan					
	Bank Loans				Total Businesses %
	#	#%	\$(000)	\$%	
By Revenue					
\$1 Million or Less	26	46.4	6,257	40.9	93.6
Over \$1 Million	27	48.2	8,377	54.8	5.3
Revenue Unknown	3	5.4	657	4.3	1.1
Total	56	100.0	15,291	100.0	100.0
By Loan Size					
\$100,000 or Less	20	35.7	938	6.1	
\$100,001 - \$250,000	13	23.2	2,121	13.9	
\$250,001 - \$1 Million	23	41.1	12,232	80.0	
Total	56	100.0	15,291	100.0	
By Loan Size and Revenues \$1 Million or Less					
\$100,000 or Less	11	42.3	504	8.1	
\$100,001 - \$250,000	6	23.1	956	15.3	
\$250,001 - \$1 Million	9	34.6	4,797	76.7	
Total	26	100.0	6,257	100.0	
Source: 2023 FFIEC Census Data					
2023 Dun & Bradstreet Data					
2016-2020 U.S. Census Bureau: American Community Survey					
Note: Percentages may not total 100.0 percent due to rounding.					

COMMUNITY DEVELOPMENT TEST

The CD Test is rated Outstanding. The CD Test evaluates the bank's responsiveness to CD needs of the AA through qualified loans, investments, and services, considering the bank's capacity and availability of such opportunities in the bank's AA. The bank's CD performance demonstrates excellent responsiveness to the CD needs in the AA.

During the review period, the AA was impacted by the COVID-19 pandemic. Worthington took decisive action to address AA needs by participating in the SBA's PPP lending program. The bank originated over \$12.9 million in PPP loans to local businesses, retaining approximately 1,160 jobs. This activity resulted in CD activity increasing more than ten times since the previous evaluation. Given the impact of the COVID -19 pandemic, these loans are considered particularly responsive as they were made to small businesses and /or businesses located in LMI geographies. PPP lending represents a significant, but not complete, portion of the bank's CD lending. In all, Worthington originated 31 CD loans totaling \$18.5 million. Other examples of responsive CD lending include a loan for \$1.6 million to an investment firm providing capital to a community service organization serving LMI individuals (specifically children), in high-risk situations.

In addition to CD loans, Worthington donated almost \$20 thousand dollars to various community and CD organizations, including local school districts with a majority of LMI students, food banks, and non-profit organizations supporting LMI individuals.

Moreover, bank employees contributed 1,068 service hours to nonprofit organizations with community service purposes. A significant number of these included technical services provided to nonprofit organizations and promoting financial education through financial literacy classes.

The table below outlines CD activities during the review period.

Table 14

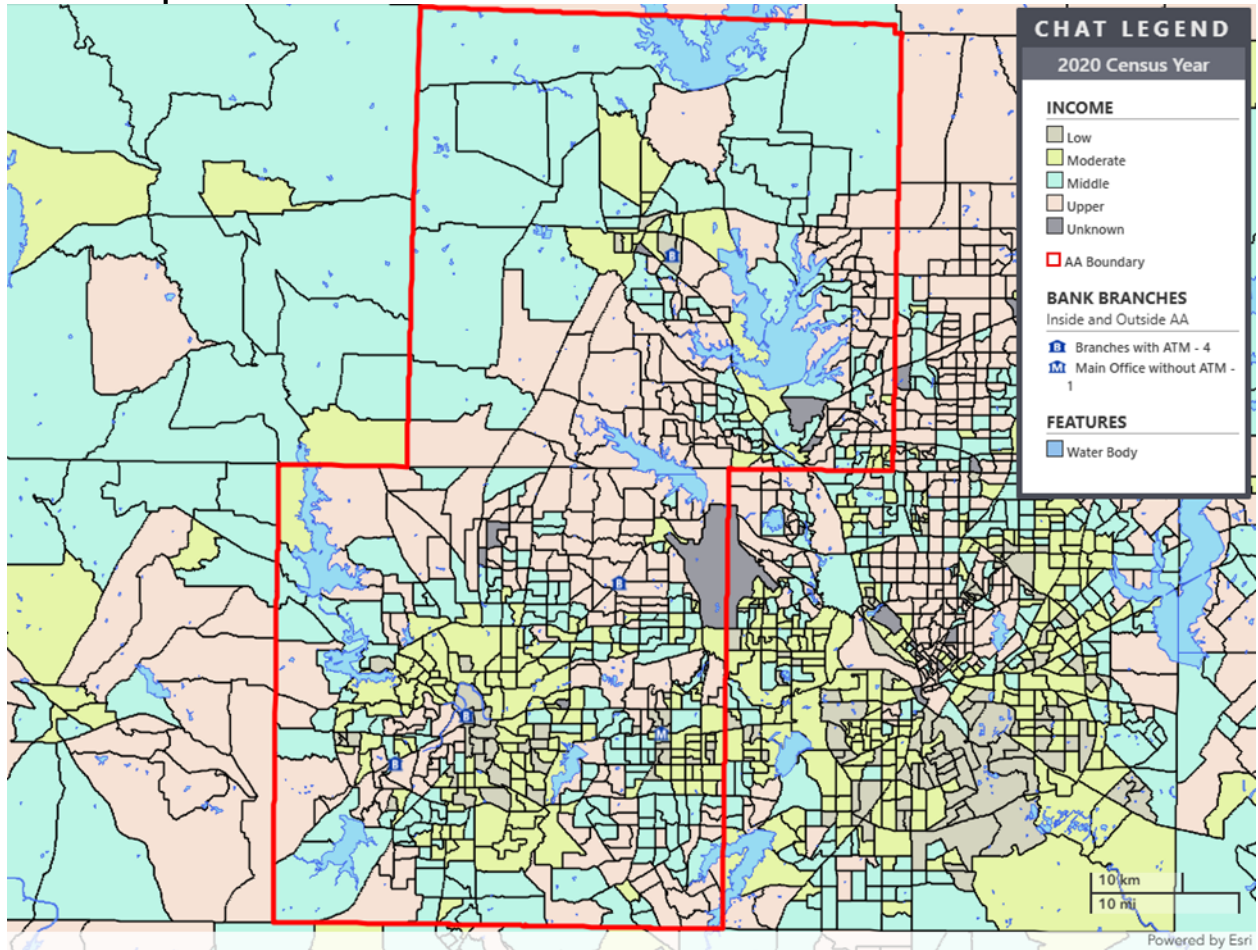
Community Development Activity Assessment Area: DFW Metropolitan									
Community Development Purpose	CD Loans		Qualified Investments						CD Services
			Investments		Donations		Total Investments		
	#	\$(000)	#	\$(000)	#	\$(000)	#	\$(000)	#
Affordable Housing	1	755	0	0	0	0	0	0	0
Community Services	3	4,160	0	0	26	20	26	20	18
Economic Development	26	13,263	0	0	0	0	0	0	0
Revitalization and Stabilization	1	358	0	0	0	0	0	0	0
Totals	31	18,536	0	0	26	20	26	20	18

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Compliance with the substantive provisions of antidiscrimination and other consumer protection laws and regulations, including the Equal Credit Opportunity Act and the Fair Housing Act, was considered as part of this CRA evaluation. No evidence of a pattern or practice of discrimination on a prohibited basis or of other illegal credit practices inconsistent with helping to meet community credit needs was identified.

APPENDIX A – MAP OF THE ASSESSMENT AREA

DFW Metropolitan Assessment Area



APPENDIX B – 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.

Census tract: A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community development: Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies, designated disaster areas; or designated distressed or underserved nonmetropolitan middle-income geographies.

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

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

Full-scope review: Performance is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, 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 applications, the amount of loan requested, and the disposition of the application (for example, approved, denied, withdrawn).

Home mortgage loans: Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans,

loans for the purchase of manufactured homes and refinancings of home improvement and home purchase loans.

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

Limited-scope review: Performance is analyzed using only quantitative factors (for example, geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

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

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

Metropolitan area (MA): A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. A MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. A MD is a division of an MSA based on specific criteria including commuting patterns. Only a MSA that has a population of at least 2.5 million may be divided into MDs.

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

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

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

Nonmetropolitan area (NonMSA): Any area that is not located within an MSA.

Other products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

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

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

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. For these institutions, no state ratings will be received unless the bank also maintains deposit facilities outside of the multistate metropolitan area. CRA activity is captured in either a state rating or a multistate metropolitan area rating, but not both.

Small loan(s) to business(es): A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as 'small business loans' if the loans are reported on the TFR as nonmortgage, commercial loans.

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

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