

PUBLIC DISCLOSURE

October 14, 2025

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Charles Schwab Bank, SSB
RSSD # 3150447
3000 Schwab Way
Westlake, Texas 76262

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

INSTITUTION'S COMMUNITY REINVESTMENT ACT (CRA) RATING

Charles Schwab Bank, SSB (CSB or bank) is rated **OUTSTANDING**.

The bank's CRA performance reflects an outstanding record of helping to meet the credit needs of its assessment area (AA), including low- and moderate-income (LMI) areas, as outlined in the approved 2022 Strategic Plan (2022 Plan). In support of this rating, the bank met or exceeded the established goals for:

- Overall outstanding performance under the lending and investments tests and outstanding performance in delineated AA.
- Annual interim goals for the AA lending and investments tests with requisite levels of innovative or complex activities.
- Overall outstanding performance under the community development services test and outstanding performance in the AA.
- Annual interim goals for the community development services test for the AA without the additional requirement of innovation or complexity.

DESCRIPTION OF THE INSTITUTION

CSB is a Texas state savings bank headquartered in Westlake, Texas. The bank is a wholly owned subsidiary of The Charles Schwab Corporation (CSC), a savings and loan holding company also based in Westlake, Texas. As of September 30, 2025, CSC held \$465.3 billion in consolidated assets, with the bank comprising approximately \$243.1 billion or 52.2 percent of CSC's assets. CSB maintains no branch offices or deposit-taking automated teller machines.

Charles Schwab & Co. (CS&Co.), a wholly owned subsidiary of CSC, is a broker-dealer registered with the U.S. Securities and Exchange Commission, primarily engaged in securities brokerage and wealth management. The bank offers a limited range of consumer products that are primarily marketed to individual clients of CS&Co. and serves its nationwide customer base via alternative delivery systems, including extensive use of internet and mobile channels. Mortgage loans are the primary focus of the bank's select credit product offerings.

As presented in the following table, the bank held \$51.0 billion in net loans as of September 30, 2025. CSB's loan portfolio is primarily comprised of residential real estate lending.

Loan Portfolio Mix as of September 30, 2025		
	Volume (\$000,000s)	% of Portfolio
Assets	243,112	
1-4 Family Revolving	304	1.0
1-4 Family Secured by First Lien	29,386	98.7
1-4 Family Secured by Junior Lien	92	0.3
Total Real Estate Loans	29,782	58.5
Consumer	26	0.1
All Other Loans	21,143	41.5
Total Loans	50,951	100.0
<i>Note: Percentages may not total 100.0 due to rounding</i>		

At the previous evaluation, conducted by the Federal Reserve Bank of Dallas on October 2, 2023, CSB was rated Outstanding under the CRA.

SCOPE OF EXAMINATION

Examiners from the Federal Reserve Bank of Dallas used the Federal Financial Institutions Examination Council's (FFIEC's) *Strategic Plan CRA Examination Procedures* to evaluate the bank's CRA performance. The evaluation assessed CSB's performance in meeting the credit needs of its communities through the achievement of measurable goals established in the approved CRA Strategic Plan, which included the bank's responsiveness to and effectiveness in meeting the community development needs of its AA. This evaluation assessed the bank's performance between January 1, 2023, and December 31, 2024, which included measurable goals from the January 1, 2022, to December 31, 2024, Strategic Plan (2022 Plan).

The 2022 Plan was developed taking into consideration CSB's business model, AA demographics and economic indicators, and information obtained from community representatives. Performance rating criteria and thresholds were established in the approved plan, and ratings are assigned for actual performance in relation to these established goals.

During the review period, the bank delineated one AA, Dallas-Fort Worth, Texas Assessment Area (DFW AA), as well as the defined Broader Statewide or Regional Area (BSRA). Each was assigned specific and measurable goals in the 2022 Plan. A description of the AA is found in the applicable section of this report.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act) established the Consumer Financial Protection Bureau (CFPB). In general, the Dodd-Frank Act gives the CFPB, among other things, primary supervisory authority over insured depository institutions with total assets of more than \$10 billion when assessing compliance with the requirements of Federal consumer financial laws. The Federal Reserve System retains authority to enforce compliance with the CRA and certain other consumer compliance laws and regulations. During the review period of this evaluation, the Federal Reserve Bank of Dallas did not cite violations involving illegal discrimination or other illegal credit practices that adversely affected the evaluation of the bank's CRA performance. As of the date of this evaluation, the Federal Reserve Bank of Dallas is unaware of any violations of the Equal Credit Opportunity Act as implemented by Regulation B, or any unfair, deceptive, or abusive acts or practices identified by the CFPB.

DALLAS-FORT WORTH, TEXAS ASSESSMENT AREA

DESCRIPTION OF OPERATIONS IN THE DALLAS-FORT WORTH, TEXAS ASSESSMENT AREA

The DFW AA is comprised of the entirety of the Dallas-Fort Worth-Arlington, TX Metropolitan Statistical Area (DFW MSA), which consists of the following Metropolitan Divisions (MDs) and counties:

- Dallas-Plano-Irving, Texas MD, comprised of Collin, Dallas, Denton, Ellis, Hunt, Kaufman, and Rockwall counties.
- Fort Worth-Arlington-Grapevine, Texas MD, comprised of Johnson, Parker, Tarrant, and Wise counties.

The DFW AA was first delineated in 2021, in conjunction with the relocation of the bank's headquarters from Nevada to Texas. The 2022 Plan is the first CRA Strategic Plan to be drafted with the DFW AA as its sole focus.

As of June 30, 2025, there were 169 FDIC-insured commercial institutions operating 1,587 offices in the DFW MSA, holding a combined \$665.0 billion in deposits. CSB has a deposit market share of 31.5 percent, with all deposits attributed to the Westlake, TX headquarters given the lack of a branching network. The single location represents less than one-tenth of one percent of the offices operated by FDIC-insured institutions in the DFW MSA.

Population Characteristics

According to 2024 estimates, the DFW AA had a population of 8.3 million. Population growth in the AA between 2020 and 2024 was notable, significantly outpacing population growth across the state of Texas. Four of the eleven counties in the AA experienced growth of more than 20.0 percent since 2020, with Kaufman County's population growing by 36.1 percent. While population increased in every AA county, counties on the perimeter experienced significantly higher population growth.

The table below shows population trends for the AA counties and MDs, as well as the state of Texas between 2020 and 2024.

Population Change: 2020 – 2024 Dallas–Fort Worth, TX Assessment Area			
Geography	2020 Population	2024 Population	Percent Change
DFW AA	7,637,387	8,344,032	9.3
Collin County, TX	1,064,465	1,254,658	17.9
Dallas County, TX	2,613,539	2,656,028	1.6
Denton County, TX	906,422	1,045,120	15.3
Ellis County, TX	192,455	232,387	20.7
Hunt County, TX	99,956	118,729	18.8
Johnson County, TX	179,927	210,547	17.0
Kaufman County, TX	145,310	197,829	36.1
Parker County, TX	148,222	179,707	21.2
Rockwall County, TX	107,819	137,044	27.1
Tarrant County, TX	2,110,640	2,230,708	5.7
Wise County, TX	68,632	81,275	18.4
Dallas-Plano-Irving, TX MD	5,129,966	5,641,795	10.0
Fort Worth-Arlington-Grapevine, TX MD	2,438,789	2,702,237	10.8
State of Texas	29,145,505	31,290,831	7.4
<i>Source: 2011-2015 U.S. Census Bureau American Community Survey 2024 U.S. Census Bureau American Community Survey</i>			

Demographic Characteristics

The DFW AA contains a total of 1,704 census tracts. Approximately 35.1 percent of the AA census tracts were designated as LMI, with a large portion of these tracts located in the eastern portions of Fort Worth and southern Dallas. LMI tracts contain approximately 34.3 percent of housing units and 25.5 percent of businesses in the AA. Additional demographic information for the DFW AA is presented below.

2024 AA Demographics Dallas-Fort Worth, TX Assessment Area								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	154	9.0	136,151	7.5	35,322	25.9	398,048	22.0
Moderate-income	445	26.1	434,516	24.0	58,903	13.6	314,805	17.4
Middle-income	522	30.6	581,651	32.2	34,983	6.0	349,556	19.3
Upper-income	559	32.8	648,040	35.8	17,838	2.8	746,185	41.3
Unknown-income	24	1.4	8,236	0.5	1,272	15.4	0	0.0
Total AA	1,704	100.0	1,808,594	100.0	148,318	8.2	1,808,594	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low-income	254,432	64,723	4.1	25.4	161,608	63.5	28,101	11.0
Moderate-income	713,866	313,815	20.1	44.0	340,142	47.6	59,909	8.4
Middle-income	906,732	526,341	33.7	58.0	319,183	35.2	61,208	6.8
Upper-income	922,245	651,045	41.7	70.6	218,442	23.7	52,758	5.7
Unknown-income	23,757	5,212	0.3	21.9	15,068	63.4	3,477	14.6
Total AA	2,821,032	1,561,136	100.0	55.3	1,054,443	37.4	205,453	7.3
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	19,352	5.2	17,785	5.2	1,435	6.2	132	3.1
Moderate-income	75,054	20.3	68,939	20.1	5,501	23.9	614	14.2
Middle-income	118,965	32.2	110,418	32.2	7,386	32.1	1,161	26.9
Upper-income	153,727	41.6	143,008	41.7	8,336	36.3	2,383	55.2
Unknown-income	2,873	0.8	2,521	0.7	325	1.4	27	0.6
Total AA	369,971	100.0	342,671	100.0	22,983	100.0	4,317	100.0
Percentage of Total Businesses:			92.6		6.2		1.2	
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	69	2	68	2.0	1	2.6	0	0.0
Moderate-income	467	13.6	460	13.5	7	18.4	0	0.0
Middle-income	1,363	39.6	1,346	39.6	15	39.5	2	50.0
Upper-income	1,523	44.3	1,506	44.3	15	39.5	2	50.0
Unknown-income	17	0.5	17	0.5	0	0.0	0	0.0
Total AA	3,439	100.0	3,397	100.0	38	100.0	4	100.0
Percentage of Total Farms:			98.8		1.1		0.1	

Source: 2024 FFIEC Census Data
2024 Dun & Bradstreet Data
2011-2015 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

Income Characteristics

For the purposes of classifying borrower income, this evaluation uses the U.S. Census Bureau American Community Survey (ACS) data for the relevant geographies. According to 2022 FFIEC Data, the DFW AA is home to more than 1.8 million families. Approximately 41.3 percent of AA families are classified as upper-income, with the next largest portion of families classified as low-income, at 22.0 percent. In addition, an estimated 8.2 percent of AA families live below the poverty level. These families are primarily dispersed throughout low-, moderate-, and unknown-income census tracts in the AA, with 25.9, 13.6, and 15.4 percent of families below the poverty level residing in tracts within each designation, respectively.

While the reported median family incomes for the DFW AA increased notably between 2020 and 2024, it was drastically outpaced compared to the rise in area housing costs. According to monthly Multiple Listing Service (MLS) data, the average sales price of single-family residences in December 2024 was 36.1 percent higher than average sales prices in December 2020.¹ This rapid increase in the cost to purchase a single-family residence further exacerbates the difficulties that LMI individuals and families face when attempting to acquire housing.

The following chart reflects the median family income for the DFW AA during applicable years, reflecting a significant increase between 2020 and 2024 in both MDs that make up the AA.

Median Family Income: 2020 – 2024 Dallas-Fort Worth, TX Assessment Area			
Geography	2020 Median Family Income (\$)	2024 Median Family Income (\$)	Percent Change (%)
DFW AA	85,380	111,428	30.5
Collin County, TX	118,341	146,409	23.7
Dallas County, TX	69,689	91,661	31.5
Denton County, TX	111,436	139,575	25.3
Ellis County, TX	89,870	110,223	22.6
Hunt County, TX	69,410	98,204	41.5
Johnson County, TX	73,563	103,189	40.3
Kaufman County, TX	82,674	100,042	21.0
Parker County, TX	97,507	123,913	27.1
Rockwall County, TX	113,658	128,989	13.5
Tarrant County, TX	82,856	103,444	24.8
Wise County, TX	79,475	106,538	34.1
Dallas-Plano-Irving, TX MD	88,315	116,443	31.8
Fort Worth-Arlington-Grapevine, TX MD	83,350	109,271	31.1
State of Texas	76,073	96,239	26.5
<i>Source: 2016-2010 U.S. Census Bureau American Community Survey 2024 U.S. Census Bureau American Community Survey</i>			

¹ <https://www.mymetrotex.com/wp-content/uploads/2025/01/NTREIS-Monthly-MLS-Summary-Report-202412.pdf>

Employment and Economic Conditions

The AA unemployment rate was comparable to the statewide and national average unemployment rates in both years reviewed. Each of the counties included in the AA reflected a steady unemployment rate with little variation during the review period. Major employment industries include healthcare and social assistance, retail trade, and accommodation and food services. Major employers in the AA represent diverse segments of the economy, including healthcare (Baylor Scott & White Health, Medical City Healthcare, Parkland Hospital), trade (Amazon and Walmart), and transportation (American Airlines, Southwest Airlines, and UPS).

The table below shows the annual average unemployment rate in the DFW AA and the state of Texas during the applicable years of the review period.

Annual Average Unemployment Rate (%) Dallas-Fort Worth, TX Assessment Area		
Geography	2023	2024
DFW AA	3.8	3.9
Collin County, TX	3.6	3.8
Dallas County, TX	4.0	4.1
Denton County, TX	3.6	3.7
Ellis County, TX	3.6	3.7
Hunt County, TX	3.9	4.1
Johnson County, TX	3.5	3.6
Kaufman County, TX	3.8	4.0
Parker County, TX	3.3	3.4
Rockwall County, TX	3.4	3.5
Tarrant County, TX	3.8	3.9
Wise County, TX	3.5	3.7
Dallas-Plano-Irving, TX MD	3.8	3.9
Fort Worth-Arlington-Grapevine, TX MD	3.5	3.7
State of Texas	4.0	4.1
United States	3.6	4.0
<i>Source: Bureau of Labor Statistics (BLS), Local Area Unemployment Statistics</i>		

Community Representatives

As part of the strategic plan formation, CSB conducts a community needs assessment that includes community outreach interviews with community stakeholders, government agencies, community development practitioners, and advocates. The input received supports the findings of the AA needs determination, citing affordable housing as a primary need in the area. Additionally, community representatives identified small business and microfinance development as well as increasing nonprofit capacity building as needs. CSB's strategic plan incorporates the input received from the community. To better understand current needs in the AA, examiners conducted contacts with two community representatives. One contact represented an organization that addresses affordable housing needs. The second contact offers one-on-one business development, including start-up businesses, free of charge.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

2022 – 2024 CRA STRATEGIC PLAN

The 2022 Plan establishes goals in two main categories for the DFW AA and the BSRA for each plan year. The goals are cumulative over the three-year term, with each plan year building on the prior year's performance. The bank's performance for plan year one was reviewed at the previous evaluation and considered to be Outstanding overall, with the following levels of activity for the reviewed year:

- Plan Year One (2022)
 - \$1.7 billion of combined loans and investments volume achieved in the DFW AA and BSRA, exceeding the \$1.1 billion threshold for an Outstanding rating.
 - 3,365 hours of qualifying community development services in the DFW AA, more than double the threshold of 1,560 required hours for an Outstanding rating.

PLAN YEAR TWO

The 2022 Plan established two main goals for the DFW AA and the BSRA for each Plan year. The goals representing Outstanding performance in Plan Year Two are:

- Loans and Investments
 - In the DFW AA, Satisfactory performance requires \$163.3 million of cumulative qualified loans and investments, and Outstanding performance requires \$212.3 million with a sufficient degree of innovative or complex activities, or \$254.8 million of volume regardless of the level of innovation.
 - In the BSRA, Satisfactory performance requires \$1.5 billion of cumulative qualified loans and investments, and Outstanding performance requires at least \$1.9 billion with a sufficient degree of innovative or complex activities, or \$2.5 billion of volume regardless of the level of innovation.
- Community Development Services
 - In the DFW AA, a minimum of 2,200 cumulative service hours is required for satisfactory performance, and outstanding performance requires at least 2,860 hours with a sufficient level of innovation or 3,432 hours based on volume alone.

CSB's performance relative to each goal exceeded plan levels for an Outstanding rating without the necessity of an increased level of innovation or complexity.

COMBINED LENDING AND INVESTMENTS GOALS

The approved 2022 Strategic Plan combines CRA-qualifying loans with community development loans and investments; therefore, the lending and investment tests have been combined for this evaluation. CSB's performance relative to the lending and investment tests is rated Outstanding.

The bank originated \$3.6 billion in CRA-qualifying loans and community development loans and investments throughout the DFW AA and BSRA, exceeding the \$2.5 billion threshold for an Outstanding rating.

The table below presents the lending and investments during Plan Year Two of the 2022 Plan.

Lending and Investments Goals and Performance 2022 Plan – Year Two					
Area	Component	Satisfactory	Outstanding (w/Innovation)	Outstanding (by volume)	Actual Performance
DFW AA	Loans	\$32,661,000	\$42,459,300	\$50,951,160	\$54,637,488
	Investments	\$32,661,000	\$42,459,300	\$50,951,160	\$87,510,979
	AA Subtotal	\$65,322,000	\$84,918,600	\$101,902,320	\$142,148,467
	Other Activity*	\$97,983,000	\$127,377,900	\$152,853,480	\$249,903,744
	AA Total	\$163,305,000	\$212,296,500	\$254,755,800	\$392,052,211
BSRA	Loans or	-	-	-	\$977,362,501
	Investments	-	-	-	\$430,921,360
	Grants	-	-	-	\$4,363,111
	Prior Period Investments	-	-	-	\$1,802,773,285
	BSRA Subtotal	\$1,469,748,000	\$1,910,668,500	\$2,292,802,200	\$3,215,420,257
Total		\$1,633,053,000	\$2,122,965,000	\$2,547,558,000	\$3,607,472,468

**Other activity includes loans and/or investments made beyond the level required by the loans or investments components.*

While the performance under the lending and investment tests for Plan Year Two of the 2022 Plan exceeds the threshold for an Outstanding rating based on volume alone, several of the bank’s activities are considered highly responsive, innovative, or complex. These activities include extensive support for community development financial institutions (CDFIs) during the review period. CSB provided below-market rate loans to CDFIs, including small and emerging CDFIs. The loans to CDFIs were for a variety of purposes, including a loan specifically dedicated to enabling entrepreneurial women who live in poverty to build businesses and achieve financial mobility, affordable housing efforts, and loans to LMI entrepreneurs who cannot qualify for traditional bank loans.

SERVICE GOALS

CSB’s performance relative to the community development service goal is rated Outstanding.

The bank provided 4,420 hours of qualified community development services during Plan Year Two of the 2022 Plan in the bank’s DFW AA, which brings the cumulative total to 7,785.

Community Development Service Goals and Performance 2022 Plan – Year Two				
Area	Satisfactory	Outstanding (w/Innovation)	Outstanding (by volume)	Actual Performance
DFW	2,200	2,860	3,432	7,785

CSB’s performance under the community development services test for Plan Year Two of the 2022 Plan significantly exceeds the volume threshold for an Outstanding rating based on volume alone. In addition, several of the services provided displayed notably responsive and innovative efforts by the bank.

A substantial portion of the qualified activities reflect efforts to work with community organizations to identify ways of leveraging the bank’s size and influence, in conjunction with community organization expertise, to most benefit the community. The bank participated in several meetings

and conferences in pursuit of greater understanding of its community, resulting in the development of a place-based approach to community engagement that identifies and addresses the specific needs of the AA. This approach focuses on addressing the unique challenges and opportunities within the DFW AA. CSB's efforts through community development services emphasize initiatives that promote financial capability, asset-building, economic development, and affordable housing for residents and communities within the AA. CSB employees served numerous hours as board members to organizations that provide a wide variety of community development services, such as providing technical assistance to community development initiatives and furnishing financial literacy training. Additionally, CSB employees contributed significantly in efforts to develop and launch the Community Impact Challenge. The Community Impact Challenge is a skills-based volunteer initiative designed to meet the strategic and operational needs of DFW nonprofit organizations that partner with CSB to leverage employee expertise. The program matches skilled volunteers to each organization's unique challenges, including operational inefficiencies and strategic planning. This initiative results in more impactful programs and services to the LMI communities of the AA. These efforts exemplify the strategy for identifying and addressing the specific needs of the AA rather than relying on broad, generalized activities to meet established performance goals.

PLAN YEAR THREE

The 2022 Plan established two main goals for the DFW AA and the BSRA for each Plan year. The goals representing Outstanding performance in Plan Year Three are:

- Loans and Investments
 - In the DFW AA, Satisfactory performance requires \$114.6 million of cumulative qualified loans and investments, and Outstanding performance requires \$149.0 million with a sufficient degree of innovative or complex activities, or \$186.2 million of volume regardless of the level of innovation.
 - In the BSRA, Satisfactory performance requires \$2.6 billion of cumulative qualified loans and investments, and Outstanding performance requires at least \$3.4 billion with a sufficient degree of innovative or complex activities, or \$4.2 billion of volume regardless of the level of innovation.
- Community Development Services
 - In the DFW AA, a minimum of 3,500 cumulative service hours is required for satisfactory performance, and outstanding performance requires at least 4,550 hours with a sufficient level of innovation or 5,460 hours based on volume alone.

CSB's performance relative to each goal exceeded the goals for an Outstanding rating without the necessity of an increased level of innovation or complexity.

COMBINED LENDING AND INVESTMENTS GOALS

The approved 2022 Strategic Plan combines CRA-qualifying loans with community development loans and investments; therefore, the lending and investment tests have been combined for this evaluation. CSB's performance relative to the lending and investment tests is rated Outstanding.

CSB's cumulative CRA-qualifying loans and community development loans and investments across the AA and BSRA totaled \$4.6 billion, exceeding the \$3.7 billion threshold for an Outstanding rating with a minimum level of activities deemed to be responsive, innovative, or

complex. Many of the bank’s loans and investments are considered highly responsive to community needs, surpassing the requirement for an Outstanding rating in these areas.

The table below presents CSB’s lending and investment activity during Plan Year Three of the 2022 Plan as well as the established performance goals.

Lending and Investments Goals and Performance 2022 Plan – Year Three					
Area	Component	Satisfactory	Outstanding (w/Innovation)	Outstanding (by volume)	Actual Performance
DFW AA	Loans	\$57,300,000	\$74,490,000	\$93,112,500	\$94,362,806
	Investments	\$57,300,000	\$74,490,000	\$93,112,500	\$93,783,148
	AA Subtotal	\$114,600,000	\$148,980,000	\$186,225,000	\$188,145,954
	Other Activity*	\$171,900,000	\$223,470,000	\$279,337,500	\$280,803,191
	AA Total	\$286,500,000	\$372,450,000	\$465,562,500	\$468,949,145
BSRA	Loans or	-	-	-	\$1,515,148,287
	Investments	-	-	-	\$779,193,117
	Grants	-	-	-	\$7,607,604
	Prior Period Investments	-	-	-	\$1,858,796,445
	BSRA Subtotal	\$2,578,500,000	\$3,352,050,000	\$4,190,062,500	\$4,160,655,453
Total		\$2,866,000,000	\$3,724,500,000	\$4,655,625,000	\$4,629,604,598

*Other activity includes loans and/contactor investments made beyond the level required by the loans or investments components.

Several of the bank’s activities are considered highly responsive, innovative, or complex. These activities include collaboration with the Local Initiatives Support Corporation to participate in a specialized housing fund that focuses on predevelopment, acquisition, construction, and permanent financing for affordable housing in Dallas. Housing fund projects consisted of complex financing, including a combination of debt, equity, and funds from the Dallas Economic Development Department, and is in direct response to identified needs in housing shortages and displacement of south Dallas residents.

Since entering the DFW AA, CSB has continued to contribute targeted support to several different activities and efforts to provide affordable housing to the AA. CSB helped to catalyze and create the Dallas Housing Coalition (DHC) through capital, technical assistance, and consulting since its launch in 2023. DHC mobilizes nonprofits, developers, philanthropists, and knowledge experts to advocate for local and state policy solutions to make housing more affordable for LMI individuals and families. CSB provided flexible grant capital, allowing the DHC to file for 501(c)(3) status, launch a website, and curate a social media strategy to ultimately build its membership base to over 280 organizations. Through the work of CSB and the DHC, the city of Dallas passed a bond measure in 2024, including \$80.0 million dedicated to affordable housing and homeless solutions within Dallas. In addition to the numerous loans, investments, and grants that CSB has invested in specific needs of the AA, such as affordable housing, the bank also utilizes its resources and employees to advance efforts on a larger scale, as evidenced by the work done with the DHC.

SERVICE GOALS

CSB's performance relative to the community development service goal is rated Outstanding.

The bank provided 4,276 hours of qualified community development services during Plan Year Three of the 2022 Plan in the DFW AA, which brings the cumulative total to 12,061.

Community Development Service Goals and Performance 2022 Plan – Year Three				
Area	Satisfactory	Outstanding (w/Innovation)	Outstanding (by volume)	Actual Performance
DFW	3,500	4,550	5,460	12,061

Bank performance under the community development services test for Plan Year Three of the 2022 Plan significantly exceeds the volume threshold for an Outstanding rating based on volume alone. Additionally, several of the services provided by the bank represented notably responsive and innovative efforts by the institution.

In addition to CSB employees serving numerous hours as board members to organizations that provide a wide variety of community development services, the bank contributed significantly in efforts to create and catalyze the DHC. As affordable housing was identified as a need in the AA, CSB employees supported the DHC to increase its membership, access capital for funding, and coordinate with the city of Dallas to pass a bond with \$80 million dedicated to affordable and homeless solutions. These efforts are representative of the bank's strategy of identifying and addressing the specific needs of the AA rather than relying on broad, generalized activities to meet established performance goals.

APPENDIX A – GENERAL INFORMATION

Acronyms

ATM	Automated Teller Machine
BLS	Bureau of Labor Statistics
CDC	Community Development Corporation
CDFI	Community Development Financial Institution
CRA	Community Reinvestment Act (Regulation BB)
FDIC	Federal Deposit Insurance Corporation
HMDA	Home Mortgage Disclosure Act (Regulation C)
HUD	Department of Housing and Urban Development
LIHTC	Low Income Housing Tax Credit
LMI	Low- and Moderate-Income
LTD	Loan-to-Deposit Ratio
LTV	Loan-to-Value Ratio
MD	Metropolitan Division
MSA	Metropolitan Statistical Area
OCC	Office of the Comptroller of the Currency
OMB	Office of Management and Budget
REIS	Regional Economic Information System
SBA	Small Business Administration
USDA	United States Department of Agriculture

Rounding Convention: Because the percentages in the tables were rounded to the nearest tenth in most cases, some columns may not total exactly to 100 percent.

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, relatively permanent statistical subdivision of a county. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. Census tracts average about 4,000 inhabitants, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to the population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community development: All Agencies have adopted the following language:

1. Affordable housing (including multi-family rental housing) for low- or moderate-income individuals.
2. Community services targeted low- or moderate-income individuals.
3. 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.
4. Activities that revitalize or stabilize –
 - a. Low- or moderate-income geographies.
 - b. Designated disaster areas.
 - c. Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, based on-
 - i. Rates of poverty, unemployment, and population loss.
 - ii. Population size, density, and dispersion. Activities that revitalize and stabilize geographies are designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

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.

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).

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 income of the applicants; the amount of loan requested; and the disposition of the application (for example, approved, denied, or 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 refinancing 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.

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.

Opportunity Zone: The Opportunity Zone Program was created through the Tax Cuts & Jobs Act of 2017, and is a federal initiative administered by the U.S. Department of Treasury. The program is designed to spur economic development and job creation in distressed communities throughout the United States. The program offers incentives, in the form of capital gains tax abatement, for those who invest eligible capital into Qualified Opportunity Zone assets.

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.

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) and the Thrift Financial Reporting (TFR) 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 instructions for preparation of the Call Report. 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 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.