
Texas Bank Report

Texas Department of Banking, Charles G. Cooper, Commissioner

April 2024

Financial Literacy

**Banks invest in financial education
to improve their communities**



Banks Use Financial Education to Help Communities Thrive

By Chris Hawkes and Amber Summers

When it comes to helping communities succeed, banks are contributing much of their time to financial education. Banks offer classes and programs centered around financial literacy to people of all ages and backgrounds within the communities they serve. And while many banks still participate in fundraising efforts, the shift towards hands-on financial education reflects improved rapport within those communities. This emphasis is about improving how residents, customers and potential customers think about managing money, which yields many advantages to the banks. The Department of Banking visited with several community banks to discuss their success in the financial education arena.

PEOPLES BANK, LUBBOCK

Peoples Bank, Lubbock has found success mentoring its community. Marketing Director Chelsea Salazar shared that strong relationships have been established by working with local schools. Peoples Bank regularly offers financial literacy courses led by bank representatives. Courses are



Photo Courtesy of Peoples Bank

Landry Allen with Peoples Bank visits with a local elementary school.

offered to a wide range of age groups, from kindergarten to adults. As a result, teachers, and most importantly, students, benefit from financial advice presented, directly impacting the community.

Salazar states that “most of the people who consult us for financial advice are educators. These educators have so many boxes

to check and it’s not getting easier on them. It’s nice to be able to partner with us, give them a break, and let us come in and do the education piece for them.”

Salazar explains that trusting the bank is a difficult issue for many people. To counter that, the bank educates the community at an early age and teaches the basics. Peoples Bank focuses on improving participants’ basic math, education, and banking skills. Mentors instruct students about effective budgeting techniques, ways to save, and how to manage debt. “If we are there to help and support them, then we believe we can build trust,” states Salazar.

SOUTHSIDE BANK, TYLER

Southside Bank, Tyler takes great pride in investing time in its community and emphasizes its significance. Institutions should uphold strong financial literacy principles, develop curriculum, and then share it.

Vice President/Communications Director Steven Campbell discussed how the bank offers approximately 15-20 financial literacy classes per semester at Tyler Junior



Photo Courtesy of Southside Bank

Bethany Mendoza (Branch Manager, Downtown Tyler) teaches Financial Literacy at Family Financial Fun Night in Chapel Hill, TX.



Photo Courtesy of Southside Bank

Team members from Southside Bank lead a Small Business Workshop in partnership with the Smith County Hispanic Business Alliance.

College. Each class lasts 90 minutes and is comprised of 30-40 students. Additionally, Southside Bank hosts Reverse JA in a Day with the Junior Achievement Organization. This annual event offers students insight in working in the banking industry, as well as hearing from executives regarding networking, continuing education, leadership characteristics, and their personal career journeys.

President/Chief Executive Officer Lee Gibson, emphasizes that discipline should be a top priority regarding financial planning. Many customers make impulse buys on credit cards which can prove to be problematic if it becomes uncontrolled. From a financial institution perspective, getting involved with the community should not be a leadership responsibility. It's an institutional responsibility, and everyone at the bank understands the role they play. Southside Bank has a true desire to give back to its community and it starts from the ground up.

Southside Bank sees itself as a community bank. It rises and falls with the health of the community. If the community gets sick, the bank will suffer. The more the bank can help the community excel, the better the bank's going to do.

Southside Bank states they are a reflection of the quality of community, the economic strength of the community. It's in the bank's best self-interest to make sure the community and the people in it are better off next year than they are today.

SOUTHWEST BANK, ODESSA

Chief Executive Officer Paul Weaver, agrees that giving back benefits every-

one as part of their mission is to support the communities that they're in. "Assisting people living in the area remains the bank's top priority and we feel the need to step up and take care of our community organizations," states Weaver.

SouthWest Bank is involved in teaching local teens about financial literacy. An example of this is their collaboration with an organization called Odessa Teen Court. This is a form of deferred disposition where minors attend a court session where they are sentenced community service hours by their peers. As an option, SouthWest Bank offers enrollment in a financial literacy course, as part of their community service hours.

The course teaches teens the basics of managing money such as how to write checks, and the differences between debit and credit cards. Students also play a game that teaches them proper budgeting techniques.

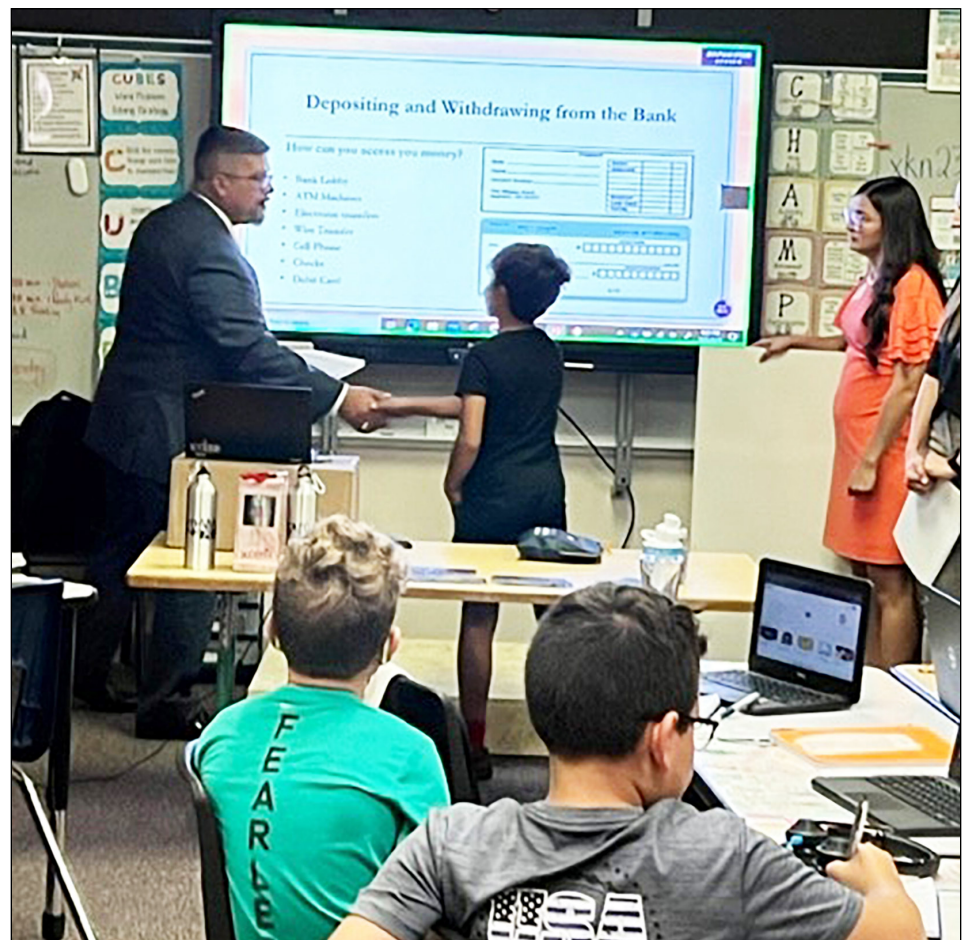


Photo Courtesy of SouthWest Bank

SouthWest Bank spent time teaching a Financial Literacy Unit to 5th Graders at Jordan Elementary in Odessa. They covered a range of topics including the Federal Reserve System, degrees and salary, deposit/withdraw slips, credit score, credit card vs. debit card, simple and compound interests, and a mortgage amortization table.

SouthWest Bank also participates in the Back-to-School Drive, where various school supplies are collected, benefitting children of the Rainbow Room, an emergency resource center located within local Child Protective Services offices.

The bank strongly believes in giving back to the community. Weaver believes that any time an organization makes the community better, it inherently benefits. “Whether that’s in financial literacy, or supporting March of Dimes, or beautifying the city with Adopt-a-Spot, picking up litter, anything will make the community a better place to live,” says Weaver.

VISTA BANK, DALLAS

Chief Executive Officer John Steinmetz supports the idea of banks doing more for their communities.

Historically, banks typically donate money or participate in events once or twice a year. While that tradition con-



Photo Courtesy of SouthWest Bank

SouthWest Bank, its employees, and members of its communities collaborated to raise \$13,000 for the March of Dimes across all of our branches in 2023.

tinues, Steinmetz states “we should be entering underserved communities, vol-

unteering, and educating less informed individuals on sound financial practices.”



Graphic Courtesy of Vista Bank

Vista Bank will soon open the doors to the first community bank in the Fair Park region of South Dallas in over three decades. A \$3 million investment in the community, the 11,000 square foot facility will be anchored by a Financial Literacy Center and provide office space for community partners.

Banks have also viewed financial literacy and community development as two different sectors within the business, however, they are interdependent. Vista Bank’s community development and outreach departments both focus on vital strategic initiatives for the communities they serve, in hopes to set an example for other banks.

One way Vista Bank, along with its Board of Directors, remains committed is by working with community partners to find the right balance between financial literacy education and providing access to funding for quality loans.

Vista Bank wants to offer all the support to its customers and community needs. Ideally, the bank would like to make loans to entrepreneurs throughout its communities. Hopefully, the participation in financial literacy training will result in those individuals qualifying for the loans necessary to succeed.

If your bank has a financial literacy program you would like to share, please contact us at financial.education@dob.texas.gov.

Financial Highlights

TABLE I Quarterly Balance Sheet and Operating Performance Ratios for Texas State-Chartered Commercial Banks 9/30/2023 Through 9/30/2022					
ACCOUNT DESCRIPTIONS (IN MILLIONS OF \$)	9/30/2023	6/30/2023	3/31/2023	12/31/2022	9/30/2022
Number of State-Chartered Banks	212	212	214	214	213
Total Assets of State-Chartered Banks	428,157	432,226	436,139	426,559	419,779
Number of Out-of-State, State-Chartered Banks Operating in Texas	55	52	52	52	52
Total Texas Assets of Out-of-State, State-Chartered Banks Operating in Texas	66,191	63,414	63,414	63,414	63,414
Subtotal	494,348	495,640	499,553	489,973	483,193
Less: Out-of-State Branch Assets/Deposits	(56,572)	(71,591)	(71,591)	(71,591)	(71,591)
**Total State Banks Operating in Texas	437,776	424,049	427,962	418,382	411,602
BALANCE SHEET (Tx. State-Chartered Banks)					
Interest-Bearing Balances	34,960	33,822	40,059	35,839	35,889
Federal Funds Sold	1,537	1,440	1,635	971	2,278
Trading Accounts	973	825	693	823	1,097
Securities Held-To-Maturity	22,941	23,668	24,418	24,100	23,810
Securities Available-for-Sale	77,865	81,924	84,973	86,246	84,997
Total Securities	100,806	105,592	109,391	110,346	108,807
Total Loans	257,935	258,570	252,712	246,559	241,335
Total Earning Assets	395,238	399,424	403,797	393,715	388,309
Premises and Fixed Assets	5,827	5,780	5,751	5,694	5,455
Total Assets	428,157	432,226	436,140	425,514	420,420
Demand Deposits	114,601	101,835	102,990	76,503	80,107
MMDAs	112,581	130,871	136,920	187,492	190,824
Total Time and Savings Deposits	232,791	240,405	240,483	279,242	276,900
Brokered Deposits	27,180	21,436	17,275	13,079	11,069
Total Deposits	347,747	342,693	343,892	356,330	357,559
Federal Funds Purchased	6,332	6,170	7,029	6,420	3,945
Other Borrowed Funds	25,757	33,757	35,457	16,220	13,444
Total Liabilities	387,561	389,898	393,539	386,029	382,349
Total Equity Capital	40,597	42,328	42,601	40,485	38,067
Loan Valuation Reserves	3,241	3,180	3,075	2,937	2,814
Total Primary Capital	43,838	45,508	45,676	43,422	40,881
Past Due Loans > 90 Days	265	240	205	207	280
Total Nonaccrual Loans	868	914	871	828	752
Total Other Real Estate	98	94	90	95	113
Total Charge-Offs	242	162	63	245	166
Total Recoveries	87	58	30	120	85
Net Charge-Offs	155	104	33	125	81
INCOME STATEMENT					
Total Interest Income	15,539	10,074	4,865	14,317	9,768
Total Interest Expense	5,394	3,241	1,362	1,784	846
Net Interest Income	10,145	6,833	3,503	12,533	8,922
Total Noninterest Income	2,827	1,764	773	4,074	2,995
Loan Provisions	368	267	128	384	210
Salary and Employee Benefits	4,133	2,752	1,393	5,322	3,960
Premises and Fixed Assets Expenses (Net)	770	506	254	986	722
All Other Noninterest Expenses	2,501	1,663	872	2,842	2,038
Total Overhead Expenses	7,404	4,921	2,519	9,150	6,720
Securities Gains (Losses)	(35)	(23)	(13)	(83)	(59)
Net Extraordinary Items	0	0	0	0	0
Net Income	4,263	2,805	1,353	5,752	4,049
Cash Dividends	2,229	1,288	596	2,595	2,087
RATIO ANALYSIS					
Loan/Deposit	74.17%	75.45%	73.49%	69.19%	67.50%
Securities/Total Assets	23.54%	24.43%	25.08%	25.93%	25.88%
Total Loans/Total Assets	60.24%	59.82%	57.94%	57.94%	57.40%
Loan Provisions/Total Loans	0.19%	0.21%	0.20%	0.16%	0.12%
LVR/Total Loans	1.26%	1.23%	1.22%	1.19%	1.17%
Net Charge-Offs/Total Loans	0.06%	0.04%	0.01%	0.05%	0.03%
Nonperforming+ORE/Total Assets	0.29%	0.29%	0.27%	0.27%	0.27%
Nonperforming+ORE/Primary Capital	2.81%	2.74%	2.55%	2.60%	2.80%
Net Interest Margin	3.41%	3.42%	3.47%	3.18%	3.06%
Gross Yield	5.71%	5.48%	5.17%	4.32%	4.04%
Return on Assets	1.32%	1.30%	1.24%	1.35%	1.28%
Return on Equity	13.97%	13.25%	12.70%	14.21%	14.15%
Overhead Exp/TA	2.30%	2.28%	2.31%	2.15%	2.13%
Equity/Total Assets	9.48%	9.79%	9.77%	9.51%	9.05%
Primary Capital/Total Assets+LVR	10.16%	10.45%	10.40%	10.13%	9.66%
*Unrealized gains/losses are already included in equity capital figures.					
**Total State Banks Operating in Texas includes branches of out-of-state, state-chartered banks.					
Data was derived from the FDIC website.					

Financial Highlights

TABLE II
Comparative Statement of Condition
Commercial Banks Domiciled in Texas
September 30, 2022 and September 30, 2023

ACCOUNT DESCRIPTIONS (In Millions of \$)	9/30/2023 STATE CHARTERED		9/30/2023 NATIONAL CHARTERED		9/30/2023 ALL BANKS		9/30/2022 ALL BANKS	
		% TA		% TA		% TA		% TA
Number of Banks	212		144		356		370	
BALANCE SHEET								
Interest-Bearing Balances	34,960	8.2%	9,100	6.6%	44,060	7.8%	51,051	9.0%
Federal Funds Sold	1,537	0.4%	1,489	1.1%	3,026	0.5%	6,379	1.1%
Trading Accounts	973	0.2%	19	0.0%	992	0.2%	1,716	0.3%
Securities Held-To-Maturity	22,941	5.4%	6,028	4.4%	28,969	5.1%	30,146	5.3%
Securities Available-For-Sale	77,865	18.2%	25,964	19.0%	103,829	18.4%	117,533	20.7%
Total Securities	100,806	23.5%	31,992	23.4%	132,798	23.5%	147,679	26.1%
Total Loans	257,935	60.2%	86,570	63.2%	344,505	61.0%	321,689	56.8%
Total Earning Assets	395,238	92.3%	129,151	94.3%	524,389	92.8%	526,798	93.0%
Premises & Equipment	5,837	1.4%	2,037	1.5%	7,874	1.4%	7,265	1.3%
TOTAL ASSETS	428,157	100.0%	136,942	100.0%	565,099	100.0%	566,653	100.0%
Demand Deposits	114,601	26.8%	32,796	23.9%	147,397	26.1%	118,220	20.9%
MMDAs	112,581	26.3%	33,793	24.7%	146,374	25.9%	234,277	41.3%
Total Time and Savings Deposits	232,791	54.4%	16,413	12.0%	249,204	44.1%	367,789	64.9%
Brokered Deposits	27,180	6.3%	1,311	1.0%	28,491	5.0%	11,125	2.0%
Total Deposits	347,747	81.2%	117,411	85.7%	465,158	82.3%	488,045	86.1%
Fed Funds Purchased	6,332	1.5%	1,371	1.0%	7,703	1.4%	4,915	0.9%
Other Borrowed Funds	25,757	6.0%	4,888	3.6%	30,645	5.4%	13,941	2.5%
TOTAL LIABILITIES	387,561	90.5%	125,126	91.4%	512,687	90.7%	513,773	90.7%
Equity Capital	40,597	9.5%	11,816	8.6%	52,413	9.3%	52,879	9.3%
Allowance for Loan/Lease Losses	3,241	0.8%	1,115	0.8%	4,356	0.8%	3,865	0.7%
Total Primary Capital	43,838	10.2%	12,931	9.4%	56,769	10.0%	56,744	10.0%
Past Due >90 Days	265		117		382		211	
Nonaccrual	868		452		1,320		1,277	
Total Other Real Estate	98		56		154		139	
Total Charge-Offs	242		208		450		202	
Total Recoveries	87		27		114		97	
INCOME STATEMENT								
Total Interest Income	15,539	100.0%	4,820	100.0%	20,359	100.0%	8,176	100.0%
Total Interest Expense	5,394	34.7%	1,500	31.1%	6,894	33.9%	507	6.2%
Net Interest Income	10,145	65.3%	3,320	68.9%	13,465	66.1%	7,669	93.8%
Total Noninterest Income	2,827	18.2%	1,260	26.1%	4,087	20.1%	2,827	34.6%
Loan Provisions	368	2.4%	235	4.9%	603	3.0%	171	2.1%
Salary & Employee Benefits	4,133	26.6%	1,559	32.3%	5,692	28.0%	3,627	44.4%
Premises & Fixed Assets (Net)	770	5.0%	291	6.0%	1,061	5.2%	660	8.1%
All Other Noninterest Expenses	2,501	16.1%	985	20.4%	3,486	17.1%	1,962	24.0%
Total Overhead Expenses	7,404	47.6%	2,835	58.8%	10,239	50.3%	6,249	76.4%
Securities Gains(Losses)	(35)	-0.2%	(27)	-0.6%	(62)	-0.3%	(44)	-0.5%
Net Extraordinary Items	0	0.0%	0	0.0%	0	0.0%	0	0.0%
NET INCOME	4,263	27.4%	1,329	27.6%	5,592	27.5%	3,405	41.6%
Cash Dividends	2,229		514		2,743		1,709	
Average ROA	1.32%		1.29%		1.32%		0.80%	
Average ROE	13.97%		14.96%		14.19%		8.56%	
Average TA (\$ Millions)	2,020		951		1,587		1,531	
Average Leverage	9.48%		8.63%		9.28%		9.33%	
Dividends/Net Income	52.29%		38.68%		49.05%		50.19%	

*Unrealized gains/losses are already included in equity capital figures.

Table includes only banks domiciled in Texas. Branches of out-of-state banks are not included.

Data was derived from the FDIC website.