



PUBLIC DISCLOSURE

March 22, 2021

**COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION**

Community National Bank & Trust of Texas
Charter Number: 14898

321 North 15th Street
Corsicana, TX 75110

Office of the Comptroller of the Currency
225 E. John Carpenter Freeway, Suite 900
Irving, TX 75062

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, and should not 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.

Table of Contents

Overall CRA Rating.....1
Description of Institution.....2
Scope of the Evaluation.....4
Discriminatory or Other Illegal Credit Practices Review.....5
State Rating.....6
 State of Texas.....6
Community Development Test.....10
Appendix A: Scope of Examination.....A-1
Appendix B: Summary of State Ratings.....B-1
Appendix C: Definitions and Common Abbreviations.....C-1
Appendix D: Tables of Performance Data.....D-1

Overall CRA Rating

Institution's CRA Rating: This institution is rated **Satisfactory**.

The Lending Test is rated: Satisfactory.

The Community Development Test is rated: Satisfactory.

The major factors that support this rating include:

- The Lending Test rating is based on performance in the bank's assessment areas (AAs).
- The Community Development (CD) Test rating is based on performance in the bank's AAs.
- The loan-to-deposit (LTD) ratio is reasonable.
- A substantial majority of the bank's loans are inside its AAs.
- The geographic distribution of loans across geographies of different income levels is reasonable.
- The borrower distribution of loans to borrowers of different income levels and businesses of different sizes is reasonable.
- CD activities reflect adequate responsiveness to community development needs.

Loan-to-Deposit Ratio

Considering the bank's size, financial condition, and credit needs of the AAs, the bank's loan-to-deposit ratio is reasonable. The LTD ratio is calculated on a bank-wide basis. The bank's quarterly average LTD ratio during the evaluation period was 79.28 percent. We compared the bank's LTD ratio to similarly situated institutions operating in the area. The average LTD ratio for the peer banks was 63.53 percent.

Lending in Assessment Area

A substantial majority of the bank's loans are inside its AAs.

The bank originated and purchased 85.7 percent of its total loans inside the bank's AAs during the evaluation period. This analysis is performed at the bank, rather than the AA, level. This percentage does not include extensions of credit by affiliates that may be considered under the other performance criteria. The Lending Test included a review of the bank's home mortgages and small loans to businesses. Farm loans were included in the table below for informational purposes only. The findings from this analysis factored into the overall analysis of the geographic distribution of lending by income level of the geography.

Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage	647	84.4	120	15.6	767	101,867	74.3	35,234	25.7	137,102
Small Business	1,021	87.3	148	12.7	1,169	61,506	76.3	19,133	23.7	80,639
Small Farms	519	84.4	96	15.6	615	27,088	71.6	10,766	28.4	37,854
Total	2,187	85.7	364	14.3	2,551	190,461	74.5	65,133	25.5	255,595

*Source: Bank Data
Due to rounding, totals may not equal 100.0%*

Description of Institution

Community National Bank & Trust of Texas (CNBT or bank) is an intrastate full-service community bank headquartered in Corsicana, Texas, located approximately 60 miles south of Dallas. The bank's original name when established in 1964 was Corsicana National Bank. In 1989, with just over \$77 million in assets, a trust department was added. The bank's first branch was opened in Frost, Texas in 2000. Soon afterward, Community Bank Holdings of Texas, Inc. (CBHT) was formed and acquired The First National Bank of Fairfield and its two branches. The two banks operated independently until 2008, when they merged to form "Community National Bank & Trust of Texas" with a total of \$315 million in assets. Acquisitions of Jefferson Bank (Red Oak office) in 2010, First State Bank of Mineral Wells in 2013 and Star Bank of Texas in 2016 expanded the branch network into north and central Texas. A new branch was built in Centerville (Leon County) and opened in October 2018 (during the evaluation period) and land was purchased on Highway 77 in Waxahachie (Ellis County) to build a full service branch (which will open in 2021). In 2019, the bank opened its first-ever call center next to the main branch in Corsicana.

CNBT is a full-service bank offering a full range of deposit and loan products and services as well as online and telephone banking for individuals and businesses. Small business and commercial lending are CNBT's primary business focus. Deposit products and services include free online checking accounts and low-cost individual and business accounts. Deposit products offered include business and personal checking and savings accounts, money market accounts, certificate of deposit accounts and individual retirement accounts. Alternative delivery systems of products and services include a wide range of online banking, online bill payment, cash management, remote deposit capture, telephone banking, text and mobile banking services. The bank also provides low-cost, no charge, payroll check cashing up to \$1,000 for several large local employers, as well as Visa credit cards offered through TIB.

CNBT's physical offices are its primary delivery system for retail products and services. In addition to its main office in Corsicana, the bank operates 12 full-service branches in Texas:

- 321 North 15th Street, Corsicana, Texas 75110 (Main Office) – CT 9708 – Moderate (Navarro County)
- 3401 South Hwy 287, Corsicana, Texas 75110 – CT 9707 – Middle – Distressed or Underserved (Navarro County)
- 400 North Garitty Street, Frost, Texas 76641 – CT 9704 – Middle – Distressed or Underserved (Navarro County)

- 906 N. Buffalo Ave., Buffalo Texas 75831 – CT 9501 – Middle – Distressed or Underserved (Leon County)
- 412 South Commerce, Centerville, Texas 75833 – CT 9503 – Upper (Leon County). *This is a new branch since the last examination.*
- 101 N. Mount, Fairfield, Texas 75840 – CT 0003 – Middle (Freestone County)
- 101 SE 1st Ave., Mineral Wells, Texas 76067 – CT 0008 – Moderate (Palo Pinto County)
- 1404 Park Road 36, Graford, Texas 76449 – CT 0001 – Middle (Palo Pinto County)
- 102 Ranch Road, Red Oak, Texas 75154 – CT 0602.06 – Middle (Ellis County)
- 1901 Wall Street, Weatherford, Texas 76086 – CT 1402 – Middle (Parker County)
- 9636 White Settlement Road, Fort Worth, Texas 76108 – CT 1142.07 – Middle (Tarrant County)
- 3930 Boat Club Road, Fort Worth, Texas 76135 – CT 1104.01 – Moderate (Tarrant County)
- 2500 SW Wilshire Blvd., Burleson, Texas 76028 – CT 1302.14 – Middle (Johnson County)

There is also a loan production office located at:

- 201 E. Main Street, Suite 103, Waxahachie, Texas 75165 – CT 604 – Moderate (Ellis County)

In addition, there are plans to open a new branch in 2021 located at:

- 1905 N. Hwy 77, Waxahachie, Texas 75165 – CT 602.12 – Middle (Ellis County)

The main office and all branches each have an ATM with 24-hour access. Additionally, there are four standalone ATMs at local convenience stores in Fairfield and Corsicana. There are 15 cash-dispensing ATMs in total. None of the ATMs are full-service (i.e., accepting check and cash deposits). CNBT customers can access more than 55,000 ATMs nationally in the AllPoint ATM Network completely free of charge.

CNBT's banking programs and hours allow the bank to deliver needed banking and credit services to LMI areas and customers as well as small business owners throughout the bank's AAs. Hours are commensurate with those of competing banks. CNBT offers online banking through its website, *mybanktx.com*. Bank customers can utilize online banking and the mobile app at no charge. Telephone banking and ATM services are available in English and Spanish. The main office and the branches either have employees who speak Spanish or can readily access employees at other bank locations as needed. CNBT offers secured and unsecured small dollar personal loans to qualified customers. The bank also offers start-up and working capital loans for small businesses as well as SBA loans.

CNBT has two AAs located in Texas that will be assessed under this evaluation:

- The non-MSA AA – comprised of Navarro, Leon, Freestone, and Palo Pinto Counties.
- The Dallas-Fort Worth-Arlington, Texas MSA (Dallas MSA) – comprised of Tarrant, Johnson, Ellis, and Parker Counties.

The non-MSA AA is comprised of 29 census tracts in which the bank has its main office and seven branch offices. The AA consists of the entire geographies of Navarro, Leon, Freestone, and Palo Pinto Counties. The AA meets the requirements of the CRA regulation and does not arbitrarily exclude any low- or moderate-income geographies.

The Dallas MSA is comprised of 435 census tracts in which the bank has five branch offices. The AA consists of the entire geographies of Tarrant, Johnson, Ellis, and Parker Counties. The AA meets the requirements of the CRA regulation and does not arbitrarily exclude any low- or moderate-income geographies.

As of December 31, 2019, CNBT reported total assets of \$743.9 million, total liabilities of \$651.3 million, and capital of \$75.4 million. Gross loans totaling \$532.8 million represent 71.6 percent of assets. Commercial real estate and commercial and industrial (business) loans account for the largest percentage of gross loans at 63.9 percent and 12.6 percent, respectively. Residential real estate loans total 21.6 percent and consumer loans 2.0 percent. Farm and agriculture loans represent only 3.8 percent of gross loans. Total investments were \$116.2 million. Tier 1 capital totaled \$75.4 million. Based on these numbers, we determined the bank's primary lending products for this evaluation are business loans and residential real estate mortgages.

The previous CRA evaluation, dated November 27, 2017, assigned a "Satisfactory" rating to the bank. There are no legal or financial impediments to CNBT's ability to meet the credit needs of its AAs. We did not consider the activities of affiliates in this evaluation.

Scope of the Evaluation

Evaluation Period/Products Evaluated

This Performance Evaluation (PE) assesses the bank's performance under the Lending Test and CD Test. In evaluating the bank's lending performance, we reviewed residential mortgage loans subject to filing under the Home Mortgage Disclosure Act (HMDA), small loans to businesses reported by the bank, and CD loans. We also evaluated CRA qualified investments including donations and grants as well as the bank's CD services. Analysis of loans inside the AA may contain all loan types as that ratio is evaluated on a bank-wide basis.

The evaluation period for the Lending Test is January 1, 2017 through December 31, 2019. The review period for the CD Test is November 28, 2017 through December 31, 2019. Our conclusions related to CD loans, qualified investments including donations, and CD services were based on the number and dollar amounts made during the evaluation period.

For geographic and borrower distribution analyses, loans originated in 2017 through 2019 are compared to the 2015 American Community Survey (ACS) census data for mortgages and the 2019 Dun & Bradstreet (D&B) data for loans to small businesses.

Selection of Areas for Full-Scope Review

In each state where the bank has an office, one or more of AAs within that state was selected for a full-scope review. For purposes of this evaluation, bank delineated assessment areas located within the same metropolitan statistical area (MSA), multistate metropolitan statistical area (MMSA), or combined statistical area (CSA) are combined and evaluated as a single AA. Similarly, bank delineated non-MSA AAs within the same state are combined and evaluated as a single area. These combined AAs may be evaluated as full- or limited-scope. Refer to the "Scope" section under each State Rating for details regarding how full-scope AAs were selected. Refer to Appendix A: Scope of Examination for a list of full- and limited-scope AAs.

CNBT has two AAs. The non-MSA AA is made up of four counties that includes all of Navarro, Freestone, Leon, and Palo Pinto Counties. This AA includes eight of the bank's 13 branches, one of which is the main branch location in Corsicana, Texas. We have selected the non-MSA for a full-scope review based on the bank maintaining 71.6 percent of total deposits in this AA. The Dallas MSA includes Tarrant, Johnson, Ellis, and Parker Counties. For this evaluation period, we selected the Dallas MSA as a limited-scope AA. This AA includes five branches. This AA accounts for 29.4 percent of total deposits.

Ratings

The bank's overall rating is based on the performance in the State of Texas. The state rating is based on performance in all bank AAs with the most weight placed on the full-scope AAs. For the geographic and borrower distribution of loans under the Lending Test, consideration was given to the number of loans and dollar volume of loans originated in each category. Lending to small businesses received the most weight and then the one- to four-family mortgage lending was considered. Refer to the "Scope" section under the "State Rating" section for details regarding how the areas were weighted in arriving at the respective ratings.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 CFR 25.28(c) or 195.28(c), respectively, in determining a national bank's or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any AA by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Bureau of Consumer Financial Protection, as applicable.

The OCC has not identified that this institution (or any affiliate whose loans have been considered as part of the institution's lending performance) has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

The OCC will consider any information that this institution engaged in discriminatory or other illegal credit practices, identified by or provided to the OCC before the end of the institution's next performance evaluation in that subsequent evaluation, even if the information concerns activities that occurred during the evaluation period addressed in this performance evaluation.

State Rating

State of Texas

CRA rating for the State of Texas¹: Satisfactory

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Satisfactory

The major factors that support this rating include:

- The geographic distribution of loans across geographies of different income levels is reasonable.
- The borrower distribution of loans to borrowers of different income levels and businesses of different sizes is reasonable.
- CD activities reflect adequate responsiveness to community development needs.

Description of Institution's Operations in Texas

The bank operates in two AAs in the State of Texas as described in the "Description of the Institution" and the "Scope of Evaluation" sections of this PE. The bank's primary focus based on overall dollar amounts held in portfolio is business loans and residential mortgage loans.

Competitors, in all markets, include other local community banks in its markets and some of the United States' largest banks that have a nationwide footprint as well as credit unions and nonbank financial entities that compete for residential, business, and consumer loans.

Community credit needs in the full-scope AAs were determined by reviewing recent housing and demographic information, CRA PEs from other banks operating in the bank's AAs, and a review of community contacts with organizations that provide services within the full-scope AAs.

Non-MSA

The bank has its main office and seven branch offices in the non-MSA, which equates to 18 percent of the total market, with average deposits per branch representing \$49.1 million. The bank ranks two out of 50 lenders. The non-MSA includes the headquarters and deposits total 71.6 percent. The non-MSA is comprised of 29 census tracts. The AA consists of the entire geographies of Navarro, Leon, Freestone, and Palo Pinto Counties. There are no low-income geographies in the non-MSA and the majority of the census tracts are designated as middle-income. Palo Pinto County has four moderate-

¹ This rating reflects performance within the state. The statewide evaluations do not reflect performance in the parts of those states contained within the MMSA.

income census tracts. Leon County has no moderate-income census tracts and one census tract designated as distressed or underserved. Freestone County has no moderate-income census tracts. Navarro County has two moderate-income census tracts and eight middle-income census tracts designated as distressed or underserved. Out of the 722 small business loans made in the non-MSA in the 2017-2019 period, 60 percent were made in Navarro County. Of this, 11 percent were made in the two moderate income census tracts and 89 percent in the middle-income distressed census tracts in Navarro County.

The community contact for the non-MSA is an organization that serves the citizens of Corsicana and Navarro County through educational programs, advocacy, volunteer committees and events. The most critical need identified from this contact was housing-related credit opportunities: affordable housing for LMI individuals, families and seniors, and constructing housing and providing permanent financing for middle-income “millennials” that are employed in the city but commute from smaller communities in the surrounding area.

Dallas MSA

The bank has five branches in the Dallas MSA. Total bank deposits in this AA represent 0.93 percent, which ranks 40 out of 538 lenders. Average deposits per branch total \$35.1 million. The Dallas MSA is comprised of 435 census tracts. The AA consists of the entire geographies of Tarrant, Johnson, Ellis, and Parker Counties. Tarrant County has 47 low-income census tracts and 92 moderate-income census tracts. Johnson County has one low-income census tract and five moderate-income census tracts. These two counties comprise the majority of the AA. The Burleson office is located in a middle-income tract in Johnson County, the White Settlement office in a middle-income tract in Tarrant County, and the Lake Worth office in a moderate-income tract in Tarrant County. Ellis County has three low-income census tracts and three moderate-income census tracts. Less than 20 percent of the county include low- and moderate-income census tracts in Ellis County. Parker County has no low-income census tracts and two moderate-income census tracts. The Weatherford office is located in a middle-income census tract. Less than 11 percent of the census tracts are designated as low- or moderate-income. A community contact was not completed for the Dallas MSA as this is a limited-scope AA.

The following table depicts the demographic information for the one full-scope AA in Texas.

Table A – Demographic Information of the Assessment Area						
Assessment Area: Community NB & Trust of Texas Non-MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	29	0.0	20.7	65.5	13.8	0.0
Population by Geography	112,444	0.0	15.5	69.8	14.7	0.0
Housing Units by Geography	54,535	0.0	12.7	70.5	16.8	0.0
Owner-Occupied Units by Geography	29,466	0.0	11.8	69.6	18.5	0.0
Occupied Rental Units by Geography	12,121	0.0	21.8	71.1	7.1	0.0
Vacant Units by Geography	12,948	0.0	6.4	71.9	21.8	0.0
Businesses by Geography	6,706	0.0	20.7	63.9	15.5	0.0
Farms by Geography	382	0.0	9.2	65.2	25.7	0.0
Family Distribution by Income Level	29,241	21.5	18.5	17.9	42.0	0.0
Household Distribution by Income Level	41,587	23.9	16.4	16.8	42.9	0.0
Median Family Income Non-MSAs - TX		\$52,198	Median Housing Value			\$86,584
			Median Gross Rent			\$700
			Families Below Poverty Level			14.1%
<i>Source: 2015 ACS and 2019 D&B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

Scope of Evaluation in Texas

As discussed earlier, the non-MSA AA was selected for a full-scope review. Refer to the table in Appendix A for a list of all AAs under review.

With an evaluation period end date of December 31, 2019, qualifying activities performed in response to the significant impact of the coronavirus pandemic across the United States are not addressed in this evaluation. Bank qualifying activities will be considered in the subsequent evaluation.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN TEXAS

LENDING TEST

The bank's performance under the Lending Test in Texas is rated Satisfactory.

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank's lending performance in the State of Texas is reasonable.

Distribution of Loans by Income Level of the Geography

The bank exhibits a reasonable geographic distribution of loans in the state.

Non-MSA AA

Home Mortgage Loans

The geographic distribution of mortgage loans in the AA is reasonable. Refer to Table O in the State of Texas section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

In 2017-2019, the bank's mortgage lending in moderate-income geographies was near to the owner-occupied housing units and exceeded the aggregate lending. The bank's mortgage lending included lending in middle-income census tracts that are designated as distressed or underserved. There are not any low-income CTs in the non-MSA.

Small Loans to Businesses

The geographic distribution of small loans to businesses is poor. Refer to Table Q in the State of Texas section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

In 2017-2019, the bank's small loans to businesses in moderate-income geographies was lower than both the percentage of businesses located in moderate-income geographies and the percentage of aggregate lending. There are nine middle-income census tracts in this AA that are designated as distressed or underserved. There are not any low-income census tracts in the non-MSA. Out of the 722 small business loans made in the non-MSA AA in the 2017-2019 period, 60 percent were made in Navarro County. Of this, 11 percent were made in the two moderate-income census tracts and 89 percent in the middle-income and distressed census tracts in Navarro County.

Lending Gap Analysis

We evaluated the lending distribution in the bank's AAs to determine if any unexplained conspicuous gaps existed. There were no unexplained conspicuous gaps identified after reviewing performance context.

Distribution of Loans by Income Level of the Borrower

The bank exhibits a reasonable distribution of loans to individuals of different income levels and businesses of different sizes, given the product lines offered by the bank.

Home Mortgage Loans

The distribution of loans to low- and moderate-income individuals in the AA is reasonable. Refer to Table P in the State of Texas section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

In 2017-2019, the bank’s mortgage lending to low-income borrowers was lower than the percentage of families identified as low-income and exceeded the aggregate lending to low-income borrowers. For moderate-income borrowers, the bank’s mortgage lending was somewhat lower than the percentage of families identified as moderate-income and exceeded the percentage of the aggregate lending to moderate-income borrowers.

Small Loans to Businesses

The distribution of loans to small businesses in the AA is excellent. Refer to Table R in the State of Texas section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank’s originations and purchases of small loans to businesses.

In 2017-2019, the bank’s loans to businesses with revenues less than or equal to \$1 million exceeded both the percentage of businesses identified as having revenues less than or equal to \$1 million and the aggregate lending to these businesses.

Responses to Complaints

There were no complaints related to the institution’s CRA performance within the State of Texas during the review period.

Conclusions for Area Receiving a Limited Scope Review

Based on a limited-scope review, the bank’s performance under the Lending Test in the Dallas MSA is consistent with the bank’s overall performance under the Lending Test in the full scope area(s).

COMMUNITY DEVELOPMENT TEST

The bank’s performance under the Community Development Test in the State of Texas is rated Satisfactory.

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank exhibits adequate responsiveness to community development needs in the state through community development loans, qualified investments, and community development services, as appropriate, considering the bank’s capacity and the need and availability of such opportunities for community development in the bank’s assessment area(s).

Non-MSA AA

Number and Amount of Community Development Loans

The Community Development Loans Table, shown below, sets forth the information and data used to evaluate the bank’s level of CD lending. The table includes all CD loans, including multifamily loans that also qualify as CD loans.

<i>Community Development Loans</i>				
Assessment Area	Total			
	#	% of Total #	\$(000's)	% of Total \$
Full Review				
Non-MSA	4	36.36	10,160	40.90
Limited Review				
Dallas MSA	7	63.64	14,683	59.10

The level of CD lending in the non-MSA reflects excellent responsiveness to the CD needs of the AA. The bank originated or renewed four qualified CD loans in the AA totaling \$10.2 million which represented 18.8 percent of tier 1 capital allocated to the AA. Examples include:

- The bank originated a \$4 million loan to Oil City Iron Works, Inc. for property and facility improvements and equipment upgrades for a growing foundry business that manufactures oilfield equipment supplied to major US companies. This business employs more than 250 in low- and moderate-income areas adjacent to the location of the business and provides economic stability to the county. The organization is located in a middle-income distressed census tract.
- The bank originated a \$1 million loan to Williams Gin & Grain, Inc. to finance grain purchases to maintain local small farmers business and retain low- to moderate-income employees. The organization is located in a middle-income distressed census tract.
- The bank originated a \$5 million loan to Brinson CDJR Real Estate LLC to purchase a car dealership in Navarro County that operates in a middle-income distressed census tract. This loan provided revitalization and stabilization and helped with sustainable job creation as the dealership was nearly closed prior to the loan origination.

Number and Amount of Qualified Investments

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Full Review										
Non MSA	2	600	10	1,320	12	70.59	1,920	65.84	0	0
Limited Review										
Dallas MSA	3	990	2	6	5	29.41	996	34.15	0	0

* Prior Period Investments means investments made in a previous evaluation period that are outstanding as of the examination date.

** Unfunded Commitments means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

The Qualified Investments Table, shown above, set forth the information and data used to evaluate the bank's level of qualified CD investments. These tables include all CD investments, including prior period investments that remain outstanding as of the examination date.

* 'Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.

The level of CD investments in the non-MSA reflects an adequate responsiveness to the needs of the AA. Current and prior period qualified investments total \$1.9 million. This level of investments represents 3.6 percent of allocated tier 1 capital as of December 31, 2019. Prior period investments include two municipal bonds totaling \$600 thousand to the City of Corsicana to purchase fire prevention equipment and to improve the streets and roads, including the design and engineering of the projects. These bonds help revitalize and stabilize the city of Corsicana. Corsicana is located in Navarro County in which all the CTs are either moderate-income or middle-income (underserved or distressed) as of this evaluation. New qualified investments totaled \$1.3 million and consisted of different investments and donations to organizations that provide community services to low- and moderate-income individuals and geographies. These include the Banzai Financial Literacy Program, United Way, Casual for Charity, and other various non-profit agencies.

Extent to Which the Bank Provides Community Development Services

The level of CD services in the non-MSA reflects excellent responsiveness to the CD needs of the AA. The bank meets the CD service needs of the AA through the volunteer activities of its directors, officers, and employees, many on a continuing basis to the CD organizations. Thirteen employees provided their expertise to 32 CD organizations within the AA for a total of 518 hours in 2018 and 571 hours in 2019. Employees served either as an executive, director, treasurer, and/or committee member. The following includes a few of the organizations that have benefited through the bank staff's efforts:

- Community Services – Corsicana Education Foundation, Salvation Army, Child Welfare Board, United Way of Navarro County, The Hope Center, and the YMCA of Corsicana.
- Economic Development – Mineral Wells Chamber of Commerce and Corsicana Industrial Foundation.
- Revitalization and Stabilization – Corsicana Visitors' Bureau, Navarro Regional Hospital, and Brazos Foundation.

Conclusions for Area Receiving a Limited Scope Review

Based on a limited-scope review, the bank's performance under the CD Test in the Dallas MSA is consistent with the bank's overall performance under the CD Test in the full scope area. The bank originated seven loans totaling \$14.7 million in the Dallas MSA which represents 68.6 percent of tier 1 capital allocated to the AA. Five employees provided expertise to seven different organizations totaling 272 service hours. Investments and donations accounted for approximately \$996 thousand in the limited scope AA. The limited-scope AA only makes up 28.4 percent of total deposits and has an overall neutral impact on the overall rating.

Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the MSA(s) and non-MSA(s) that received comprehensive examination review, designated by the term “full-scope”, and those that received a less comprehensive review, designated by the term “limited-scope”.

Time Period Reviewed:	01/01/2017 to 12/31/2019; 11/28/2017 to 12/31/2019 for CD Activity	
Bank Products Reviewed:	Home mortgage (home purchase, home improvement, and refinance), small loans to businesses, CD loans, investments, and services.	
Affiliate(s)	Affiliate Relationship	Products Reviewed
None		
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
Texas		
Non-MSA AA	Full Scope	29 census tracts located in Navarro, Freestone, Leon, and Palo Pinto Counties.
Dallas MSA	Limited Scope	435 census tracts located in Tarrant, Johnson, Ellis, and Parker Counties. All counties are included within the Dallas-Fort Worth-Arlington, TX MSA.

Appendix B: Summary of State Ratings

RATINGS		Community National Bank & Trust of Texas	
Overall Bank:	Lending Test Rating*	CD Test Rating	Overall Bank/State Rating
Community National Bank & Trust of Texas	Satisfactory	Satisfactory	Satisfactory
State:			
Texas	Satisfactory	Satisfactory	Satisfactory

(*) The Lending Test and Community Development Test carry equal weight in the overall rating.

Appendix C: Definitions and Common Abbreviations

The following terms and abbreviations are used in this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

Affiliate: Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. For example, a bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Aggregate Lending (Aggt.): The number of loans originated and purchased by all reporting lenders (HMDA or CRA) in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

Census Tract (CT): A small, relatively permanent statistical subdivision of a county delineated by a local committee of census data users for the purpose of presenting data. Census tracts nest within counties, and their boundaries normally follow visible features, but may follow legal geography boundaries and other non-visible features in some instances, census tracts ideally contain about 4,000 people and 1,600 housing units.

Combined Statistical Area (CSA): A geographic entity consisting of two or more adjacent Core Based Statistical Areas with employment interchange measures of at least 15. An employment interchange measure is a measure of ties between two adjacent entities. The employment interchange measure is the sum of the percentage of workers living in the smaller entity who work in the larger entity and the percentage of employment in the smaller entity that is accounted for by workers who reside in the larger entity.

Community Development (CD): 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 Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; or activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas.

Community Reinvestment Act (CRA): The statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its entire community, including LMI areas, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

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 under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., 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 conduct business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants, the amount of loan requested, the disposition of the application (e.g., approved, denied, and withdrawn), the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

Home Mortgage Loans: A closed-end mortgage loan or an open-end line of credit as these terms are defined under 12 CFR 1003.2, and that is not an excluded transaction under 12 CFR 1003.3(c)(1) through (c)(10) and (c)(13).

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 under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

Low-Income Individual: Individual income that is less than 50 percent of the area median income.

Low Income Geography: A census tract with a median family income that is less than 50 percent.

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 state/assessment area.

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. The median is the point at which half of the families have income above, and half below, a range of incomes. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above, and half below, a range of incomes.

Metropolitan Division: As defined by Office of Management and Budget, a county or group of counties within a Core Based Statistical Area that contains an urbanized population of at least 2.5 million. A Metropolitan Division consists of one or more main/secondary counties that represent an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area: An area, defined by the Office of Management and Budget, as a core based statistical area associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

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.

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.

Rating Area: A rated area is a state or multi-state metropolitan statistical 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 multi-state metropolitan statistical area, the institution will receive a rating for the multi-state metropolitan statistical 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) 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.

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

Tier 1 Capital: The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

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

Appendix D: Tables of Performance Data

Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan statistical areas, if applicable, are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to Appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: (1) purchased are treated as originations; and (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all HMDA or CRA-reporting lenders in the MMSA/assessment area. Deposit data are compiled by the FDIC and are available as of June 30th of each year. Tables without data are not included in this PE.

The following is a listing and brief description of the tables included in each set:

- Table O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents aggregate peer data for the years the data is available.
- Table P. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MMSA/assessment area. The table also presents aggregate peer data for the years the data is available.
- Table Q. Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses that were originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) in those geographies. Because aggregate small business data are not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank’s assessment area.
- Table R. Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenue** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to: 1) the percentage distribution of businesses with revenues of greater than \$1 million; and, 2) the percentage distribution of businesses for which revenues are not available. The table also presents aggregate peer small business data for the years the data is available.

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2017-19		
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts				
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate		
Non-MSA	365	48,957	18.8	2,266	0.0	0.0	0.0	11.8	9.6	9.5	69.6	80.5	75.8	18.5	9.9	14.7	0.0	0.0	0.0		
Dallas MSA	282	52,910	14.5	95,745	4.6	7.1	2.2	16.4	18.8	12.0	39.0	46.5	38.9	40.0	27.7	46.9	0.0	0.0	0.0		
Total	647	101,867	33.3	98,011	4.4	3.1	2.1	16.2	13.6	12.0	40.6	65.7	39.8	38.8	17.6	46.2	0.0	0.0	0.0		

Source: 2015 ACS Census; 01/01/2017 - 12/31/2019 Bank Data, 2019 HMDA Aggregate Data, “—” data not available.
Due to rounding, totals may not equal 100.0%.

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2017-2019		
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers				
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate		
Non-MSA	365	48,957	18.8	2,266	21.5	2.2	2.0	18.5	10.4	9.9	17.9	17.8	18.8	42.0	64.9	54.7	0.0	4.7	14.7		
Dallas MSA	282	52,910	22.2	95,745	22.4	1.8	3.3	16.7	9.6	14.6	19.6	20.6	22.3	41.3	50.4	41.9	0.0	17.7	17.9		
Total	647	101,867	33.3	98,011	22.4	2.0	3.3	16.7	10.0	14.5	19.5	19.0	22.2	41.4	58.6	42.2	0.0	10.4	17.9		

Source: 2015 ACS Census; 01/01/2017 - 12/31/2019 Bank Data, 2019 HMDA Aggregate Data, “—” data not available.
Due to rounding, totals may not equal 100.0%.

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																			2017-2019		
Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts				
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate		
Non-MSA	722	32,390	70.7	2,113	0.0	0.0	0.0	21.3	7.5	15.5	63.4	82.0	68.9	15.3	10.5	15.6	0.0	0.0	0.0		
Dallas MSA	299	29,116	29.3	56,554	6.1	4.7	6.4	18.3	21.1	18.7	31.5	41.5	30.9	44.0	32.8	43.9	0.1	0.0	0.1		
Total	1,021	61,506	100.0	58,667	5.9	1.4	6.1	18.4	11.5	18.6	32.5	70.1	32.3	43.1	17.0	42.9	0.1	0.0	0.1		

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2019 CRA Aggregate Data, “—” data not available.
Due to rounding, totals may not equal 100.0%.

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues												2017-2019	
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available			
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans		
Non-MSA	722	32,390	70.7	2,113	82.8	95.3	42.7	4.1	4.2	13.1	0.6		
Dallas MSA	299	29,116	29.3	56,554	87.8	85.6	46.1	3.6	14.0	8.6	0.3		
Total	1,021	61,506	100.0	58,667	87.6	92.5	46.0	3.6	7.1	8.8	0.5		

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2019 CRA Aggregate Data, “—” data not available.
Due to rounding, totals may not equal 100.0%.