



PUBLIC DISCLOSURE

October 15, 2018

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

T Bank, National Association
Charter Number 24467

16200 Dallas Parkway, Suite 190
Dallas, TX 75248

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, 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.

Table of Contents

OVERALL CRA RATING 3

DEFINITIONS AND COMMON ABBREVIATIONS 4

DESCRIPTION OF INSTITUTION 8

SCOPE OF THE EVALUATION..... 9

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW 11

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS..... 12

 LENDING TEST12

 QUALIFIED INVESTMENTS AND CD SERVICES.....14

APPENDIX A: SCOPE OF EXAMINATION..... A-1

APPENDIX B: COMMUNITY PROFILES FOR FULL-SCOPE AREAS B-1

APPENDIX C: TABLES OF PERFORMANCE DATA C-1

Overall CRA Rating: “Satisfactory”

The Lending Test is rated: Satisfactory.

The major factors supporting the rating include:

- The bank’s loan-to-deposit (LTD) ratio is more than reasonable.
- Although the majority of loan originations and purchases are outside the bank’s assessment area (AA), a majority of deposits are attributed to customers located outside the AA.
- The geographic distribution of business loans reflects a reasonable dispersion across the low- and moderate-income (LMI) census tracts within the AA.
- The distribution of loans to businesses of different sizes reflects a reasonable penetration.
- The bank has a significant level of qualified investments and exhibits adequate responsiveness to credit and CD needs within the AA. The bank’s branch distribution in its AA is satisfactory as offices are reasonably accessible to portions of the bank’s AA and LMI individuals. In addition, the bank provides an adequate level of community development services.

Definitions and Common Abbreviations

The following terms and abbreviations are used throughout 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. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

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 MA/assessment area.

Census Tract (CT): A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan areas. Census tracts generally have a population between 1,200 and 8,000 people, with an optimal size of 4,000 people. Their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community Development: Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas; or loans, investments, and services that support, enable or facilitate projects or activities under HUD Neighborhood Stabilization Program criteria that benefit low-, moderate-, and middle-income individuals and geographies in the bank's assessment area(s) or outside the assessment area(s) provided the bank has adequately addressed the community development needs of its assessment area(s).

Community Reinvestment Act (CRA): the statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, 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, 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).

Full 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), loan pricing, the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

Home Mortgage Loans: Such loans include home purchase, home improvement and refinancings, as defined in the HMDA regulation. These include loans for multifamily (five or more families) dwellings, manufactured housing and one-to-four family dwellings other than manufactured housing.

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 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 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 MA/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. 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 it and half below it.

Metropolitan Area (MA): Any metropolitan statistical area or metropolitan division, as defined by the Office of Management and Budget, and any other area designated as such by the appropriate federal financial supervisory agency.

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.

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 multi-state 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 multi-state metropolitan area, the institution will receive a rating for the multi-state 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) 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 One 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.

Description of Institution

T Bank, National Association (T Bank or bank) is a community bank located in the city of Dallas, Texas which is in Dallas County. T Bank was chartered in November 2004. The main office is located at 16200 Dallas Parkway and is a full service banking office. There are no branch offices and no branch openings or closings have occurred since the most recent CRA evaluation. In May 2017 the bank was sold to T Acquisition, Inc. (TA). The bank is no longer publicly traded.

T Bank is a full service commercial bank, offering a broad array of commercial banking services to small and medium size businesses, business owners, professionals, and individuals who can utilize the bank's unique style of service. Due to the geographic dispersion and mobility of its customer base, T Bank has consistently emphasized the use of alternative delivery systems that include telephone, mobile, internet, mail, and home banking. Management is continuously striving to make its services as conveniently available as possible to its geographically diverse customer base. The bank provides its customers free ATM access worldwide by reimbursing customer ATM usage fees. Corporate customers have the ability to deposit checks and perform other transactions from remote locations.

Lending to small and mid-size businesses continues as the main focus of the bank's lending strategy. Residential real estate loans are typically accommodation loans to small business owners, as well as qualified investors. Although T Bank has a small branch footprint in Dallas, it possesses a broad geographic reach. The bank has developed a niche with dental professional customers. From January 1, 2015 through December 31, 2017, 34 percent of the number of business loans originated by the bank were to dental professionals located in 26 states. During the fourth quarter 2012, the bank began originating and acquiring Small Business Administration (SBA) loans through a newly formed SBA lending division. The bank is a Preferred Lender for the SBA. The SBA lending division uses a national platform to originate and acquire SBA loans. The bank has 16 employees working in seven states focused on SBA lending. There are SBA loan production offices located in Phoenix, Arizona; Denver, Colorado; Portland, Oregon; Central Florida; San Francisco, California; and Salt Lake City, Utah. From 2015 through 2017, 23 percent of the number of business loans originated by the bank were SBA loans to borrowers located in 22 states. This included one of the aforementioned dentist loans.

T Bank began offering fiduciary services in August 2006 through its trust department. The trust assets under management has grown to \$1.2 billion and are primarily centered in the dental industry. The trust department utilizes Tectonic Advisors (wholly owned by Tectonic Holdings, LLC, an affiliate of TA) for investment management advice. As of December 31, 2017, approximately 18 percent of T Bank's total deposits were custodial accounts.

As of December 31, 2017, total loans were 78 percent of T Bank's total assets of \$273 million. The following table is a summary of the bank's loan portfolio. The bank's tier 1 capital as of December 31, 2017 was \$25 million.

T Bank, National Association Loan Portfolio Summary		
Loan Category	Dollar Volume (\$000's)	Percentage
Commercial and Commercial Real Estate	176,413	82%
Construction	26,886	13%
Residential Real Estate	6,846	3%
Consumer and Other	5,264	2%
Total Loans	215,409	100%

Source: December 31, 2017 Report of Condition.

There are no legal or financial impediments to T Bank's ability to meet the credit needs of its AA. We did not consider the activities of lending affiliates in this evaluation.

Lobby hours at the bank are 9:00 a.m. to 4:00 p.m. Monday through Friday and drive-through hours are 8:00 a.m. to 5:00 p.m. The bank building has an ATM with 24 hour access. The bank drive-through accepts check and cash deposits only.

T Bank's banking programs, hours and use of technology 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 AA. T Bank offers on-line banking through its website www.tbank.com. Bank customers can utilize on-line banking and the mobile banking app at no charge.

T Bank has one AA located in Texas: the Dallas-Fort Worth MSA (DFW MSA) which includes Collin, Dallas, Denton, Rockwall, and Tarrant counties. T Bank is ranked 255th among 529 FDIC-insured depository institutions operating in the state of Texas, holding a 0.02 percent deposit market share. The bank's major competitors are North Dallas Bank & Trust, Texas Republic Bank and Texas Security Bank. See Appendix B for a full discussion of the DFW MSA.

Scope of the Evaluation

Evaluation Period/Products Evaluated

T Bank is subject to the interagency Small Bank CRA evaluation procedures. As such, this Performance Evaluation (PE) assesses the bank's performance under the Lending Test. The evaluation period for this CRA evaluation ranges from July 1, 2013, the day after the end date used at the most recent PE, through December 31, 2017, the end of the most recent full calendar year. We identified commercial and commercial real estate loans (business loans) as the bank's primary loan products. The Lending Test concentrated on lending activity from January 1, 2015 to December 31, 2017. Lending

activity beginning January 1, 2017 is evaluated using the 2015 U.S. Census American Community Survey (ACS) data. Therefore, in our evaluation of the distribution of loans for 2015 and 2016, we utilized the demographics and geographies related to the 2010 U.S. Census and for 2017, we utilized the ACS demographics and geographies.

As a Small Bank, T Bank is not subject to the evaluation of its performance relative to community development (CD) activities. At the bank's request, we have included the bank's CD activities in our analysis. Our consideration of CD activities, including investments and services, extended from July 1, 2013 to December 31, 2017.

Data Integrity

To evaluate T Bank's performance relative to business lending in the DFW MSA, we selected a random sample of 30 business loans that were originated and purchased during the 2015-2016 review period and 30 in the 2017 review period.

Based on our testing of the sampled loans, we found the aggregate data reliable to use for this evaluation. Relative to Table D in this PE, we used the entire population of originated and purchased business loans. Table Q for each of the two lending periods was completed using the population of business loans that were originated and purchased within the DFW MSA.

Selection of Areas for Full-Scope Review

As previously noted, T Bank has delineated one AA, identified as DFW MSA, that includes the following five contiguous counties in Texas: Collin, Dallas, Denton, Rockwall and Tarrant. Consequently, we conducted a full-scope review of the AA. Please refer to Appendices A and B for additional information on the AA.

Ratings

The bank's overall rating is based primarily on the bank's sole AA. As noted immediately above, the AA received a full-scope review.

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 assessment area 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 Consumer Financial Protection Bureau, 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.

Conclusions with Respect to Performance Tests

LENDING TEST

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

Loan-to-Deposit Ratio

T Bank's LTD ratio is more than reasonable given the bank's size, location, local competition, and the credit needs of the AA. The LTD ratio is calculated on a bank-wide basis. This determination is based on the quarterly average LTD ratio of 100.39 percent from September 30, 2013 through June 30, 2018. During this evaluation period, T Bank's LTD ratio ranged from a low of 94.89 percent to a high of 116.37 percent.

Management considers the banks shown in the following table to be similarly situated institutions (SSIs). All are community banks that actively offer similar loan products and have branch locations in the AAs.

The quarterly average LTD ratio for each SSI is listed in the following table. Please note that no ranking is intended or implied.

Loan-to-Deposit Ratios		
Financial Institutions	Total Assets \$ (000's) (As of 6/30/2018)	Average Loan-to-Deposit Ratio
T Bank, National Association	281,843	100.39%
North Dallas Bank & Trust Co.	1,344,768	47.66%
Texas Republic Bank, National Association	238,553	97.50%
Texas Security Bank	428,867	93.18%

Source: Institution Reports of Condition from September 30, 2013 to June 30, 2018.

Lending in Assessment Area

As calculated on a bank wide basis, a majority of the number and dollar amount of T Bank's loans were originated or purchased outside its AA. As depicted in Table D, 58.37 percent of the number and 77.44 percent of the dollar amount of loans were originated or purchased outside the AA. It should be noted that as of December 31, 2017, 68 percent of deposits are generated from outside the AA.

After considering T Bank's extensive use of non-branch delivery systems to obtain deposits and to deliver loans, and given that only 32 percent of deposits are attributed to the AA, then 41.63 percent of the number of loans originated or purchased inside the AA (as reflected in Table D) is considered adequate.

Table D - Lending Inside and Outside of DFW MSA										
Loan Type	Number of Loans					Dollars of Loans (\$000)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Business	189	41.63	265	58.37	454	71,669	22.56	246,039	77.44	317,708

Source: Evaluation Period: 1/1/2015 – 12/31/2017 Bank data.

Geographic Distribution of Loans

The geographic distribution of loans in the DFW MSA is reasonable. We did not identify any material or unexplained gaps in our analysis of lending in the AA. The distribution of business loans across the LMI CTs reflects a reasonable dispersion. Please refer to Table Q (Business) for both lending periods in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's loan originations and purchases.

As detailed in Table Q for the 2015-2016 lending period, the percentage of loans to businesses made in the low-income tracts (six percent) is slightly below the percentage of businesses in those geographies (seven percent). A similar comparison exists for the moderate-income CTs where 17 percent of the bank's business lending was slightly below the 19 percent of businesses in those geographies. The geographic distribution of business loans over this two-year evaluation period reflects a reasonable dispersion.

As discussed in Appendix B, in 2017 the number of low-income CTs increased from 142 CTs to 165 tracts. Accordingly, the number of businesses in the low-income tracts also rose by 11 percent. As detailed in Table Q for the 2017 lending period, the bank extended no loans to the low-income CTs which contained seven percent of the AA's businesses. The percentage of loans to businesses made in the moderate-income tracts (12 percent) is below the percentage of businesses in those geographies (20 percent). Although the number of moderate-income CTs in 2017 was virtually unchanged, the number of businesses in those geographies increased by 13 percent. The geographic distribution of business loans across LMI CTs in 2017 was poor.

Lending to Borrowers of Different Incomes and to Businesses of Different Sizes

The borrower distribution of loans in the DFW MSA is reasonable. The distribution of loans to businesses of different sizes reflects a reasonable penetration. Please refer to Table R (Business) for both lending periods in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's loan originations and purchases. As discussed in the preceding Data Integrity section, Table R was completed using a random sample of 30 business loans for each of the two lending periods.

As detailed in Table R for the 2015-2016 lending period, the percentage of loans by number to small businesses (70 percent) is below but comparable to the percentage of small businesses in the AA (85 percent). A small business is defined as a business with

gross annual revenues (GAR) of \$1 million or less. In 2017, the results were similar with a slightly more favorable comparison: 73 percent of loans were made to small businesses compared to the 86 percent of small businesses in the DFW MSA.

In the Description of Institution section, it was noted that 34 percent of business loans originated and purchased during the two evaluation periods were to dental professionals. Considering that each dental office employs four to five non-dentist employees for each practicing dentist¹, the \$1 million GAR ceiling for small businesses is not a realistic figure for the successful operation of a small dental practice. If the GAR ceiling was increased to a more reasonable \$3 million for the dental professional loans, the impact on Table R would be:

- For the 2015-2016 evaluation period, the percent of bank loans extended to small businesses would increase from 70 percent to 83 percent.
- For the 2017 lending period, there would be no change.

Based on this revision, the 2015-2016 performance results would be more favorable with the lending percentage approximating the small business demographic.

Responses to Complaints

No CRA-related complaints were made against the bank during this evaluation period.

QUALIFIED INVESTMENTS AND CD SERVICES

As a Small Bank, T Bank is not required to make qualified investments and provide CD services. The bank engages in these CD activities to further benefit the LMI residents and geographies in its AA as well as the small business owners and operators. At management's request, we have included these activities in the bank's CRA evaluation.

Qualified Investments

T Bank's qualified investments were in the form of cash donations and debt investments totaling \$1.5 million. Inside the DFW MSA, management made 19 donations totaling \$88 thousand to eight different CD organizations. These investments benefit LMI adults and families, LMI geographies, and small business owners and operators.

The breakdown by CD criteria was as follows:

- nine donations totaling \$15 thousand for community service,
- five donations totaling \$20 thousand toward revitalization,
- four donations amounting to \$50 thousand for affordable housing, and
- one donation of \$3 thousand toward economic development.

¹ The number of non-dentist employees is supported by (1) a 2018 random sample by the bank of 32 of its dental professional loans that revealed an average figure of 4.94 full-time equivalent (FTE) non-dentist employees per dentist and (2) a 2013 survey by the American Dental Association of its members that showed an average figure of 4.8 non-dentist FTEs per dentist.

During the review period, the bank also purchased three FNMA MBS totaling \$1.4 million. These investments financed a multi-family apartment complex and a town home complex both located in low- and moderate-income CTs, respectively, in south Dallas. Both properties provide affordable housing for LMI individuals and families.

T Bank has a significant level of qualified investments and exhibits adequate responsiveness to credit and CD needs within the AA, particularly given the level of competition in the AA from Large Banks with a national and regional presence, and Intermediate Small Banks. All competitor banks are required to engage in CD activities.

Broader Statewide Area Investments

In response to flood disaster relief for the Houston area and the Major Disaster Declaration declared by the Federal Emergency Management Agency on August 25, 2017 (Hurricane Harvey), the bank made six donations to six non-profit organizations totaling \$19 thousand in September 2017. The largest was \$13 thousand to the American Red Cross.

Retail Banking Services

The bank does not have any branch offices. When considering the main office in an upper-income geography is near-to two moderate-income geographies, T Bank's branch distribution in the DFW MSA is satisfactory. This office is reasonably accessible to portions of the geographies and individuals of different income levels within the AA. Near-to branches are those branches that are proximate to a low- or moderate-income geography and are reasonably likely to serve the low- or moderate-income area.

As the bank has not opened or closed any branch offices during the evaluation period, this activity has not adversely affected the accessibility of T Bank's delivery systems to LMI geographies or individuals.

The bank's hours and services do not vary in a way that inconveniences portions of the AA, particularly LMI geographies or individuals.

The bank's mobile and online banking platforms are a predominant part of its operation. They are supplemented by traditional service delivery methods.

Community Development Services

T Bank provided an adequate level of CD services. During the evaluation period, the bank provided technical assistance to four small Houston-area businesses by helping them secure Small Business Recovery Grants from the Federal Home Loan Bank of Dallas. Each grant was in the amount of \$15 thousand and was earmarked for businesses that were damaged or destroyed by Hurricane Harvey. T Bank staff spent over 140 hours researching and preparing the necessary documentation, and completing the required applications.

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 metropolitan and nonmetropolitan areas 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	Lending Test: 01/01/2015 to 12/31/2017 Investment and Service Tests: 07/01/2013 to 12/31/2017	
Financial Institution	Products Reviewed	
T Bank, National Association (T Bank or bank) Dallas, Texas	Commercial Loans Commercial Real Estate Loans Qualified Investments Community Development Services	
Affiliate(s)	Affiliate Relationship	Products Reviewed
Not applicable		
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Dallas-Fort Worth MSA	Full-Scope	Collin, Dallas, Denton, Rockwall and Tarrant counties only. These counties are part of the U.S. Census Dallas-Fort Worth, TX MSA.

Appendix B: Community Profiles for Full-Scope Areas

Table A – Demographic Information of the Assessment Area						
Assessment Area: 2015 and 2016 DFW MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	1,186	12.0	25.8	28.0	33.9	0.3
Population by Geography	5,700,465	10.2	25.2	29.6	35.0	0.0
Housing Units by Geography	2,184,883	10.7	24.8	30.9	33.6	0.0
Owner-Occupied Units by Geography	1,215,065	4.9	19.4	31.1	44.6	0.0
Occupied Rental Units by Geography	767,485	17.7	31.6	31.3	19.3	0.0
Vacant Units by Geography	202,333	18.5	31.6	28.2	21.7	0.0
Businesses by Geography	470,460	7.2	18.5	27.3	46.8	0.2
Farms by Geography	8,443	5.2	16.9	32.2	45.7	0.0
Family Distribution by Income Level	1,358,836	22.7	16.7	18.4	42.2	0.0
Household Distribution by Income Level	1,982,550	23.2	16.9	17.8	42.1	0.0
Median Family Income MSA - 19124 Dallas-Plano-Irving, TX MD		\$67,175	Median Housing Value			\$168,214
Median Family Income MSA - 23104 Fort Worth-Arlington, TX MD		\$64,976	Median Gross Rent			\$876
			Families Below Poverty Level			10.4%
<p>Source: 2010 U.S. Census and 2016 D&B Data Due to rounding, totals may not equal 100.0 (*) The NA category consists of geographies that have not been assigned an income classification.</p>						

Table A – Demographic Information of the Assessment Area						
Assessment Area: 2017 DFW MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	1,186	13.9	25.9	26.4	33.2	0.6
Population by Geography	6,079,131	11.7	25.5	28.0	34.6	0.1
Housing Units by Geography	2,321,930	12.2	24.3	28.6	34.7	0.2
Owner-Occupied Units by Geography	1,253,823	5.6	19.6	29.5	45.2	0.1
Occupied Rental Units by Geography	892,752	19.6	30.0	28.1	21.9	0.4
Vacant Units by Geography	175,355	21.6	28.0	25.1	25.0	0.3
Businesses by Geography	502,804	7.4	19.5	26.4	46.0	0.7
Farms by Geography	9,014	5.6	17.4	30.1	46.4	0.4
Family Distribution by Income Level	1,475,195	23.6	16.3	17.9	42.2	0.0
Household Distribution by Income Level	2,146,575	23.9	16.5	17.7	42.0	0.0
Median Family Income MSA - 19124 Dallas-Plano-Irving, TX MD		\$71,149	Median Housing Value			\$180,513
Median Family Income MSA - 23104 Fort Worth-Arlington, TX MD		\$69,817	Median Gross Rent			\$984
			Families Below Poverty Level			11.6%
<i>Source: 2015 ACS Census and 2017 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>						

The bank's AA consists of all of Collin, Dallas, Denton, Rockwall and Tarrant counties that are part of the U.S. Census Dallas-Fort Worth, TX MSA. The bank's AA is comprised of 1,186 CTs. Per the 2010 Census, the DFW MSA included 142 low-income CTs, 306 moderate-income tracts, 332 middle-income geographies, 402 upper-income CTs, and four not income-classified (NA). Low and moderate-income tracts represent 38 percent of total CTs. T Bank's office is located in an upper-income tract.

The results of the 2015 ACS became effective in 2017. The total number of CTs in the DFW MSA remains at 1,186. The number of low-income CTs rose from 142 to 165 representing a 16 percent increase. The number of moderate-income CTs increased by one, from 306 to 307. The number of middle-income CTs declined from 332 to 313, upper-income CTs dropped from 402 to 394 tracts, and NA CTs increased from four to seven. LMI tracts now represent 40 percent of the total CTs in the DFW MSA. The 2015 ACS did not affect the upper-income designation of the CT containing the bank's main office.

The bank has properly defined its AA in accordance with the technical requirements of the regulation. The AA consists of whole geographies, does not arbitrarily exclude LMI geographies, and does not reflect illegal discrimination.

The DFW MSA is a competitive banking environment filled with larger regional banks, community banks, and credit unions. The June 30, 2017 FDIC Deposit Market Share Report notes 145 FDIC-insured financial institutions operate 1,482 branches within the DFW MSA. T

Bank ranks 60th in the DFW MSA with a 0.08 percent deposit market share. The top five banks in terms of market share include Bank of America, National Association (30.2 percent); JPMorgan Chase, National Association (22.6 percent); Wells Fargo Bank, National Association (7.2 percent); Texas Capital Bank, National Association (5.1 percent); and Compass Bank (3.8 percent). These banks account for 68.9 percent of the deposit market share in the DFW MSA. There are 31 credit unions based in the city of Dallas and 18 in Fort Worth.

According to the August 2018 edition of *Moody's Analytics*, job growth in DFW remains well above the national average. Employment growth has been strong in 2018. All areas have increased employment partly due to the services needed for the recent large corporate relocations of Toyota Motor Company, Liberty Mutual Insurance, State Farm Insurance, and others. Construction and core professional services lead employment growth. Due to the increase in the federal spending budget, companies such as Bell Helicopter and Lockheed Martin are expecting more contracts. However, the companies indicated there might be a reduction in their orders due to high operating costs. The GM plant in Arlington will open its truck plant supplier's park in 2018 which should result in the return of some parts production to the area. The construction of homes is expected to continue to increase which is supported by the well above average population growth; however, the increased supply of homes is beginning to cause a deceleration in the higher-priced home market.

As the labor force has been expanding, the unemployment rate has declined. During 2017, the unemployment rates in Dallas and Tarrant Counties (the most populated of the five counties in the AA) fell from 3.9 percent and 3.8 percent, respectively, to 3.3 percent and 3.2 percent. These compare favorably to the state of Texas and the U.S. rates that have also declined from 4.5 and 4.7 percent, respectively, to 3.7 and 4.1 percent.

Major employers in the DFW MSA include: American Airlines, Wal-Mart Stores, AT&T, Baylor Scott & White Health, Bank of America, Texas Instruments, J.P. Morgan, Lockheed Martin, Texas Health Resources, HCA Healthcare, ExxonMobil, and UT Southwestern Medical Center. Additionally, based on 2017 Dun & Bradstreet data, there are 511,818 businesses in the DFW MSA. Of these businesses, 86 percent reported gross annual revenues of less than \$1 million. Because reporting is voluntary, 9 percent of the businesses did not report revenues. Approximately 89 percent of businesses in the DFW MSA have less than ten employees.

An interview with a management official of a City of Dallas economic development office was conducted at a recent CRA evaluation of another local financial institution. The contact indicated that current lending opportunities for local banks include financing small business start-ups and providing ongoing financing for their operation. The management official also stated that competition for these loans has increased due to a number of banks outside the city pursuing small business lending opportunities throughout Dallas. The official further stated there exists a credit need for residential housing.

Appendix C: Tables of Performance Data

Content of Standardized 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 loans are treated as originations/purchases; (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/assessment area. Deposit data is compiled by the FDIC and are available as of June 30th of each year. Tables without data are not included in this PE. Tables are identified by both letters and numbers, which results from how they are generated in supervisory analytical systems.

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

- 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 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) throughout those geographies. Because small business data is 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 (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. 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 **2015-16**

AA	Total Loans to Small Businesses (\$000)				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
2015 - 2016 DFW MSA	139	50,075	100.0	--	7.2	5.8	--	18.5	16.6	--	27.3	28.7	--	46.8	48.9	--	0.2	--	--

Source: 2016 D&B Data; 01/01/2015 - 12/31/2016 Bank Data; 2016 CRA Aggregate Data: "--" data not available.
 Due to rounding, totals may not equal 100.0.
 T Bank, National Association (10000057703) excluded from Aggregate.

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography **2017**

Assessment Area:	Total Loans to Small Businesses (\$000)				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
2017 TB DFW MS A	50	21,593	100.0	--	7.4	0.0	--	19.5	12.0	--	26.4	44.0	--	46.0	44.0	--	0.7	--	--

Source: 2017 D&B Data; 01/01/2017 - 12/31/2017 Bank Data; 2017 CRA Aggregate Data: "--" data not available.
 Due to rounding, totals may not equal 100.0.
 T Bank, National Association (10000057703) excluded from Aggregate.

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2015-16	
AA:	Total Loans to Small Businesses (\$000)				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	
2015 - 2016 DFW MSA	30	5,600	21.6	--	85.3	70.0	--	5.4	30.0	9.3	--	
<i>Source: 2016 D&B Data; 01/01/2015 - 12/31/2016 Bank Sample Data; 2016 CRA Aggregate Data: "--" data not available. Due to rounding, totals may not equal 100.0. T Bank, National Association (10000057703) excluded from Aggregate.</i>												

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2017	
AA:	Total Loans to Small Businesses (\$000s)				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	
2017 DFW MSA	30	10,430	60.0	--	85.9	73.3	--	5.2	26.7	8.9	--	
<i>Source: 2017 D&B Data; 01/01/2017 - 12/31/2017 Bank Sample Data; 2017 CRA Aggregate Data: "--" data not available. Due to rounding, totals may not equal 100.0. T Bank, National Association (10000057703) excluded from Aggregate.</i>												