



PUBLIC DISCLOSURE

June 11, 2018

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

National Bank of Texas at Fort Worth
Charter Number 16226

2535 Northeast 28th Street
Fort Worth, TX 76161

Office of the Comptroller of the Currency

9003 Airport Freeway, Suite 275
North Richland Hills, TX 76180-9127

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.

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Overall CRA Rating: This institution is rated Satisfactory.

The Lending Test is rated: Satisfactory.

The National Bank of Texas' (NBOT) overall CRA performance is satisfactory. We based our conclusions primarily on the lending test. The major factors supporting the institution's rating include:

- The bank's loan to deposit ratio (LTD) is reasonable and reflects a willingness to lend within the bank's assessment area (AA) communities.
- The substantial majority of the bank's loan originations are inside the AA, reflecting the bank's commitment to lend inside its AA.
- The bank's lending to borrowers with different incomes and businesses of different sizes is satisfactory and reflects reasonable distribution and a commitment to lend to LMI individuals and small businesses.
- The bank's lending across geographies with different income levels is satisfactory and reflects a reasonable distribution across low-and moderate-income geographies.
- There have been no complaints related to NBOT's CRA performance since the prior Public Evaluation was issued.

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

The National Bank of Texas at Fort Worth (NBOT) is a community bank, chartered in 1973. The bank is a subsidiary of Horizon Bankshares, Inc., a one-bank holding company located in Fort Worth, Texas. NBOT is the primary asset of the holding company and there are no other subsidiaries or affiliates.

NBOT is a single state institution with a total of four full service locations. The main facility is located north of downtown Fort Worth, Texas with branches in Hurst, Burleson, and Azle. All locations offer full service banking with drive-thru services and ATMs.

Table C - Branch and ATM Distribution by Geography Income Level

Assessment Area: NBOT Combined AA

Tract Income Level	Census Tracts		Population		Branches		ATMs		Opened Branches		Closed Branches	
	#	%	#	%	#	%	#	%	#	%	#	%
Low	146	11.6	600,771	9.9	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	322	25.5	1,514,693	24.8	1	0.0	1	0.0	0	0.0	0	0.0
Middle	377	29.8	1,921,293	31.5	1	0.0	1	0.0	0	0.0	0	0.0
Upper	415	32.8	2,061,869	33.8	2	0.0	2	0.0	0	0.0	0	0.0
NA	4	0.3	100	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Totals	1,264	100.0	6,098,726	100.0	4	100.0	4	100.0	0	100.0	0	100.0

Source: 2010 U.S. Census & Bank Data
Due to rounding, totals may not equal 100.0

The bank's primary products include 1-4 family residential loans and commercial loans for commercial and industrial purposes. Other loan products are traditional and common for community banks of comparable size. Deposit products are also traditional including products for individuals and businesses with internet banking and online bill pay. The bank's strategy includes serving the entire community with consumer and commercial products. There was no merger or acquisition activity during the assessment period.

As of December 31, 2017, NBOT reported total assets of \$254 million, total loans of \$161 million or 63 percent of total assets, and total deposits of \$230 million. NBOT's Tier 1 Capital, an important measure of a bank's financial strength, totaled \$30.8 million resulting in a Tier 1 Leverage Ratio of 11.75 percent relative to the peer average ratio of 10.55 percent. The \$161 million loan portfolio comprises 38.9 percent in 1-4 family residential loans, 19.2 percent in commercial and industrial loans, 16.7 percent in construction and development loans, 15 percent in non-farm, non-residential real estate secured commercial real estate loans, 8 percent in consumer loans and 2.2 percent in other loans.

NBOT started a mortgage loan department in January 2018; management indicated that the low number of mortgage loans in 2017 is in part due to the bank's reorganization during late 2017 which included staffing the mortgage department after key mortgage employees retired. Although the mortgage loans originated by NBOT were lower in 2017 than in prior years, the bank began purchasing 75 percent interest in loans made within its AA by Texas Bank Financial to finance loans

to low- and moderate-income individuals from Central and South America who lack legal documentation to purchase homes in low-and moderate-income census tracts. These loans are not reported on the bank's HMDA Loan Application Register (LAR) and are not represented in the included tables because the HMDA requirement excludes reporting of the acquisition of only a partial interest in otherwise reportable loans. During the assessment period the bank purchased 881 of these loans totaling \$61.323 million.

There were no legal, financial or other factors impeding the bank's ability to help meet the credit needs in its (AA) during the assessment period. The prior CRA Performance Evaluation, dated April 1, 2013, concluded that the bank's performance was satisfactory.

Scope of the Evaluation

Evaluation Period/Products Evaluated

This performance evaluation includes an assessment of NBOT's CRA activities within its AA, which includes the lending test. The lending test evaluates the bank's record of helping to meet the credit needs of its AA through its lending activities.

The evaluation period includes the full calendar years 2015, 2016, and 2017. Primary products reviewed include 1-4 family residential loans and commercial and industrial loans. The assessment includes a review of demographic and economic data about the institution's AA and information about local economic conditions, the institution's major business products and strategies, financial condition, capacity, and ability to lend or invest in its community. The review also included gathering information from examinations of other institutions serving the same or similar AAs, reviewing information from other recent community contacts, and reviewing information about the AA developed cooperatively by the different agencies. Specific data included in this assessment includes data reported by the institution on the bank's Home Mortgage Disclosure Act (HMDA) Loan Application Register (LAR) for 1-4 family residential loans originated during the assessment period and data gathered from the institutions files about commercial and industrial loans originated during the assessment period.

Data Integrity

The accuracy of the data reported in the bank's 2015 and 2016 HMDA LARs was reviewed in January 2018 and the review found it reliable for the purpose of this assessment. Only one error was noted and bank management corrected the error prior to reporting. In 2017, the bank was not required to file a HMDA LAR because the volume of loans originated was below the regulatory threshold; however, the bank compiled the data using the same procedures as prior years.

Selection of Areas for Full-Scope Review

The area primarily served by NBOT and designated as the bank's AA is an area consisting of all whole census tracts within Tarrant, Johnson, Parker, Wise, Dallas, Denton, Ellis, and Collin Counties making up the Fort Worth/Arlington MD and the western part of the Dallas/Plano/Irving MD. It is allowable for these areas to be combined into one AA given both of the MDs are located within the Dallas/Fort Worth/Arlington MSA. This assessment will include a full-scope review of the AA; the assessment does not include limited-scope reviews of any secondary AAs. It is noted that Dallas, Denton, Ellis, and Collin Counties were added to the AA in December 2016 and were not previously

part of the bank's AA; therefore, the expectation for activity in the counties is mitigated. Please refer to the table in appendix A for more information.

Ratings

Because the bank only has one AA, the overall rating is based solely on performance within the AA comprised of Collin, Dallas, Denton, Ellis, Johnson, Parker, Tarrant and Wise Counties.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 C.F.R. §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 Consumer Financial Protection Bureau, as applicable.

The OCC has not identified that this institution 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

Because NBOT is a small bank, we only performed the lending test to determine compliance with the Community Reinvestment Act. The bank demonstrated satisfactory performance under the lending test and no CRA related complaints have been received since the prior CRA performance evaluation was issued.

The bank's loan-to-deposit ratio is reasonable and meets the standard for satisfactory performance given the performance context. The bank's lending within its AA is outstanding as the substantial majority of loans were made inside the AA. The bank's lending to borrowers with different incomes and businesses of different sizes meets the standard for satisfactory performance with reasonable distribution to low-and moderate income individuals and businesses with gross revenues less than \$1 million. The bank's lending across geographies with different incomes meets the standard for satisfactory performance with reasonable distribution of lending in low-and moderate-income geographies.

LENDING TEST

The bank demonstrated satisfactory performance under the lending test.

Loan-to-Deposit Ratio

NBOT's LTD ratio is reasonable and meets the standard for satisfactory performance.

The bank's LTD ratio measures the extent to which the institution has returned the deposits it has taken from the community to the community in the form of loans. The average of this ratio for each quarter end during the assessment period was used to determine performance in this area. The average LTD ratio for the period was 49.16 percent. Because the level of competition in the area is significant, we chose similarly situated institutions with which to compare the bank's LTD performance. The average LTD ratios for the same period for these similarly situated institutions was 61.20 percent and ranged from 38.46 percent to 83.37 percent. NBOT's LTD ratio is within the range of similarly situated institutions..

NBOT has traditionally made larger numbers of smaller dollar consumer related loans. This trend was apparent during the assessment period. As of December 31, 2017, the bank had a total of 2,556 loans on the trial balance totaling \$162.8 million, of which 849 consumer loans represented 33.22 percent of loans by number, but only 7.57 percent by dollar volume. The bank originates loans as small as \$500, reflecting a willingness to provide loans to meet the credit needs of the bank's AA.

Lending in Assessment Area

The substantial majority of loans made during the assessment period were made inside the bank's AA. Of the 53 home mortgage loans the bank made during the assessment period totaling \$6.359 million, 86.79 percent by number and 73.47 percent by dollar volume were made inside the bank's AA. Of the 89 commercial and industrial loans we sampled from the assessment period totaling \$7.1 million, 91 percent by number and 95.5 percent by dollar were made inside the bank's AA. The following table quantifies the proportion of the bank's lending that was inside the AA.

Table D - Lending in Tarrant, Johnson, Parker, Wise, Dallas, Denton, Collin, and Ellis Counties

Loan Category	Number of Loans				Total	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2015	19	79.17	5	20.83	24	2,128	66.67	1,064	33.3	3,192
2016	21	91.30	2	8.70	23	1,809	74.38	623	25.6	2,432
2017	6	100.00	0	0.00	6	735	100.00	0	0	735
Subtotal	46	86.79	7	13.21	53	4,672	73.47	1,687	26.53	6,359
Commercial										
2015	29	100	0	0	29	2,556	100	0	0	2,556
2016	27	90	3	10	30	1,655	93.87	109	6.18	1,763
2017	25	83.3	5	16.67	30	2,570	92.51	207	7.45	2,778
Subtotal	81	91.01	8	8.99	89	6,781	95.55	316	4.45	7,097
Total	127	89.44	15	10.56	142	11,453	85.11	2,003	14.89	13,456

Source: Evaluation Period: 1/1/2015 - 12/31/2017 Bank Data; Loan Sample

Due to rounding, totals may not equal 100.0

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

The bank's lending to borrowers of different incomes and to businesses of different sizes reflects reasonable distribution.

Residential Real Estate Loans

Borrower distribution of residential real estate loans reflects reasonable distribution throughout the bank's AA. In 2015 and 2016, the bank exceeded the peer group in lending to low-income borrowers with 10 percent of loans made to low-income families compared to the peer group at 3.1 percent but fell below the percent of low income families at 22.6 percent. Lending to moderate-income families represented 7.5 percent of loans, lower than the peer group at 11.2 percent and lower than the percent of moderate income families at 16.9 percent. Additionally, loans to borrowers with no income information available represented 42.5 percent of the loans made in the period; these are made up largely of loans to business entities or others that are not natural persons. In 2017, the bank made only 9 home mortgage loans; therefore, 2017 data was not included in the borrower distribution analysis.

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
NBOT AA	40	3,937	100.0	245,201	22.6	10.0	3.1	16.9	7.5	11.2	18.6	7.5	17.4	41.9	32.5	49.4	0.0	42.5	18.9
Total	40	3,937	100.0	245,201	22.6	10.0	3.1	16.9	7.5	11.2	18.6	7.5	17.4	41.9	32.5	49.4	0.0	42.5	18.9

*Source: 2010 U.S. Census ; 01/01/2015 - 12/31/2016 Bank Data, 2016 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0*

Small Business Loans

Borrower distribution of small business loans reflects reasonable penetration. In 2015 the bank's lending to businesses with gross revenues less than \$1 million represented 45 percent of the business loans tested. This is slightly lower than the 49 percent reported by the peer group and lower than the proportion of small businesses for the year. In 2016 and 2017 the bank's lending to businesses with gross revenues less than \$1 million exceeded the peer group, but fell below the percent of businesses with revenues less than \$1 million in the AA as illustrated in the following table.

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues								2015-17			
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
2015	20	1,943	30.05	131,639	79.3	45.00	49.0	4.2	55.00	16.5	0.00
2016	20	1,389	12.55	161,801	85.3	60.00	42.5	5.3	40.00	9.4	0.00
2017	20	1,041	6.12	161,801	85.9	80.00	42.5	5.2	20.00	8.9	0.00
Total	60	4,374	1.21	455,241	79.3	61.67	49.0	4.2	38.33	16.5	0.00

Source: 2015 D&B Data; 01/01/2015 - 12/31/2015 Bank Data; 2015 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0

Geographic Distribution of Loans

The bank's lending distribution in low-and moderate-income geographic areas reflects reasonable distribution throughout the AA. There were no gaps or areas of low penetration in the bank's lending patterns.

Residential Real Estate Loans

Geographic distribution of residential real estate loans in the bank's AA is excellent. In 2015 and 2016 the bank made 37.5 percent of its home mortgage loans in low-and moderate-income geographies which exceeds the peer group at 12.1 percent. The bank's lending in low-and moderate-income geographies also exceeded the percent of owner occupied housing units of 24 percent in these areas. The following table illustrates the bank's performance across the different income geographies relative to the percent of owner occupied housing units and peer performance in the areas. In 2017, the bank only made 9 home mortgage loans and the inclusion of 2017 data would not materially change the distribution of lending across low- and moderate-income geographies.

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
2015	19	2,128	100.0	219,906	4.7	15.8	1.7	19.3	21.1	10.1	33.5	36.8	32.0	42.5	26.3	56.2	0.0	0.0	0.0
2016	21	1,809	100.0	245,201	4.7	9.5	2.0	19.3	28.6	10.1	33.5	47.6	32.5	42.5	14.3	55.4	0.0	0.0	0.0
Total	40	3,937	100.0	465,107	4.7	12.5	2.0	19.3	25.0	10.1	33.5	42.5	32.5	42.5	20.0	55.4	0.0	0.0	0.0

*Source: 2010 U.S. Census; 01/01/2015 - 12/31/2016 Bank Data, 2016 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0*

Small Business Loans

Geographic distribution of small business loans in the bank's AA is satisfactory. The bank's small business lending during the assessment period reflects reasonable performance in low- and moderate-income census tracts. Overall, 6.67 percent of the small business loans we tested were made to businesses in low-income census tracts which is near to the peer group at 7.5 percent and near to the 7.1 percent of the businesses in the AA located in low-income census tracts. Of the loans we tested, 21.67 percent were made to businesses in moderate-income census tracts, which exceeds the peer group at 18.1 percent and 18.6 percent of the businesses in the AA located in moderate-income census tracts.

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
2015	20	1,943	30.05	131,639	7.1	0.00	7.5	18.6	20.0	18.1	29.1	30.00	27.1	45.0	50.00	47.1	0.2	0.00	0.1
2016	20	1,389	12.55	161,801	7.1	0.00	7.0	18.5	30.00	17.8	28.7	45.00	26.9	45.4	25.00	48.1	0.2	0.00	0.1
2017	20	1,041	6.12	161,801	7.4	20.00	7.2	19.3	15.00	18.7	27.7	30.00	26.2	45.0	35.00	47.3	0.6	0.00	0.7
Total	60	4,374	1.21	455,241	7.1	6.67	7.5	18.6	21.67	18.1	29.1	35.00	27.1	45.0	36.67	47.1	0.2	0.00	0.1

*Source: 2015 D&B Data; 01/01/2015 - 12/31/2015 Bank Data; 2015 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0*

Responses to Complaints

There have been no CRA related complaints since the prior Public Evaluation was issued.

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: 1/1/2015 to 12/31/2017	
Financial Institution	Products Reviewed	
National Bank of Texas at Fort Worth, TX	HMDA reportable 1-4 family loans and commercial loans categorized as commercial and industrial	
Affiliate(s)	Affiliate Relationship	Products Reviewed
None	None	None
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Texas Dallas/Plano/Irving MD#19124 Fort Worth/Arlington MD#23104	Full-Scope	All whole census tracts within Tarrant, Johnson, Parker, Wise, Dallas, Denton, Ellis, and Collin Counties making up the Fort Worth/Arlington MD and the western part of the Dallas/Plano/Irving MD.

Appendix B: Community Profiles for Full-Scope Areas

Table A – Demographic Information of the Assessment Area						
Assessment Area: NBOT Combined AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	1,264	11.6	25.5	29.8	32.8	0.3
Population by Geography	6,098,726	9.9	24.8	31.5	33.8	0.0
Housing Units by Geography	2,333,436	10.3	24.5	32.8	32.4	0.0
Owner-Occupied Units by Geography	1,318,222	4.7	19.3	33.5	42.5	0.0
Occupied Rental Units by Geography	798,667	17.5	31.4	32.3	18.9	0.0
Vacant Units by Geography	216,547	17.6	30.9	30.4	21.0	0.0
Businesses by Geography	493,872	7.1	18.5	28.7	45.4	0.2
Farms by Geography	9,667	4.8	16.6	36.1	42.5	0.0
Family Distribution by Income Level	1,462,339	22.6	16.9	18.6	41.9	0.0
Household Distribution by Income Level	2,116,889	23.2	16.9	17.9	42.0	0.0
Median Family Income MSA - 19124 Dallas-Plano-Irving, TX MD		\$67,175	Median Housing Value			\$164,925
Median Family Income MSA - 23104 Fort Worth-Arlington, TX MD		\$64,976	Median Gross Rent			\$873
			Families Below Poverty Level			10.3%
<i>Source: 2010 U.S. Census and 2016 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>						

Table B – Median Family Income Ranges of the Assessment Area				
Assessment Area: NBOT Combined Assessment Area				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Dallas-Plano-Irving, TX MD (Dallas, Denton, Ellis, and Collin) Median Family Income (19124)				
2015 (\$70,500)	<\$35,250	\$35,250 to <\$56,400	\$56,400 to <\$84,600	≥\$84,600
2016 (\$71,700)	<\$35,850	\$35,850 to <\$57,360	\$57,360 to <\$86,040	≥\$86,040
Fort Worth-Arlington, TX MD (Tarrant, Johnson, Parker, Wise) Median Family Income (23104)				
2015 (\$70,500)	<\$35,250	\$35,250 to <\$56,400	\$56,400 to <\$84,600	≥\$84,600
2016 (\$69,300)	<\$34,650	\$34,650 to <\$55,440	\$55,440 to <\$83,160	≥\$83,160
<i>Source: FFIEC</i> <i>Due to rounding, totals may not equal 100.0</i>				

NBOT has identified one (AA). The AA consists of all whole census tracts located in Tarrant, Johnson, Parker, Wise, Dallas, Denton, Collin, and Ellis Counties making up the Fort Worth/Arlington Metropolitan District (MD) and the western portion of the Dallas/Plano/Irving MD. The majority of the bank's activity is conducted within this AA which represents the counties in which the bank has physical locations and the adjacent counties. The bank does not have any non-contiguous AAs and does not operate in any multi-state MSAs. Competition in the AA is strong with most of the market share held by large institutions with nation-wide footprints according to the FDIC Market Share Report based on information as of June 30, 2017. Bank of America and JPMorgan Chase Bank represented 29.2 percent and 22 percent, respectively, of the deposit market followed by Wells Fargo with 7.3 percent. Approximately, 25 percent of the market is represented by 11 midsize and large institutions including Texas Capital Bank, Compass Bank, Frost Bank, Legacy Texas Bank, NexBank, Comerica Bank, BOKF, Plans Capital Bank, Independent Bank, Branch Banking and Trust Company, and Capital One. NBOT represents only 0.09 percent of the deposit market share.

There were two community contacts conducted in 2017. One was with an organization that serves the greater DFW metroplex as a whole including all the counties in the bank's AA and one in Tarrant County. The contacts did not provide any indication that NBOT is not meeting the needs of its AA communities. The contacts all characterized the economic conditions as positive with declining unemployment numbers; however all noted that as demand for housing in the area has increased, the housing supply has declined and prices have increased. The contacts described the main credit needs in the area as affordable housing, small business, and general consumer loans available for individuals from Central and South America who lack legal documentation and/or who have no or poor credit. One of the contacts noted an overabundance of alternative predatory pay day lending institutions, check cashing institutions, and pawn shops offering non-traditional forms of financial services to this market.