



PUBLIC DISCLOSURE

November 30, 2023

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

First National Bank and Trust Company of Weatherford
Charter Number: 2477

220 Palo Pinto Street
Weatherford, Texas 76086

Office of the Comptroller of the Currency

225 E. John Carpenter Freeway, Suite 900
Irving, Texas 75062-2326

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

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

The lending test is rated: Satisfactory.

The major factors that support this rating include:

- The Lending Test rating is based on performance within the bank's assessment areas (AAs), all located in the state of Texas.
- The loan-to-deposit (LTD) ratio is reasonable.
- A majority of the bank's loans are inside its AAs.
- The distribution of loans across geographies of different income levels is reasonable.
- The distribution of loans to borrowers of different income levels and businesses of different sizes is excellent.
- No CRA-related complaints were received during the evaluation period.

Loan-to-Deposit Ratio

Considering the bank's size, financial condition, and credit needs of its AAs, the bank's LTD is reasonable. The LTD ratio is calculated on a bank-wide basis. The First National Bank and Trust Company of Weatherford (dba First Bank Texas) (FBT or bank) quarterly LTD ratio averaged 71.8 percent during the 24-month evaluation period ending December 31, 2021. Over this period, the bank's quarterly LTD ratio ranged from a low of 60.9 percent to a high of 80.3 percent. We compared the bank's average LTD ratio to four similarly situated (peer) banks. The average LTD ratio for the peer banks was 66.3 percent, ranging from a low of 41 percent to a high of 80.1 percent. The bank's LTD is slightly above average peer group bank performance.

Lending in Assessment Area

A majority of the bank's loans are inside its AAs. The bank originated and purchased 87.9 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.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Small Business	77	89.5	9	10.5	86	3,801	81.2	882	18.8	4,683
Consumer	75	86.2	12	13.8	87	737	77.4	215	22.6	952
Total	152	87.9	21	12.1	173	4,538	80.5	1,097	19.5	5,635

Description of Institution

FBT is full-service, single state bank headquartered in Weatherford, Parker County, Texas. The bank was originally established as a national bank in Weatherford, Texas in 1880. FBT is wholly owned by First Baird Bancshares, a single bank holding company headquartered in Willow Park, Texas with consolidated assets of approximately \$942 million as of December 31, 2021.

During our evaluation period, FBT merged with a former affiliated bank, First National Bank of Baird (FNB Baird), in February 2021. As a result, FBT grew from a \$361 million bank (December 31, 2020) solely serving Parker County, Texas, into a \$889 million bank (March 31, 2021) operating in seven Texas counties. The combined institution remains headquartered in Weatherford, Texas, and operates 13 additional branch locations throughout Parker (3 branches), Tarrant (2), Knox (1), Haskell (1), Callahan (2), Jones (1), and Taylor (3) Counties in Texas. Among this total, the bank opened a branch in Willow Park, Parker County, Texas in December 2021. All locations are now branded as “First Bank Texas.”

As of December 31, 2021, the bank provides general banking services to the public through its 14 locations and two stand-alone automated teller machines (ATM), which operate in three AAs: (1) the Abilene Metropolitan Statistical Area (MSA) AA; (2) the Partial Fort Worth Metropolitan Division (MD) AA; and (3) the non-MSA AA consisting of Haskell and Knox Counties in Texas. All bank locations include lobby and teller drive-in service hours Monday through Friday, with hours slightly varying by location. Ten locations also have teller drive-in hours on Saturdays. Furthermore, the bank operates Interactive Teller Machines (ITMs) at each bank location. Stand-alone ATMs are located in Benjamin, Knox County, Texas and Aledo, Parker County, Texas.

FBT offers a wide variety of loan and deposit products, with a focus on commercial lending. Lending product offerings include commercial real estate (CRE) loans, commercial and industrial loans (C&I), construction loans, single-family residential mortgage loans, agricultural loans, and consumer loans. Prior to the merger, FBT primarily focused on CRE and the FNB Baird lending strategy focused on C&I lending and residential real estate. FBT was not subject to the data reporting requirements pursuant to the Home Mortgage Disclosure Act (HMDA) for calendar year 2020 due to limited mortgage production. While residential mortgage activity somewhat increased post-merger in 2021, this activity was significantly concentrated in investment purpose mortgages and the bank did not roll-out its residential mortgage division at scale until after our evaluation period in 2022. Deposit products include checking, savings, money market deposit accounts, and certificates of deposit. Alternative banking services include its virtual branch, telephone banking, safe deposit boxes, internet and mobile banking, electronic bill pay, debit cards, credit cards, and gift cards.

FBT continues to operate a small loan program which offers unsecured loans ranging from \$500 to \$2,000 based on amortizing terms not exceeding 24 months. The underwriting of these loans is not based on credit scores; however, customers must be able to show proof of address, employment, and income. This is an initiative which provides a cheaper alternative for consumers needing this type of small loan facility in comparison to pay day lenders.

The bank reported total assets of \$938.4 million, total deposits of \$855.5 million, and Tier 1 Capital of \$82.7 million as of December 31, 2021, which was the end of our evaluation period. Total loans and leases of approximately \$618.5 million, represent approximately 66 percent of total assets. Major loan categories included CRE at 34.3 percent, construction loans at 18.7 percent, C&I loans at 16.7 percent, agricultural and farmland loans at 14.6 percent, and 1-4 family residential mortgage loans at 12.7

percent of total loans. Although consumer lending accounts for only 1.6 percent of total loan balances, consumer loans by count represent approximately 30 percent of total bank-wide lending. Investment securities totaled \$112.1 million.

There are no legal, financial, or other factors impeding the bank's ability to meet the credit needs of the AAs during the evaluation period. The bank received a "Satisfactory" rating at the last CRA evaluation dated September 28, 2020.

Scope of the Evaluation

Evaluation Period/Products Evaluated

FBT was evaluated under the Small Bank CRA evaluation procedures. As such, this Performance Evaluation (PE) assesses the bank's performance solely under the Lending Test. The Lending Test evaluates the bank's record of meeting the credit needs of the AAs through its lending activities. The evaluation period for this examination is from January 1, 2020, to December 31, 2021. We did not incorporate 2022 calendar year performance due to changes associated with the 2020 census and the 2022 aggregate peer lending data was not publicly available at the start of this CRA evaluation.

Small business loans are the bank's primary lending product and were included in this evaluation. Also, we reviewed consumer loans as a primary product as they represent a significant portion of lending by total count, at approximately 30 percent of originations. To evaluate the bank's lending performance, we analyzed 64 small business loans and 60 consumer loans originated inside the full-scope AAs.

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.

During 2020, FBT delineated one AA within Texas, the Partial Fort Worth MD AA that consisted only of Parker County. Due to its merger with FNB Baird, FBT delineated three AAs within the State of Texas for 2021:

- Abilene MSA AA – Entire Counties of Taylor, Jones, and Callahan
- Partial Fort Worth MD AA – Entire Counties of Tarrant and Parker
- Non-MSA AA – Entire Counties of Knox and Haskell Counties

As a result of this change, tables are presented separately for 2020 and 2021 to analyze data throughout this performance evaluation. We selected the Partial Fort Worth MD AA and the Abilene MSA AA for full-scope reviews and the non-MSA AA for a limited-scope review. 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.

Ratings

The bank's overall rating is based on the performance in the state of Texas. The state rating is based on the performance in all of the bank's AAs with the most weight placed on the two full-scope AAs, the Partial Fort Worth MD AA and Abilene MSA AA. Regarding product evaluation, we placed more weight on small business lending performance due to the bank's focus on this product line. Refer to the "Scope" section under the State Rating section for details regarding how the areas were weighted in arriving at 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 major factors that support this rating include:

- FBT's LTD is reasonable, reflecting responsiveness to community credit needs.
- A majority of the bank's loans, 87.9 percent by number and 80.5 percent by dollar, were made inside the bank's AAs.
- The distribution of loans across geographies of different income levels is reasonable.
- The distribution of loans to individuals of different income levels and businesses of different sizes is excellent.

Description of Institution's Operations in Texas

In 2020, FBT operated only in Parker County, Texas, which is part of the Fort Worth-Arlington-Grapevine MD. As a result of the merger with FNB Baird in 2021, the bank now operates in three AAs within the state of Texas. This includes a portion of the Fort Worth-Arlington-Grapevine MD that encompasses both Parker and Tarrant Counties, the entire Abilene MSA, and the non-MSA counties of Haskell and Knox. For more information on AA delineations and boundary adjustments made due to recent merger activity, please refer to the *Selection of Areas for Full-scope Review section above* and *Appendix A*.

We performed full-scope reviews of the Partial Fort Worth MD AA and the Abilene MSA AA as these markets accounted for 48.8 percent and 38.6 percent of total bank deposits, respectively. Also, 12 of the 14 bank offices were located within these markets. Conversely, we performed a limited-scope review of the non-MSA AA given the AA only comprised 12.6 percent of total deposits and two branch locations.

Partial Fort Worth MD AA

FBT conducts business with the public in this AA through its headquarters location, five additional branch offices, and one stand-alone ATM as of December 31, 2021. Of this network, two bank locations are in moderate-income census tracts (CTs), two are in middle-income CTs, and two are in upper-income CTs. The bank's primary lending strategy in this AA involves commercial lending, with a particular focus on its historical home market of Parker County. Deposits assigned to this AA totaled 48.8 percent, and approximately 29 percent of total lending in 2021 occurred in the AA. With the FNB Baird merger in February 2021, the bank acquired two locations in Bedford and Grapevine, which

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

expanded the AA into Tarrant County. Nevertheless, Parker County still accounts for 86 percent of assigned total deposits within this AA.

Most of the bank's total deposits are assigned to this AA. According to the Federal Deposit Corporation (FDIC) Deposit Market Share Report dated June 30, 2021, FBT has less than one percent of total deposit market share and ranks 25th out of 75 federally insured institutions in the AA. Competition within this market has significantly increased with the bank's AA expansion into Tarrant County, which includes many national and regional financial institutions. Competition with significant deposit market share positions include JPMorgan Chase Bank, N.A. (26.6 percent), Wells Fargo Bank, N.A. (13 percent), Bank of America, N.A. (11.6 percent), and Frost Bank (10 percent). Further, the bank operates six offices in this market. In comparison, institutions with the largest branch presence in the AA include JPMorgan Chase Bank, N.A. (56 offices), Wells Fargo Bank (52), and PNC Bank, N.A. (36). Prior to the 2021 merger, FBT accounted for 10 percent of total deposits in Parker County and ranked 5th out of 21 institutions in this market according to June 30, 2020 FDIC deposit market share data.

The economy in the Fort Worth MD has significantly outpaced the national average. Logistics, high-technology, and financial service job sectors contribute to the robustness of the area's economy, according to Moody's Analytics. Major employers in the area include American Airlines, Walmart, Baylor Scott & White Health, and Lockheed Martin. Jobs lost during the height of the COVID-19 pandemic have largely returned and most industries have outperformed their national counterparts. Unemployment rates for Tarrant and Parker Counties was 3.7 and 3.4 percent, respectively, as of December 31, 2021. In comparison, the national non-seasonally adjusted unemployment rate was 3.7 percent as of this date.

We considered information from two previously conducted community contacts for the purposes of determining a community profile, identifying opportunities for participation by local financial institutions, and determining the performance of local financial institutions in meeting the credit needs of the community. The contacts involved organizations devoted to local community development and affordable housing. Overall economic conditions proved resilient to the economic impacts of COVID-19 lockdowns and the Fort Worth-Arlington-Grapevine (FWAG) MD continues to experience economic growth, net migration to the area, and increasing real estate values. However, community contacts acknowledged that housing prices have risen at a faster pace than working class wages, resulting in a significant need for affordable housing options for low- or moderate-income (LMI) individuals. This problem is more pronounced in Tarrant County, rather than the more rural areas of the FWAG such as Parker County. While opportunities to improve home financing tailored to LMI individuals remain, contacts noted that local banks are recognizing the problem and are reaching out to local nonprofits to offer financial backing and seek other solutions. Moreover, one community contact noted that significant opportunities exist to improve lending to local small businesses, particularly with respect to women and minority-owned businesses.

Additional demographic information on the institution’s Partial Fort Worth MD AA is summarized in the tables below.

Partial Fort Worth-Arlington-Grapevine MD AA (2020)

Table A – Demographic Information of the Assessment Area						
Assessment Area: Partial Fort Worth MD AA 2020						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	19	0.0	10.5	52.6	36.8	0.0
Population by Geography	121,418	0.0	6.8	50.1	43.0	0.0
Housing Units by Geography	47,437	0.0	6.6	51.5	41.9	0.0
Owner-Occupied Units by Geography	33,261	0.0	5.5	46.5	48.1	0.0
Occupied Rental Units by Geography	9,520	0.0	10.0	64.1	25.9	0.0
Vacant Units by Geography	4,656	0.0	7.6	61.6	30.8	0.0
Businesses by Geography	12,272	0.0	3.9	47.4	48.7	0.0
Farms by Geography	632	0.0	3.2	43.4	53.5	0.0
Family Distribution by Income Level	32,561	17.4	15.9	18.2	48.5	0.0
Household Distribution by Income Level	42,781	19.7	15.9	15.8	48.6	0.0
Median Family Income MSA - 23104 Fort Worth-Arlington-Grapevine, TX		\$69,339	Median Housing Value			\$164,529
			Median Gross Rent			\$957
			Families Below Poverty Level			6.8%
<i>Source: 2015 ACS and 2020 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>						

Partial Fort Worth-Arlington-Grapevine MD AA (2021)

Table A – Demographic Information of the Assessment Area						
Assessment Area: Partial Fort Worth AA 2021						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	376	12.5	25.0	32.7	29.5	0.3
Population by Geography	2,035,944	9.5	23.4	33.5	33.6	0.0
Housing Units by Geography	780,422	9.4	23.4	34.2	33.0	0.0
Owner-Occupied Units by Geography	443,747	4.9	17.8	35.3	42.0	0.0
Occupied Rental Units by Geography	272,771	15.0	31.1	33.2	20.6	0.0
Vacant Units by Geography	63,904	16.9	29.3	29.9	23.8	0.0
Businesses by Geography	212,144	6.0	19.5	28.4	46.0	0.1
Farms by Geography	4,145	3.4	15.2	32.3	49.1	0.0
Family Distribution by Income Level	498,631	22.8	16.2	19.2	41.7	0.0
Household Distribution by Income Level	716,518	23.7	16.3	18.1	41.8	0.0
Median Family Income MSA - 23104 Fort Worth-Arlington-Grapevine, TX		\$69,339	Median Housing Value			\$156,502
			Median Gross Rent			\$946
			Families Below Poverty Level			11.2%
<i>Source: 2015 ACS and 2021 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>						

Abilene MSA AA

FBT conducts business with the public in this AA through six offices, of which three are located in the city of Abilene, as of December 31, 2021. Of this network, one location is in a moderate-income CTs, four are in middle-income CTs, and one is in upper-income CTs. These operations were acquired during the February 2021 merger with FNB Baird. Historically, the primary lending strategy in this market involves C&I and residential real estate lending with some emphasis on investment-purpose properties. Deposits located in the Abilene MSA AA accounted for 38.6 percent of total bank-wide deposits and approximately 40 percent of the bank's total lending occurred within the AA during 2021.

FBT encounters a moderate level of competition within the Abilene MSA AA, which includes national and super-regional banks as well as smaller community banks with longstanding roots within the community. The bank ranks 4th out of 19 FDIC insured institutions in the market and captures 7.4 percent of total market deposits. Significant competitors include First Financial Bank, N.A. (52 percent), Bank of America, N.A. (9.5 percent), and Prosperity Bank (7.6 percent). Further, the bank operates 6 of the 49 FDIC-insured banking offices in the Abilene MSA (12.2 percent). Other institutions with a significant branch presence include First Financial Bank, N.A. with 16 offices; Prosperity Bank with 7 offices; BBVA, USA (since acquired by PNC Bank, N.A.) with 3 offices. While not reflected in the

FDIC-insured deposit market share data, FBT also encounters competition from credit unions such as Abilene Teachers Federal Credit Union and Communities of Abilene Federal Credit Union.

The local economy is somewhat diverse with concentrations in education/health services, government, and retail trade employment sectors, according to Moody's Analytics. Top employers in the community include Dyess Air Force Base (AFB), Hendrick Health System, Abilene Independent School District (ISD), Abilene Christian University, and Abilene State Supported Living Center. Dyess AFB continues to anchor the local economy, and the U.S. Air Force's recent move to station a new fleet of B-21 bombers locally will result in continued growth in military and federal civilian jobs. Notably, the local economy remained fairly resilient during the COVID-19 pandemic when compared to other parts of the nation. Unemployment levels peaked in April 2020 at 8.4 percent due to the economic fallout associated with COVID-19 mitigation practices. Since this period, unemployment rates have declined and the non-seasonally adjusted unemployment rate for the Abilene MSA was 3.5 percent as of December 2021, according to the Bureau of Labor Statistics. In comparison, the national non-seasonally adjusted unemployment rate was 3.7 percent as of December 2021.

We also considered information from two previously conducted community contacts for the purpose of determining a community profile, identifying opportunities for participation by local financial institutions, and determining the performance of local financial institutions in meeting the credit needs of the community. The contacts involve organizations devoted to affordable housing and economic development. One community contact indicated that there is a need for affordable housing. Also, the contact noted that Abilene has a significant military and college student population, resulting in many rental units. The contact emphasized that a significant portion of rental properties are not well maintained by landlords. As such, opportunities exist to fund housing rehabilitation programs to help preserve existing housing units within LMI areas. Another community contact emphasized that small business lending, specifically for start-up businesses, is a primary credit need. Financial literacy courses tailored to small businesses owners was also highlighted as a local need. Overall, community contacts indicated that local financial institutions have a positive reputation within the community and work to provide resources to serve their local communities.

Additional demographic information on the institution's Abilene MSA AA is summarized in the table below.

Table A – Demographic Information of the Assessment Area						
Assessment Area: Abilene MSA 2021						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	47	0.0	27.7	42.6	21.3	8.5
Population by Geography	167,945	0.0	23.1	41.3	30.4	5.2
Housing Units by Geography	70,396	0.0	22.6	47.2	30.2	0.0
Owner-Occupied Units by Geography	38,193	0.0	15.1	47.9	37.0	0.0
Occupied Rental Units by Geography	22,045	0.0	34.8	43.7	21.5	0.0
Vacant Units by Geography	10,158	0.0	24.2	52.5	23.2	0.0
Businesses by Geography	13,226	0.0	23.4	40.1	35.7	0.8
Farms by Geography	611	0.0	7.9	52.4	39.6	0.2
Family Distribution by Income Level	39,448	21.5	17.7	20.2	40.6	0.0
Household Distribution by Income Level	60,238	24.1	16.3	17.6	42.0	0.0
Median Family Income MSA - 10180 Abilene, TX MSA		\$56,448	Median Housing Value			\$95,509
			Median Gross Rent			\$790
			Families Below Poverty Level			12.7%
<i>Source: 2015 ACS and 2021 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 previously stated, the bank delineated one AA in 2020 (the Partial Fort Worth MD AA consisting solely of Parker County), and three AAs delineated in 2021 consisting of the Partial Fort Worth MD AA (Parker and Tarrant Counties), the Abilene MSA AA, and the non-MSA AA represented by Knox and Haskell Counties. We performed full-scope reviews of the Partial Fort Worth MD AA and Abilene MSA AA as these areas represented the majority of lending, deposit activity, and branching distribution. Conversely, the bank only operates two branch locations in the non-MSA AA, and the AA represents 12.6 percent of total bank deposits. Therefore, the non-MSA AA was selected for a limited-scope review. Refer to table in Appendix A “Scope of Examination” for a list of all AAs under review.

LENDING TEST

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

Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope review, the bank's lending performance in the Partial Fort Worth MD and Abilene MSA AAs is adequate.

Distribution of Loans by Income Level of the Geography

The bank exhibits a reasonable geographic distribution of loans in the State. For the analysis below, there were no low-income geographies in the Partial Fort Worth MD AA delineation in 2020 and in the Abilene MSA AA in 2021. As such, we considered performance for the respective moderate-income CTs within these areas.

Small Loans to Businesses

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 of small loans to businesses.

Partial Fort Worth MD AA

In 2020, the bank did not originate any small business loans in moderate-income CTs . However, it was acknowledged that there were limited opportunities in Parker County as only 3.9 percent of businesses operate in moderate-income geographies.

In 2021, the bank's small business lending in low-income geographies was near to the percentage of businesses within these tracts, but somewhat below aggregate lending performance. For moderate-income geographies, the bank's small business lending was near to the percentage of businesses in those geographies and the aggregate distribution of loans.

Abilene MSA AA

In 2021, the bank's small business lending in moderate-income geographies was near to the percentage of businesses located in these tracts and exceeded the aggregate distribution of loans.

Consumer Loans

Refer to Table U in the state of Texas section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's consumer loan originations.

Partial Fort Worth MD AA

In 2020, the percentage of consumer loans to borrowers located in moderate-income geographies exceeded the percentage of households located in moderate-income census tracts.

In 2021, the bank did not originate any consumer loans in low-income geographies, which compares poorly against the percentage of households located in low-income tracts at 8.7 percent. For moderate-

income geographies, the bank's consumer lending was somewhat below the percentage of families within those tracts. All low-income CTs and the vast majority of moderate-income CTs in this AA are in Tarrant County, and most of the bank's consumer lending activity in the AA is concentrated within its home market, Parker County. In Tarrant County, the bank encounters more competition from local lenders, has a limited branching network in the area, and total deposits specifically from Tarrant County represent less than seven percent of bank-wide deposits. As such, we considered this performance context and the recent expansion of this AA when evaluating the impact of this performance on the bank's overall geographic distribution rating.

Abilene MSA AA

For 2021, the percentage of consumer loans to borrowers located in moderate-income geographies was near to the percentage of households located in moderate-income tracts.

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 the performance context.

Distribution of Loans by Income Level of the Borrower

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

Small Loans to Businesses

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 of small loans to businesses.

Partial Fort Worth MD AA

In 2020, FBT's percentage of loans to small businesses was somewhat lower than the percentage of small businesses in the AA but exceeded the aggregate percentage of all reported lenders. In 2021, the bank's percentage of loans to small businesses was near to the percent of small businesses in the AA and exceeded the aggregate percentage of all reported lenders.

Abilene MSA AA

For 2021, the bank's percentage of loans to small businesses was near to the percent of small businesses in the AA and exceeded the aggregate percentage of all reported lenders.

Consumer Loans

Refer to Table V in the state of Texas section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's consumer loan originations.

Partial Fort Worth MD AA

For 2020, the percentage of consumer loans to low-income individuals was below the percentage of low-income households in the AA. Conversely, the percentage of consumer loans to moderate-income individuals exceeds the percentage of moderate-income households in the AA. In 2021, the percentage of consumer loans to low-income individuals exceeded the percentage of low-income households in the

AA. Also, during 2021, the bank's consumer lending to moderate-income individuals exceeded the percentage of moderate-income households in the AA.

Abilene MSA AA

For 2021, the percentage of consumer loans to low-income individuals exceeded the percentage of low-income households in the AA. The bank's consumer lending to moderate-income individuals also exceeded the percentage of moderate-income households in the AA.

Responses to Complaints

The bank had no CRA related complaints during the evaluation 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 Texas non-MSA AA is consistent with the bank's overall performance under the Lending Test in the full scope areas.

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 MSAs and non-MSAs 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:	01/01/2020 to 12/31/2021	
Bank Products Reviewed:	Small business and consumer loans	
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
Texas		
Partial Fort Worth MD AA	Full scope	2020: Portion of Fort Worth-Arlington-Grapevine MD that includes all of Parker County 2021: Portion of Fort Worth-Arlington-Grapevine MD that includes all of Tarrant and Parker Counties
Abilene MSA AA	Full scope	Entire Abilene MSA including counties of Callahan, Jones, and Taylor
Non-MSA AA	Limited scope	Non-MSA Counties of Knox and Haskell in Texas

Appendix B: Summary of MMSA and State Ratings

RATINGS		First National Bank and Trust Company of Weatherford	
Overall Bank:		Lending Test Rating	
First NB & Trust Co. of Weatherford		Satisfactory	
MMSA or State:			
Texas		Satisfactory	

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 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 U. Assessment Area Distribution of Consumer 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 households in those geographies.
- Table V. Assessment Area Distribution of Consumer 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 households by income level in each MMSA/assessment area.

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																				2020
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	
Partial Fort Worth MD	20	697,555	100.0	4,445	0.0	0.0	0.0	3.9	0.0	3.7	47.4	50.0	44.2	48.7	50.0	52.1	0.0	0.0	0.0	
Total	20	697,555	100.0	4,445	0.0	0.0	0.0	3.9	0.0	3.7	47.4	50.0	44.2	48.7	50.0	52.1	0.0	0.0	0.0	

Source: 2020 D&B Data; 01/01/2020 - 12/31/2020 Bank Data; 2020 CRA 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																				2021
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	
Abilene MSA	23	1,558,760	40.4	3,777	0.0	0.0	0.0	23.4	21.7	19.1	40.1	56.5	41.6	35.7	21.7	39.2	0.8	0.0	0.2	
Non-MSA	13	314,947	22.8	118	0.0	0.0	0.0	0.0	0.0	0.0	100.0	100.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0	
Partial Fort Worth MD	21	1,229,624	36.8	62,598	6.0	4.8	6.4	19.5	19.0	19.9	28.4	61.9	28.1	46.0	14.3	45.6	0.1	0.0	0.0	
Total	57	3,103,331	100.0	66,493	5.6	1.8	6.0	19.7	15.8	19.8	29.3	68.4	29.0	45.2	14.0	45.1	0.2	0.0	0.0	

Source: 2021 D&B Data; 01/01/2021 - 12/31/2021 Bank Data; 2021 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.

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Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues												2020
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	
Partial Fort Worth MD	20	697,555	100.0	4,445	89.6	70.0	34.9	3.0	20.0	7.4	10.0	
Total	20	697,555	100.0	4,445	89.6	70.0	34.9	3.0	20.0	7.4	10.0	
<i>Source: 2020 D&B Data; 01/01/2020 - 12/31/2020 Bank Data; 2020 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>												

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues												2021
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	
Abilene MSA	23	1,558,760	40.4	3,777	83.2	69.6	39.1	4.4	13.0	12.4	17.4	
Non-MSA	13	314,947	22.8	118	75.9	84.6	45.8	3.7	7.7	20.4	7.7	
Partial Fort Worth MD	21	1,229,624	36.8	62,598	88.0	76.2	42.9	3.4	19.1	8.6	4.7	
Total	57	3,103,331	100.0	66,493	87.7	75.4	42.7	3.4	14.1	8.9	10.5	
<i>Source: 2021 D&B Data; 01/01/2021 - 12/31/2021 Bank Data; 2021 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>												

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.

Table U: Assessment Area Distribution of Consumer Loans by Income Category of the Geography													2020	
Assessment Area:	Total Consumer Loans			Low-Income Tracts		Moderate-Income Tracts		Middle-Income Tracts		Upper-Income Tracts		Not Available-Income Tracts		
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	
Partial Fort Worth	20	156,013	100.0	0.0	0.0	6.5	15.0	50.4	50.0	43.2	35.0	0.0	0.0	
Total	20	156,013	100.0	0.0	0.0	6.5	15.0	50.4	50.0	43.2	35.0	0.0	0.0	

*Source: 2015 ACS; 01/01/2020 - 12/31/2020 Bank Data.
Due to rounding, totals may not equal 100.0%*

Table U: Assessment Area Distribution of Consumer Loans by Income Category of the Geography													2021	
Assessment Area:	Total Consumer Loans			Low-Income Tracts		Moderate-Income Tracts		Middle-Income Tracts		Upper-Income Tracts		Not Available-Income Tracts		
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	
Abilene MSA	20	269,585	36.4	0.0	0.0	22.3	20.0	46.3	60.0	31.4	20.0	0.0	0.0	
Non-MSA	15	82,635	27.2	0.0	0.0	0.0	0.0	100.0	100.0	0.0	0.0	0.0	0.0	
Partial Fort Worth MD	20	228,721	36.4	8.7	0.0	22.9	15.0	34.5	50.0	33.9	35.0	0.0	0.0	
Total	55	580,941	100.0	8.0	0.0	22.7	12.7	35.8	67.3	33.5	20.0	0.0	0.0	

*Source: 2015 ACS; 01/01/2021 - 12/31/2021 Bank Data.
Due to rounding, totals may not equal 100.0%*

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.

Table V - Assessment Area Distribution of Consumer Loans by Income Category of the Borrower													2020	
Assessment Area:	Total Consumer Loans			Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Not Available-Income Borrowers		
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	
Partial Fort Worth AA	20	156,013	100.0	19.7	10.0	15.9	20.0	15.8	25.0	48.6	40.0	0.0	5.0	
Total	20	156,013	100.0	19.7	10.0	15.9	20.0	15.8	25.0	48.6	40.0	0.0	5.0	

*Source: 2015 ACS; 01/01/2020 - 12/31/2020 Bank Data.
Due to rounding, totals may not equal 100.0%*

Table V - Assessment Area Distribution of Consumer Loans by Income Category of the Borrower													2021	
Assessment Area:	Total Consumer Loans			Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Not Available-Income Borrowers		
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	
Abilene MSA	20	269,585	36.4	24.1	35.0	16.3	30.0	17.6	5.0	42.0	20.0	0.0	10.0	
Non-MSA	15	82,635	27.2	27.6	40.0	16.6	20.0	15.9	20.0	39.9	20.0	0.0	0.0	
Partial Fort Worth MD	20	228,721	36.4	23.7	25.0	16.3	25.0	18.1	20.0	41.8	25.0	0.0	5.0	
Total	55	580,941	100.0	23.8	32.7	16.3	25.5	18.1	14.5	41.8	21.8	0.0	5.5	

*Source: 2015 ACS; 01/01/2021 - 12/31/2021 Bank Data.
Due to rounding, totals may not equal 100.0%*

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.