



SMALL BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

PUBLIC DISCLOSURE

January 08, 2009

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

American National Bank
Charter Number 17764

1901 N. Commerce
Ardmore, OK 73401-1307

Office of the Comptroller of the Currency
Dallas Field Office
17300 Dallas Parkway Suite 2020
Dallas, TX 75248-1145

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.

INSTITUTION'S CRA RATING: This institution is rated Satisfactory.

The following factors support the overall rating:

- A majority of the loans were originated within the bank's assessment area.
- The distribution of loans to businesses with revenues of less than \$1 million was excellent.
- The penetration of loans to borrowers of different income levels is satisfactory.
- The bank's loan-to-deposit ratio was commensurate with institutions doing business within the assessment area.
- The lending distribution reflects reasonable penetration to borrowers of different income levels.

SCOPE OF THE EXAMINATION

We commenced a small-bank Community Reinvestment Act (CRA) examination for the American National Bank of Ardmore (ANB) on January 5, 2009. The purpose of this examination was to evaluate the institution's efforts toward meeting the credit needs within its designated assessment area (AA). We reviewed three of the primary loan products offered by ANB including: Commercial real estate loans, 1-4 family mortgages, and consumer loans. These three loan products are consistent with ANB's lending strategy which has not changed since the previous examination.

To evaluate ANB's lending performance we sampled 20 of each of the three primary loan products originated between January 1, 2004 and November 30, 2008. We also evaluated ANB's average loan-to-deposit ratio, comparing it to peer banks within and in close proximity to ANB's AA.

DESCRIPTION OF INSTITUTION

ANB is a community bank with its main office located in Ardmore, Oklahoma. The bank is wholly owned by Amcorp Financial, a two-bank holding company. ANB serves the Carter, Stephens, and Jefferson Counties through five banking locations:

Office	Location	Hours of Operation
Main Office	1901 N. Commerce	9-3 M-Th, 9-5 F
Homeland Branch	205 N. Commerce	10-7 M-Sat, 1-5 Sun
Lone Grove, OK	6295 W. Broadway	9-3 M-Th, 9-5 F
Comanche, OK	133 Oak Main	9-3 M-Th, 9-5 F
Wilson, OK	1251 US Hwy 70A	9-3 M-Th, 9-5 F

The main office, Lone Grove, Wilson, and Comanche branches include drive-up facilities with extended weekday hours in addition to Saturday hours. All of the locations include Automated Teller Machines (ATMs). ANB is opening another branch in the southern part of Ardmore to better serve the needs of the AA. The bank's primary focus is to serve commercial, agricultural, and consumer customers in its designated AA. ANB is a full service institution providing various loan and deposit products. As of September 30, 2008, ANB had a "net loans to total assets" ratio of 55%. The following details the principal loan mix of the bank:

Loan Category	\$(000)	%
Commercial Loans	45,735	42%
Consumer Loans	22,707	21%
1-4 Family Residential	16,574	15%
Agriculture Loans	11,115	10%
Other	13,633	12%
Total	109,765	100%

Source: 9/30/08 Call Report

ANB received a "Satisfactory" rating in its previous CRA public evaluation dated July 28, 2003. The bank does not have any financial or legal obstacles that affect its ability to meet community credit needs.

DESCRIPTION OF ASSESSMENT AREA(S)

The bank's AA consists of the entire Carter, Stephens, and Jefferson counties and contains a total of 24 census tracts. The AA meets the requirements of the regulatory guidelines and does not arbitrarily exclude any low or moderate-income areas. The following table reflects the demographics for the AA:

DEMOGRAPHIC AND ECONOMIC CHARACTERISTICS OF AA	
Population	
Number of Families	27,314
Number of Households	38,170
Geographies	
Number of Census Tracts	24
# - % Low-Income Census Tracts	0 – 0%
# - % Moderate-Income Census Tracts	4 – 17%
# - % Middle-Income Census Tracts	16 – 66%
# - % Upper-Income Census Tracts	4 – 17%
<i>Median Family Income (MFI)</i>	
2004 HUD-Adjusted MFI	\$41,300
2005 HUD-Adjusted MFI	\$41,400
2006 HUD-Adjusted MFI	\$42,600
2007 HUD-Adjusted MFI	\$42,400
2008 HUD-Adjusted MFI	\$42,400
Economic Indicators	
Unemployment Rate	2.66%
2008 Median Housing Value	\$54,914
% of Households on Social Security	34%
% of Households Below Poverty Level	16%
% of Households on Retirement	17%

Source: CRA Wiz Data

The AA is located along Interstate 35 between Dallas, TX and Oklahoma City, OK, which provides for numerous business opportunities. Major employers include Michelin North America, Mercy Memorial Health Center, and Ardmore City Schools. There are also retail distribution centers in the nearby area for Dollar General and Best Buy.

There are 16 financial institutions that operate within the AA. They are comprised of other national banks and branches of larger national and state banks consisting of, but not limited to, Bank of the West, Arvest Bank, International Bank of Commerce, and BancFirst.

A community contact was made with the Vice President of Development for the

Ardmore Development Authority (ADA). This non-profit organization serves to attract and retain businesses in the southern Oklahoma area. Current projects for the ADA include developing lots for affordable housing, a \$65 million hospital expansion, and a project to recruit and retain qualified teachers. According to the community contact the primary credit needs of the community include affordable housing and commercial lending and ANB and other banks in the area are meeting these credit needs.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Based on the bank's loan trial balance as of November 30, 2008 we determined the bank's primary loan products to be commercial real estate loans, 1-4 family mortgages, and consumer loans. All of the loans sampled were originated between January 1, 2004 and November 30, 2008.

Overall, ANB is meeting the standards of satisfactory performance. The bank's strengths include lending to small businesses and consumer loans made to low- and moderate-income borrowers.

Loan-to-Deposit Ratio

ANB's quarterly average loan-to-deposit (LTD) ratio is commensurate with similarly situated institutions and meets the standards of satisfactory performance. The loan to deposit ratio is the quarterly average from September 30, 2003 to September 30, 2008.

Institution	Assets (As of 9/30/08)	Quarterly Average LTD Ratio
Citizens Bank and Trust Co. of Ardmore	174,622	70.20%
First National Bank & Trust of Ardmore	340,547	59.55%
Ameristate Bank	179,542	67.36%
American National Bank	177,122	64.55%

Source: Uniform Bank Performance Reports

Lending in Assessment Area

Based on our sample, ANB meets the standards for satisfactory performance for lending within its AA. We sampled 20 commercial real estate loans, 20 1-4 family mortgages, and 20 consumer loans. Based upon the sample, the majority of loans originated are within the AA. The analysis of the dollar volume of loans within the AA shows the majority of dollars inside the AA except for commercial real estate loans. The rating of satisfactory gives more weight to the number of loans inside the AA. The dollar volume of a few large loans is skewing the dollar volume of commercial real estate loans in the AA.

Total Loans Reviewed										
Loan Type	Number of Loans					Dollars of Loans				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Consumer	17	85%	3	15%	20	185M	90%	19M	10%	205M
1-4 Family	17	85%	3	15%	20	1,238M	84%	241M	16%	1,479M
Commercial RE	13	65%	7	35%	20	3,107M	38%	4,968M	62%	8,075M
Totals	47	78%	13	22%	60	4,530M	46%	5,229M	54%	9,759M

Source: CRA Wiz and Loan Sample

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

Based on our sample, ANB meets the standards for satisfactory performance with respect to lending to borrowers of different incomes and businesses of different sizes. The distribution of loans to small businesses was excellent. A small business is defined by the regulation as a business with annual revenues of less than \$1 million. The following table reflects the results of our review. There are a large number of businesses in the AA where income information on the business was not available.

Borrower Distribution of Loans to Businesses/Farms in the AA			
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown
% of AA Businesses	48%	4%	48%
% of Bank Loans in AA by #	90%	10%	0%
% of Bank Loans in AA by \$	85%	15%	0%

Source: CRA Wiz and Loan Sample

Consumer lending to borrowers of low- and moderate-income showed good penetration to both groups, especially lending to moderate-income borrowers. The following table reflects the results of our review.

Borrower Distribution of Consumer Loans in the AA								
Borrower Income Level	Low		Moderate		Middle		Upper	
	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans
Consumer Loans	24%	15%	15%	35%	18%	20%	43%	30%

Source: CRA Wiz and Loan Sample

The sample of loans originated and secured by a 1-4 family residence did not compare

favorably to level of low-income families in the AA. According to the census data approximately 50 percent of households in the AA, are on fixed income from social security and retirement and 23 percent of the housing in the AA are rental property. Consideration to these statistics factored into the overall rating. Lending to moderate-income borrowers compared favorably to the percentage of moderate-income families in the AA and also factored into the overall rating for this area.

Borrower Distribution of 1-4 Family Loans in the AA								
Borrower Income Level	Low		Moderate		Middle		Upper	
	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
1-4 Family Loans	19%	5%	18%	20%	21%	20%	42%	55%

Source: CRA Wiz and Loan Sample

Geographic Distribution of Loans

Geographic distribution of loans based upon ANB’s primary loan products is satisfactory. There are no low-income census tracts in the AA. Four of the twenty-four census tracts are designated as moderate-income. One branch is located near one of the moderate-income census tracts. The remaining moderate census tracts are located in areas that limit the bank’s lending opportunities into these areas. The largest majority of businesses are located in the middle- and upper-income tracts. The competition in the area for business loans is a factor in the penetration of loans to businesses in moderate-income tracts.

The following tables reflect the results from our review.

Geographic Distribution of Loans to Businesses/Farms in the AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
	% of AA Businesses/Farms	% of Number of Loans	% of AA Businesses/Farms	% of Number of Loans	% of AA Businesses/Farms	% of Number of Loans	% of AA Businesses/Farms	% of Number of Loans
Business Loans	0	0%	11%	0%	69%	60%	20%	40%

Source: CRA Wiz and Loan Sample

The distribution of consumer loans is commensurate with the percentages of the

population living in the various tracts based upon the income level of the tract.

Geographic Distribution of Consumer Loans in the AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans
Consumer Loans	0	0%	15%	10%	62%	60%	23%	30%

Source: CRA Wiz and Loan Sample

The distribution of 1-4 family loans in moderate-income tracts is not representative of the percentages of the population living in those tracts. As mentioned earlier, we believe the percentage of the population on fixed income and the fact that the branches are not located near moderate-income tracts is impacting the success in this category.

Geographic Distribution of 1-4 Family Loans in the AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
	% of AA Owner Occupied	% of Number of Loans	% of AA Owner Occupied	% of Number of Loans	% of AA Occupied	% of Number of Loans	% of AA Occupied	% of Number of Loans
1-4 Family Loans	0	0%	17%	0%	60%	70%	23%	30%

Source: CRA Wiz and Loan Sample

Responses to Complaints

ANB received no CRA related complaints during the evaluation period.

Fair Lending or Other Illegal Credit Practices Review

We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.