



PUBLIC DISCLOSURE

January 14, 2019

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

American Bank, National Association
Charter Number 17319

200 West Highway 6
Waco, TX 76712

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

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income (LMI) 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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INSTITUTION'S CRA RATING: "Satisfactory"

The Lending Test is rated: "Satisfactory".

The Community Development Test is rated: "Outstanding".

Major factors supporting this rating include:

- The bank's loan-to-deposit (LTD) ratio is reasonable.
- A majority of loans are originated in the bank's assessment area (AA).
- Distribution of home mortgage loans to borrowers of different income levels and businesses of different sizes exhibits reasonable penetration.
- Geographic distribution of home mortgage loans and business loans to low- and moderate-income census tracts reflects reasonable dispersion.
- The bank did not receive any CRA-related complaints, nor is the OCC aware of any complaints during the evaluation period. As such, this criterion does not impact the Lending Test rating.
- The overall level of community development performance demonstrates excellent responsiveness to the needs in the AA considering the bank's size and capacity through qualified community development lending, qualified investments/donations, and community development services.

Definitions and Common Abbreviations

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

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

Aggregate Lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

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

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

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

Consumer Loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into 'male householder' (a family with a male householder and no wife present) or 'female householder' (a family with a female householder and no husband present).

Full Review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that conduct business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants, the amount of loan requested, the disposition of the application (e.g., approved, denied, and withdrawn), loan pricing, the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

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

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

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

Low-Income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

Market Share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

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

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

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

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

Middle-Income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of a geography.

Moderate-Income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of a geography.

Multifamily: Refers to a residential structure that contains five or more units.

Other Products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

Owner-Occupied Units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Qualified Investment: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rated Area: A rated area is a state or multi-state metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multi-state metropolitan area, the institution will receive a rating for the multi-state metropolitan area.

Small Loan(s) to Business(es): A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans.

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

Tier 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.

Description of Institution

American Bank (bank or ABNA) is an independent, full-service bank chartered in June 1982 and headquartered in Waco, McLennan County, Texas. In addition to the main office located at 200 West Highway 6, ABNA operates two branch offices within its delineated AA McLennan County, one located at 1601 North Interstate 35 and another located at 325 Franklin Avenue (downtown). There have been no new branch openings or closings during the evaluation period, nor has there been any merger and acquisition activity affecting the bank operations since the previous CRA evaluation. The bank has no affiliates whose loans would be considered as part of its lending performance. The previous CRA evaluation, dated April 14, 2016, assigned a “Satisfactory” rating.

American National Bancshares, Inc., a one-bank holding company, owns 100 percent of the bank. There are no legal or financial impediments to ABNA’s ability to meet the credit needs of its AA. As of December 31, 2017, net loans accounted for 73 percent of ABNA’s assets totaling \$434 million. The following table summarizes the bank’s loan portfolio (in total dollars) at December 31, 2017.

American Bank, National Association Loan Portfolio Summary			
Loan Category	Dollar Volume (in thousands)	As % of Total Loans	As % of Tier 1 Capital
Commercial and Commercial Real Estate	146,056	45%	341.2%
Residential Real Estate	110,682	35%	258.6%
Construction	44,316	14%	103.5%
Governmental Entities	7,758	2%	18.1%
Consumer, Agriculture and Other	14,023	4%	32.8%
Total Loans	322,607	100%	753.7%

Source: December 31, 2017 Report of Condition.

It is the bank’s business strategy to originate commercial and commercial real estate loans (business loans) to small and midsize businesses and business owners, as well as residential real estate loans categorized by purchase, refinance, and improvement (home mortgage loans).

ABNA’s main office and two other branches are the primary delivery system for retail products and services. The downtown branch on Franklin Avenue is located in a moderate-income census tract (CT, tract, or geography) that is surrounded by two low-income and three moderate-income tracts. The bank’s Bellmead branch off Interstate 35 (known as the round bank) is located in a moderate-income geography bordered by two low-income CTs. The main office is located in an upper-income tract and is within two miles of two moderate-income geographies.

ABNA offers the same loan and deposit products at each of its banking offices. ABNA's banking programs and hours allow the bank to deliver needed banking and credit services to LMI areas and customers, as well as small business owners throughout the bank's AA. The main office and the Bellmead branch each have a multi-lane drive-thru and cash dispensing ATMs. The drive-thru operations at these locations offer extended weekday and Saturday hours. The downtown branch does not offer extended lobby hours on Friday after 5:00 p.m. and does not provide a drive-thru facility, although a deposit-taking ATM and night deposit drop are available on location. The other two banking offices have drive-thru facilities open 7:30 a.m. to 6:00 p.m. Monday-Friday and 9:00 a.m. to 1:00 p.m. on Saturday. Lobby and drive-thru hours and operations are commensurate with other banks in the Waco area.

ABNA offers online banking through its website, www.ambankwaco.com. Telephone banking is available in Spanish. ATM services are also available in English and Spanish. Each bank location has employees who speak Spanish. Within the website, the bank provides education on everything financial via the link "Ambank University". Customers can learn about the products and services offered such as remote deposit capture and online banking, in addition to Identity Theft Prevention and Business ID Theft Prevention.

Scope of the Evaluation

Evaluation Period/Products Evaluated

ABNA is subject to the Interagency Intermediate Small Bank (ISB) CRA evaluation procedures. As such, this Performance Evaluation (PE) assesses the bank's performance under the Lending and Community Development Tests. The current evaluation focuses on the bank's two primary loan products, residential real estate loans as reported for the Home Mortgage Disclosure Act (HMDA) and a 60 loan sample of the 919 commercial-related loans (hereinafter referred to as business loans) originated inside the AA for the period beginning January 1, 2016 and ending December 31, 2017. The entire population of originated business loans was utilized to complete Table D (Lending in the Assessment Area) of the Lending Test.

Lending activity beginning January 1, 2017 is evaluated using the 2015 U.S. Census American Community Survey (ACS) data. Therefore, in our evaluation of the distribution of loans for 2016, we utilized the demographics and geographies related to the 2010 U.S. Census and for 2017, we utilized the 2015 U.S. ACS demographics and geographies. In addition to the Lending Test, ISBs are evaluated under the Community Development Test. In order to stay consistent with the Lending Test timeframe, our consideration of community development activity including community development loans, qualified investments and community development services, extended from April 16, 2016 (the date of the last PE) through December 31, 2017.

Data Integrity

A data integrity review of 2016 and 2017 HMDA loan data was conducted by the OCC in July 2018. We found the HMDA-reported data to be reliable for use in the current evaluation. As explained above, this evaluation does not consider lending performance for calendar year 2018. As an Intermediate Small Bank, ABNA is not required, nor does it opt, to collect and report small business lending data; therefore, lending performance for these type of loans was evaluated using data collected during this evaluation from bank loan files for the same years.

Performance conclusions for lending in calendar year 2016 are based on 2010 U.S. Census data. Performance conclusions for lending in calendar year 2017 are based on 2015 ACS data.

We verified CD loans, investments, and services submitted by management to ensure they met the regulatory definition for CD. We excluded any items that did not meet the definition or purpose of CD.

Selection of Areas for Full-Scope Review

As previously noted, ABNA has delineated only one AA, McLennan County in the Waco MSA. As such, we conducted a full-scope review of the McLennan County AA. A full-scope review considers complete performance context information, quantitative factors and qualitative factors. The composition of the AA is detailed in Appendix A. Please refer to Appendix B for a discussion of the full-scope AA.

Ratings

The bank's overall rating is based primarily on those areas that received full-scope reviews, thus ratings for this CRA evaluation are based primarily on the results of the full-scope area, McLennan County AA.

Discriminatory or Other Illegal Credit Practices Review

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

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

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

Conclusions with Respect to Performance Tests

LENDING TEST

ABNA's performance under the lending test is satisfactory. The bank's loan-to-deposit (LTD) ratio for the evaluation period is reasonable. ABNA originated a majority of its primary loan products within the AA. Lending to borrowers of different incomes and businesses of different sizes is reasonable. The bank's geographic distribution of home mortgage and business loans among different income geographies is reasonable.

Refer to Tables O, P, Q and R in Appendix C for the facts and data used to evaluate the borrower and geographic distribution of the bank's loan originations.

Loan-to-Deposit Ratio

The bank's LTD ratio is reasonable given the bank's size, location, local competition, and the credit needs of the AA. This determination is based on a quarterly average LTD ratio of 79.91 percent from March 31, 2016 through December 31, 2017. During this eight quarter evaluation period, the bank's LTD ratio ranged from a low of 70.06 percent (as of June 30, 2016) to a high of 83.86 percent (as of December 31, 2017).

We analyzed the LTD ratios of similarly situated institutions (SSI) to assess ABNA's performance. We identified three SSI whose assets for the same period ranged from \$410 million to \$861 million. The quarterly average LTD ratio for each SSI is listed in the following table. Please note that no ranking is intended or implied.

Loan-to-Deposit Ratios		
Financial Institutions	Total Assets \$ (000's) (As of 12/31/2017)	Average Loan-to- Deposit Ratio
American Bank, National Association	\$443,807	79.91%
Community Bank and Trust	\$435,292	78.18%
Texas First State Bank	\$410,152	41.84%
Central National Bank	\$861,499	89.50%

The quarterly average LTD ratio of the SSI we analyzed was 70.06 percent over the same evaluation period. The lowest quarterly average of these SSI was 41.84 percent while the highest quarterly average was 89.50 percent.

Lending in Assessment Area

Table D - 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		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2016	190	85.2	33	14.8	223	35,402	83.6	6,934	16.4	42,336
2017	122	84.7	22	15.3	144	20,824	68.8	9,437	31.2	30,261
Business Loans										
2016	254	70.36	107	29.6	361	87,097	57.8	63,500	42.2	150,598
2017	353	74.0	124	26.0	477	140,218	70.7	58,076	29.3	198,294
Subtotal	919	76.3	286	23.7	1205	283,541	67.3	137,947	32.7	421,488
<i>Source: Evaluation Period: 1/1/2016 - 12/31/2017 HMDA and Aggregate Bank Business Loan Data. Due to rounding, totals may not equal 100.0.</i>										

As noted in the Scope of Examination section, we used the entire population of HMDA and business loans originated during the evaluation period to complete Table D above. As reflected in the table, ABNA originated a majority of its primary loan products within the AA. Our sample revealed 76.3 percent of the total number and 67.3 percent of the total dollar volume of these loans originated inside the AA. The proportion of lending inside versus outside the bank's AA is calculated on a bank wide basis.

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

This considers the distribution of loans to borrowers of different income levels (with particular focus on LMI individuals) and businesses of different sizes within the AA. This also considers local economic and competitive conditions, and any other relevant performance context factors.

Based on the data reflected in Tables P and R in Appendix C and the bank's performance context noted in the Community Profile in Appendix B, we concluded the bank's lending performance to borrowers of different incomes and businesses of different sizes is reasonable and reflects reasonable penetration, and thus meets the standard of satisfactory performance. This conclusion is based on analyses of HMDA data for the period January 1, 2016 through December 31, 2017 and a 60 loans sample (30 loans each for 2016 and 2017) of a total 919 business loans the bank originated and purchased inside the AA during the evaluation period (30 loans each for 2016 and 2017).

Home mortgage lending to LMI borrowers was evaluated relative to housing affordability context and other market challenges in the AA. As discussed in the Community Profile in Appendix B, affordable homeownership is out of reach of most LMI individuals and families without the support of down payment assistance programs or housing subsidies, which are not available through ABNA's home mortgage lending.

Additionally, real estate investors continue to compete with potential homebuyers for affordable home inventories in the AA, particularly in geographies in close proximity to Baylor University. Finally, in addition to housing affordability, banking competition for home mortgage lending from other bank and non-bank mortgage lenders operating in the AA also limits lending opportunities.

Business lending was evaluated in the context of market competition from other banks and non-bank lenders, as well as the capacity and creditworthiness of businesses in the AA. As discussed in the Description of Institution section, there were 38 reporting bank lenders in the AA for business loans. Further, more than 70 percent of businesses in the AA are very small in scale, having four or fewer employees with less than \$500 thousand in revenues. These and other factors were considered when arriving at our performance conclusions.

Home Loans

Based on the bank's lending data shown in Table P in Appendix C, we concluded that borrower distribution of home mortgage loans reflects reasonable distribution for both 2016 and 2017 and generally meets the standard of satisfactory performance when considering performance context information.

In evaluating the borrower distribution of home mortgage loans, we considered census data that indicates 14.7 percent families and 20 percent households in the AA lived below the poverty level during the evaluation period. Additionally, more than 30 percent of households in low-income and 42 percent in moderate-income geographies live below the poverty level. Low- and moderate-income individuals often have difficulty qualifying for conventional home mortgage financing without flexible terms or reduced closing costs. We also considered the age of housing stock in the AA. The median age of housing stock overall was 39 years during the review period, and that worsened to 43 percent and 47 percent in low- and moderate-income geographies, respectively. Older homes cost more to maintain, frequently require significant repairs to meet building code requirements, and are typically less energy efficient. These and other factors add to the overall cost of homeownership and affect the ability of LMI families and individuals to qualify for traditional home mortgage loans.

2016

Borrower distribution of home mortgage loans is reasonable when considering performance context. The percentage of home mortgage loans made to low-income borrowers is significantly lower than the ratio of low-income families in the AA, but near to the ratio of aggregate lending to low-income borrowers. The percent of loans the bank made to moderate-income borrowers is significantly lower than the ratio of moderate-income families in the AA but only somewhat lower than the ratio of aggregate lending to moderate-income borrowers.

2017

Borrower distribution of home mortgage loans is reasonable when considering performance context. The percentage of loans to low-income borrowers is significantly lower than the ratio of low-income families in the AA, but exceeded the ratio of aggregate lending to low-income borrowers. The percentage of loans made to moderate-income borrowers in the AA is significantly lower than the ratio of moderate-income families in the AA and somewhat lower than the ratio of aggregate lending to moderate-income borrowers.

Small Business Loans

Based on the bank's lending data shown in Table R in Appendix C, we concluded that overall borrower distribution of loans originated to businesses of different sizes reflects reasonable penetration, and thus meets the standards for satisfactory performance. Based on the sample of business loans, reasonable distribution was noted in both year's analysis.

2016

Borrower distribution of small business loans is reasonable. The percentage of loans made by the bank to small businesses operating in the AA (businesses with gross revenues of \$1 million or less) is lower than the percent of small businesses in the AA but exceeds the aggregate distribution of loans made to small businesses by all lenders reporting in the AA. Further evidencing the bank's willingness to meet the credit needs of small businesses in the AA, a substantial majority of the bank's small business loans, or 80 percent, were originated in amounts of \$250,000 or less during this period.

2017

Borrower distribution of small business loans is reasonable. The percentage of loans made to small businesses operating in the AA (those with gross revenues of \$1 million or less) is lower than the percent of small businesses in the AA but exceeds the aggregate distribution of loans made to small businesses by all lenders reporting in the AA. The bank's willingness to meet the credit needs of small businesses in the AA continued in 2017 as there was also a majority of small business loans originated in the amounts of \$250,000 or less (67 percent).

Geographic Distribution of Loans

This criterion measures the bank's performance in lending to geographies of different income levels within the AA when considering local economic and competitive conditions, and the bank's performance context discussed in the Community Profile in Appendix B. The bank's performance in making loans across LMI geographies is the primary focus.

Based on the data reflected in Tables O and Q in Appendix C, ABNA's overall geographic distribution of home mortgage and business loans to LMI census tracts reflects reasonable dispersion and generally meets the standard of satisfactory performance.

We analyzed ABNA's home mortgage and business loan originations and purchases over the evaluation period to identify any gaps in the geographic distribution of loans. No unexplained and/or conspicuous lending gaps in the AA were identified.

The primary factors considered in this evaluation of small business lending by geography is the strong level of competition from other banks and non-bank lenders in the AA and the fact that a only a sample of the business loans originated and purchased by the bank inside the AA, during the evaluation period, was utilized in the analysis (30 loans each from 2016 and 2017).

Home Mortgage Loans

2016

The geographic distribution of home mortgage loans across geographies of different income tracts reflects reasonable dispersion. The percentage of home mortgage loans originated in low-income geographies exceeds the percentage of owner-occupied housing units in low-income geographies and exceeds the ratio of aggregate lending in those geographies. The percentage of home mortgage loans originated in moderate-income geographies is significantly lower than the percentage of owner-occupied housing units in moderate-income geographies but only slightly lower than the ratio of aggregate lending in the moderate-income geographies.

2017

The geographic distribution of home mortgage loans across geographies of different income tracts reflects excellent dispersion. The percentage of home mortgage loans originated in low-income geographies exceeds the percentage of owner-occupied housing units located in low-income geographies and also exceeds the ratio of aggregate lending in those geographies for the period. The percentage of home mortgage loans originated in moderate-income geographies is near to the percentage of owner-occupied housing units in moderate-income geographies, but exceeds the ratio of aggregate lending in the moderate-income geographies.

Small Business Loans

2016

The geographic distribution of loans to small businesses (loans to businesses with gross revenues of \$1 million or less) across geographies of different income tracts reflects reasonable dispersion. The percentage of small business loans made by the bank to low-income geographies is near to the percentage of businesses in low-income geographies and near to the percentage of aggregate lending in those geographies. The percentage of small business loans in moderate-income geographies is lower than the percentage of small businesses in moderate-income geographies but near to the percentage of aggregate lending to small businesses in moderate-income geographies.

2017

The geographic distribution of small business loans across geographies of different income tracts is reasonable. The percentage of small business loans made by the bank to low-income geographies exceeds the percentage of businesses in the low-income geographies and also exceeds the percentage of aggregate lending to low-income geographies. The percentage of small business loans to moderate-income geographies is somewhat lower than the percentage of small businesses in moderate-income geographies and near to the percentage of aggregate lending to small businesses in those geographies.

Responses to Complaints

ABNA has not received any complaints regarding its CRA performance during the evaluation period.

COMMUNITY DEVELOPMENT TEST

Overall performance under the Community Development test remains Outstanding.

The overall level of community development performance demonstrates excellent responsiveness to the community development needs of the AA through community development loans, qualified investments/donations, and community development services considering the bank's capacity, financial condition, and the need and availability of such opportunities in the AA.

As noted previously, ABNA's performance is based on the evaluation period starting with the date of the prior PE (April 16, 2016) through December 31, 2017.

Number and Amount of Community Development Loans

The level of community development lending in the AA reflects an excellent responsiveness to the community development needs of the AA.

The bank originated 14 community development loans in the AA during the evaluation period totaling \$13.8 million and representing approximately 33 percent of tier 1 capital. ABNA originated four loans totaling \$2.1 million to two local businesses that provide affordable housing in LMI geographies for LMI individuals and families. Affordable housing continues to be a need in the AA. The bank also extended a line of credit in the amount of \$5 million to a local education foundation to assist in its financing of education scholarships for the benefit of local high school graduates in financial need. ABNA also originated a loan in the amount of \$3.9 million for the purchase and renovation of an abandoned building located downtown, which is a low-income geography and part of the Enterprise Zone. The building had been vacant since 1991.

Number and Amount of Qualified Investments

The level of qualified investments in the AA reflects an adequate responsiveness to the community development needs of the AA.

ABNA made no equity or debt investments in the AA during the evaluation period. The bank made 27 separate qualifying donations totaling \$127,850 to community organizations in the AA. The more significant donations include the following:

- A \$67,500 donation to the Waco Foundation for the Start Up Waco Fund that provides a wide-range of charitable services to the community with helping LMI overcome poverty, reducing teen pregnancy, and increasing graduation rates being funding priorities.
- A \$20,000 donation to the Texas State Technical College (TSTC) Foundation that provides scholarships generally targeted to LMI individuals/families. Over 60 percent of TSTC students are economically disadvantaged.

- A \$15,000 donation to the McLennan County Chapter of United Way that allocates funds to partner agencies within the AA to benefit LMI individuals and families; and
- A \$10,000 donation to Advance Waco whose mission is to unlock America's potential by strengthening families in at-risk communities through effective parenting education and support programs and methodology to help liberate parents and their children from the cycle of poverty in a family-oriented, non-judgmental environment.

Broader Statewide Area

During the evaluation period, ABNA made investments totaling \$125,737 in Valesco Commerce Street Capital, LP (“Valesco”). Valesco is a small business investment company (SBIC) that promotes economic development by financing lower-middle market businesses across the south central U.S., in exchange for subordinated debt and/or equity. ABNA’s investment has a geographic focus primarily in Texas including areas in proximity to the bank’s AA. During the current evaluation period, Valesco invested \$4.5 million in Roadclipper Enterprises (dba Diamond C Trailers) in Pleasant, Texas, a specialty designer and manufacturer of customized trailers. Valesco invested \$17 million in Principal Lighting Group, LLC of San Angelo, Texas, a leading lighting and electronics component provider to the electrical sign industry in North America, in exchange for debt and equity.

Extent to Which the Bank Provides Community Development Services

During the evaluation period, ABNA exhibited an adequate responsiveness to the community development service needs of the AA. The bank continues to meet the community development service needs in the AA through volunteer activities by executive officers and employees. Bank personnel provide their professional experience to these organizations in many forms, including business/strategic planning, fundraising, budgeting, accounting, and financial education.

For this two year evaluation period, executive officers and employees donated a total of 988 qualified service hours to 13 different community organizations in the AA. Nine bank officers provided 630 qualified service hours in leadership roles and 318 qualified service hours in non-leadership roles to community organizations. Employees donated a total of 40 qualified service hours towards financial literacy and educating community students about the value of saving. The community development criteria the bank’s service activities meet include community service, economic development, and revitalization or stabilization of LMI geographies. Below are examples of the bank’s community development activities.

- Bank Senior Vice President serves in a leadership role as Chairman of the La Vega ISD Education Foundation, a non-profit that generates and distributes funds to support quality education programs within the ISD as part of its goal to enhance life-long learning for LMI students. More than 90 percent of the ISD student population is economically disadvantaged.
- Bank Vice Chairman serves in a leadership role as President and Board member of the City Center Waco, a city-affiliated office responsible for driving economic development and revitalization initiatives in the Downtown Economic Enterprise Zone in order to create permanent jobs and increase the city's tax base.
- Both the President and Vice Chairman of the bank serve in leadership roles as Directors of the Waco Industrial Foundation, which promotes economic development and job growth through land site offerings and financing to companies willing to expand or relocate to the AA.
- Bank President serves in a leadership role as a Board member and Chairman of the Finance Committee of the McLennan Education Foundation, a nonprofit organization that raises money for scholarship opportunities to attend McLennan Community College, the majority of which are awarded to LMI individuals.
- During Financial Literacy Month each year, main bank employees conduct tours of the bank and make presentations on financial literacy and the importance of saving to students of economically disadvantaged schools.

Responsiveness to Community Development Needs

The bank demonstrated excellent responsiveness in meeting the community development needs of the AA through community development loans, qualified investments/donations, and community development services. ABNA's responsiveness is not inconsistent with similarly sized and situated financial institutions in the AA and the activities the bank supported were consistent with needs identified by community organizations. Bank branches are readily accessible to the LMI population in the AA. ABNA's main bank is located in an upper-income geography that is within two miles of two moderate-income geographies, and the bank's downtown and Bellmead branches are located in moderate-income geographies.

Appendix A: Scope of Examination

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

Time Period Reviewed	Lending Test 01/01/2016 to 12/31/2017 (excludes community development loans): Community Development Loans, Investments, and Community Development Service Tests: (04/14/2016 to 12/31/2017)	
Financial Institution	Products Reviewed	
American Bank, National Association (ABNA or bank) Waco, Texas	Home Mortgage Loans Small Business Loans Community Development Loans Qualified Investments and Donations Community Development Services	
Affiliate(s)	Affiliate Relationship	Products Reviewed
N/A		
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Texas Waco MSA #47380	Full Scope	McLennan County <u>only</u>

Appendix B: Community Profiles for Full-Scope Areas

Table A – Demographic Information of the Assessment Area						
Assessment Area: McLennan County AA (2016)						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	51	13.7	19.6	31.4	31.4	3.9
Population by Geography	234,906	12.2	19.2	29.2	37.6	1.8
Housing Units by Geography	93,656	14.2	19.6	30.3	35.9	0.0
Owner-Occupied Units by Geography	49,856	5.5	15.0	30.0	49.5	0.0
Occupied Rental Units by Geography	33,142	24.3	25.9	30.0	19.7	0.0
Vacant Units by Geography	10,658	23.2	21.7	32.6	22.5	0.0
Businesses by Geography	14,301	5.1	21.6	31.0	41.7	0.6
Farms by Geography	589	1.5	8.5	35.3	54.3	0.3
Family Distribution by Income Level	55,570	22.1	17.3	19.5	41.1	0.0
Household Distribution by Income Level	82,998	24.7	15.3	17.0	43.0	0.0
Median Family Income		\$50,689	Median Housing Value			\$100,223
			Median Gross Rent			\$742
			Families Below Poverty Level			14.70%
<p>Source: 2010 U.S. Census and 2016 D&B Data. Due to rounding, totals may not equal 100.0. (*) The NA category consists of geographies that have not been assigned an income classification.</p>						

Table A – Demographic Information of the Assessment Area						
Assessment Area: McLennan County AA (2017)						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	51	13.7	29.4	25.5	27.5	3.9
Population by Geography	241,505	10.4	29.8	23.2	35.0	1.6
Housing Units by Geography	96,935	12.1	30.1	24.8	33.0	0.0
Owner-Occupied Units by Geography	50,850	4.5	22.1	26.9	46.4	0.0
Occupied Rental Units by Geography	35,919	20.7	40.9	20.5	17.9	0.0
Vacant Units by Geography	10,166	19.6	31.8	29.2	19.3	0.0
Businesses by Geography	14,815	5.0	31.3	25.2	38.0	0.6
Farms by Geography	604	1.8	13.6	36.9	47.5	0.2
Family Distribution by Income Level	57,860	22.5	17.7	18.0	41.8	0.0
Household Distribution by Income Level	86,769	25.3	16.0	15.6	43.1	0.0
Median Family Income		\$54,026	Median Housing Value			\$112,021
			Median Gross Rent			\$780
			Families Below Poverty Level			14.70%
<p>Source: 2015 ACS Census and 2017 D&B Data. Due to rounding, totals may not equal 100.0. (*) The NA category consists of geographies that have not been assigned an income classification.</p>						

The bank delineates McLennan County, Texas, part of the U.S. Census Waco, Texas MSA, as its sole assessment area. Waco is its largest city and the county seat. Waco is approximately 90 miles south of Dallas/Fort Worth and 100 miles north of Austin and is centrally located on Interstate 35. While Falls County is part of the U.S. Census Waco, Texas MSA, the bank chooses not to service this area of the MSA. In 2016, the bank's AA, identified herein as the McLennan County AA, was comprised of 51 CTs including seven low-income, 10 moderate-income, 16 middle-income, 16 upper-income, and two geographies that have not been assigned an income classification (NA). Low- and moderate-income tracts represented 33.34 percent of the total 51 CTs in the McLennan County AA. As noted in the table below, all of the bank's banking offices and ATMs are located in the AA. Again, the bank's main banking office is located in an upper-income geography but within two miles of two moderate-income CTs, while the downtown and Bellmead branches are directly located in moderate-income geographies. Prior to the 2015 U.S. Census ACS, the bank's Bellmead branch located (CT 0016.00) was classified as middle-income. Three (50 percent) of the bank's six ATM locations are located in moderate-income geographies.

Branch / ATM Locations			
County/Office Name	Facility Type	Census Tract Number	Census Tract Income Level
200 West Highway 6 1601 North I-35 (Bellmead) 325 Franklin Ave. (Waco)	Main Office Branch Branch	0025.03 0016.00 0001.00	Upper Middle (Moderate in 2017) Moderate
5901 Woodway Drive	Express Drive-thru (adjacent to Main Office)	0025.03	Upper
5901 Woodway Drive 1601 North I-35 (Bellmead) 300 West Highway 6 1400 College Drive 6901 Medical Parkway 325 Franklin Ave.	ATM ATM ATM ATM ATM ATM	0025.03 0016.00 0025.03 0030.00 0025.03 0001.00	Upper Middle (Moderate in 2017) Upper Moderate Upper Moderate
<i>Source: Census data is per 2010 U.S. Census and 2015 U.S. Census ACS.</i>			

According to the 2015 U.S. Census ACS data that became effective in 2017, the total number of CTs in the McLennan County AA remained at 51. The number of moderate-income CTs increased from 10 to 15, while the number of middle-income CTs decreased from 16 to 13 and the number of upper-income CTs decreased from 16 to 14. The number of low-income geographies (seven) remain unchanged. The combination of low- and moderate-income tracts increased from 33.34 percent of total CTs to 43.14 percent.

The bank has properly defined its AA in accordance with the technical requirements of the regulation. The AA consists of whole geographies, does not arbitrarily exclude LMI geographies, includes CTs where ABNA banking offices are located, and does not reflect illegal discrimination.

The banking environment in McLennan County remains very competitive. According to the Deposit Market Share Reports, 38 financial institutions operate a total of 70 offices in the area, a mix of state, regional and national banks, community banks, and credit unions. No one institution has a market share of more than 11 percent. ABNA ranks fourth with three offices and a 6.86 percent market share. The area's top market share leaders include First National Bank of Central Texas (11.09 percent); Central National Bank (9.18 percent), Bank of America, National Association (7.32 percent); and Community Bank and Trust (6.44 percent). In total, the top five lenders account for 40.89 percent of the area's market share. In addition, there are 14 credit unions operating in the Waco area.

According to the May 2018 edition of *Moody's Analytics*, the Waco economy is in fair shape. Employment growth decelerated for much of 2017 but was edging up in 2018. Professional/business service gains are offsetting losses in most other industries. Core manufacturing is the leading industry. Due to the increase in the federal spending budget, companies such as L3 Technologies, that performs maintenance and modifications of military aircraft, should get more contracts. However, the company has multiple rounds of layoffs and recently announced that it is freezing salaried employees' pension plans. Baylor University remains a top employer in Waco. As enrollment trends continue to increase, demand for dormitory construction and other student housing will increase. Population increases in Waco have averaged 0.95 percent annually since 2014.

Even as the labor force is expanding, unemployment in the Waco area remains low. For December 2017, the McLennan County unemployment rate in December 2017 of 3.4 percent compared favorably to the state of Texas rate (3.7 percent) and nationally (4.1 percent).

Major employers in the Waco MSA include: Baylor University, Providence Healthcare Network, Baylor Scott & White Medical Center – Hillcrest, H-E-B, L3 Technologies, Sanderson Farms Inc., Wal-Mart Stores Inc., Examination Management Services Inc., Aramark, and Veterans Administration Medical Center. Additionally, based on 2015 ACS demographic data, 12,100 (81.67 percent) of the 14,815 businesses in the Waco MSA reported gross annual revenues of less than \$1 million. Because reporting is voluntary, 12.45 percent of the businesses did not report revenues. Further, more than 70 percent of businesses in the AA have four or fewer employees and generate less than \$500,000 in revenue.

According to 2015 U.S. Census ACS data, McLennan County has a population of 241,505, a total of 57,860 families and 86,769 households. Waco is the largest city and county seat with an estimated 137,000 people.

Moderate-income households (29.91 percent) are more prevalent in the AA than low-income households (11.20 percent). Approximately 20 percent of households and almost 15 percent of families in the AA lived below the poverty level during the evaluation period, and approximately 30 percent and 42 percent of those households are located in low-income and moderate-income geographies, respectively. Low-income families represent 22.53 percent of the AA compared to moderate-income families at 17.72 percent.

Owner-occupied housing units represent 52 percent of total housing in the AA, while rental occupied housing units represent another 37 percent. Only 4.5 percent of owner-occupied housing units in the AA are located in low-income geographies while 22 percent exists within moderate-income areas.

The median value of housing in the AA is \$112,021 though the median age of housing stock is 39 years old. In low-income geographies, the median value of housing is \$69,541 and median age of housing increases to 43 years, whereas in moderate-income geographies, the median value and age of housing is \$68,319 and 47 years, respectively. Older housing often has higher maintenance costs and frequently requires significant repairs to meet code requirements, while also less energy efficient resulting in higher utility costs. Higher property taxes further increase the costs of home ownership. These and other factors, including the down payment requirements for traditional mortgage financings, pose an additional obstacle for LMI applicants, and ANBA currently does not participate in any first-time homebuyer assistance programs. High unemployment levels of 9.61 percent in low-income and 9.49 percent in moderate-income geographies further hinder lending opportunities.

A community contact interview conducted with a management official from the Greater Waco Chamber of Commerce, by another regulatory agency, indicated there are lending opportunities in the AA for non-traditional financing for commercial projects. Additionally, there continues to be a need for affordable housing, as well as loans for small businesses and start-ups.

Appendix C: Tables of Performance Data

Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan areas 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 loans are treated as originations/purchases; (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/assessment area. Deposit data are compiled by the FDIC and are available as of June 30th of each year. Tables without data are not included in this PE. Tables are identified by both letters and numbers, which results from how they are generated in supervisory analytical systems. [Note: Do not renumber the tables.]

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

- Table O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents aggregate peer data for the years the data is available.
- Table P. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MA/assessment area. The table also presents aggregate peer data for the years the data is available.
- Table Q. Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. Because small business data 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 (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. The table also presents aggregate peer data for the years the data is available.

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																				2016	
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		
McLennan County AA	190	35,402	100.0	6,051	5.5	12.6	3.5	15.0	6.8	9.1	30.0	22.1	22.8	49.5	58.4	64.6	0.0	0.0	0.0		
Total	190	35,402	100.0	6,051	5.5	12.6	3.5	15.0	6.8	9.1	30.0	22.1	22.8	49.5	58.4	64.6	0.0	0.0	0.0		

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

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																				2017	
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		
McLennan County AA	122	20,824	100.0	6,152	4.5	10.7	4.2	22.1	18.9	15.4	26.9	32.8	21.3	46.4	37.7	59.1	0.0	0.0	0.0		
Total	122	20,824	100.0	6,152	4.5	10.7	4.2	22.1	18.9	15.4	26.9	32.8	21.3	46.4	37.7	59.1	0.0	0.0	0.0		

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

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2016		
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		
McLennan County AA	190	35,402	100.0	6,051	22.1	0.5	1.9	17.3	3.2	7.5	19.5	10.5	16.0	41.1	62.6	52.9	0.0	23.2	21.7		
Total	190	35,402	100.0	6,051	22.1	0.5	1.9	17.3	3.2	7.5	19.5	10.5	16.0	41.1	62.6	52.9	0.0	23.2	21.7		

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

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2017		
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		
McLennan County AA	122	20,824	100.0	6,152	22.5	4.1	2.9	17.7	5.7	10.2	18.0	5.7	19.8	41.8	47.5	48.0	0.0	36.9	19.1		
Total	122	20,824	100.0	6,152	22.5	4.1	2.9	17.7	5.7	10.2	18.0	5.7	19.8	41.8	47.5	48.0	0.0	36.9	19.1		

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

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																			2016		
Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts				
	#	\$ in 000	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate		
McLennan County AA	30	5,725	100.0	3,123	5.1	3.3	5.1	21.6	10.0	17.6	31.0	26.7	30.1	41.7	60.0	46.8	0.6	--	0.3		
Total	30	5,725	100.0	3,123	5.1	3.3	5.1	21.6	16.7	17.6	31.0	23.3	30.1	41.7	56.7	46.8	0.6	--	0.3		

Source: 2016 D&B Data; 01/01/2016 - 12/31/2016 Bank Data; 2016 Business Loan Sample, "--" data not available.
Due to rounding, totals may not equal 100.0.

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																			2017		
Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts				
	#	\$ in 000	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate		
McLennan County AA	30	8,819	100.0	3,280	5.0	13.3	5.2	31.3	20.0	28.7	25.2	33.3	26.1	38.0	33.3	39.7	0.6	--	0.5		
Total	30	8,819	100.0	3,280	5.0	13.3	5.2	31.3	26.7	28.7	25.2	26.7	26.1	38.0	33.3	39.7	0.6	--	0.5		

Source: 2017 D&B Data; 01/01/2017 - 12/31/2017 Bank Data; 2017 Business Loan Sample, "--" data not available.
Due to rounding, totals may not equal 100.0.

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2016	
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	
McLennan County AA	30	5,533	100.0	3,123	81.4	73.3	38.5	5.8	26.7	12.8	--	
Total	30	5,533	100.0	3,123	81.4	73.3	38.5	5.8	26.7	12.8	--	
<i>Source: 2016 D&B Data; 01/01/2016 - 12/31/2016 Bank Data; 2016 Business Loan Sample, "--" 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											2017	
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	
McLennan County AA	30	9,289	100.0	3,280	81.7	70.0	40.1	5.9	30.0	12.5	--	
Total	30	9,289	100.0	3,280	81.7	70.0	40.1	5.9	30.0	12.5	--	
<i>Source: 2017 D&B Data; 01/01/2017 - 12/31/2017 Bank Data; 2017 Business Loan Sample, "--" data not available. Due to rounding, totals may not equal 100.0.</i>												