



PUBLIC DISCLOSURE

September 18, 2017

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Anthem Bank & Trust
Charter Number 703874

23910 Railroad Ave
Plaquemine, LA 70764-3303

Office of the Comptroller of the Currency
3838 North Causeway Blvd.
Suite 2890
Metairie, LA 70002-8105

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.

Table of Contents

OVERALL CRA RATING	1
DEFINITIONS AND COMMON ABBREVIATIONS	2
DESCRIPTION OF INSTITUTION	6
SCOPE OF THE EVALUATION.....	6
DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW	8
CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA.....	8
STATE RATING	10
STATE OF LOUISIANA.....	10
STATE RATING	13
STATE OF TEXAS.....	13
STATE RATING	16
STATE OF FLORIDA	16
APPENDIX A: SCOPE OF EXAMINATION.....	1
APPENDIX B: SUMMARY OF STATE RATINGS.....	1
APPENDIX C: COMMUNITY PROFILES FOR FULL-SCOPE AREAS.....	1

Overall CRA Rating

The Lending Test is rated: **Satisfactory**.

The major factors that support this rating are the following:

- A loan-to-deposit (LTD) ratio that is more than reasonable relative to the institution's size, competition, and financial condition.
- A majority of loans being originated within the assessment area (AA).
- Overall reasonable borrower distribution of loans in the AA.
- Overall reasonable geographic distribution of loans in the AA.

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 metropolitan area/AA.

Census Tract (CT): A small subdivision of metropolitan and other densely populated counties. CT boundaries do not cross county lines; however, they may cross the boundaries of metropolitan areas. CTs 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. CTs are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

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; 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 or outside the bank's AA(s) provided the bank has adequately addressed the CD needs of its AA(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): 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 CT 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 metropolitan area/AA.

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 (MSA): 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 MSA comprises the central county or counties (parish or parishes) containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties (parish or parishes) 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 CD.

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 MA, the institution will receive a rating for the multi-state MA.

Small Loan(s) to Business(es): A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (call report) instructions. These loans have

original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans.

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

Tier One Capital: The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

Upper-Income: Individual income that is at least 120 percent of the area median income, or a median family income that is at least 120 percent, in the case of a geography.

Description of Institution

Anthem Bank and Trust (Anthem) is an interstate bank with approximately \$132 million in total assets as of June 30, 2017 with headquarters in Plaquemine, Louisiana. Anthem's primary business strategy is to serve market needs by originating residential real estate and commercial loans within its AA. The bank primarily offers checking and savings accounts, certificates of deposit, individual retirement accounts, loans (consumer, mortgage, and commercial), as well as business banking and merchant services. The majority of residential real estate originations are sold in the secondary market. There are no significant differences between products offered at Anthem's branch locations. There are no financial or legal impediments preventing Anthem from meeting the credit needs of the community.

The bank operates with a total of five branches in three states, with the main branch being located in Plaquemine, Louisiana, in a moderate-income CT. Anthem has a second branch in Louisiana located in Baton Rouge, also in a moderate-income CT. The bank additionally operates with two branches in Texas, both located in upper-income CTs. The first Texas branch is located in Travis County, which is part of the Austin-Round Rock MSA, while the other branch is located in Burnet County, a Non-MSA. Anthem's fifth branch is located in Miami-Dade County Florida, in an upper-income CT.

The bank both closed and opened a branch during the review period. Anthem closed a branch located in the city of Miami and opened a branch in the city of Coral Gables. These two branches, located in upper-income CTs, serve the same customers and geographic area. Banking hours reasonably meet the community needs with lobby hours Monday through Friday from approximately 9:00 AM to 4:00 PM or 5:00 PM, depending upon the particular branch location. Drive-thru hours are consistent amongst branches or deviate by only an hour. The bank operates with two automated teller machines (ATMs) and reimburses ATM fees charged by other ATM operators for up to three charges a month.

Scope of the Evaluation

Evaluation Period/Products Evaluated

We evaluated Anthem's CRA performance utilizing the Interagency Small Bank CRA procedures, which focus on the analysis of the bank's primary loan products. As discussed in the table below, the bank's loan portfolio is primarily comprised of residential real estate loans, at 66.05 percent, and commercial loans at 24.59 percent. The remaining loan categories are listed below, but did not comprise a sufficient percentage of the bank's overall portfolio to require analysis.

Anthem's Loan Portfolio		
Loan Category	Dollars (000)	Percentage
1-4 Residential Real Estate	52,985,886	66.05
Commercial Real Estate	19,725,622	24.59
Commercial and Industrial	6,262,340	7.81
Consumer	1,244,548	1.55
Total	80,218,396	100.00

Source: Internal bank documents

The bank is a HMDA reporter, therefore we utilized HMDA data to evaluate the bank's loan performance. We additionally reviewed all commercial loans the bank originated during the review period to evaluate the bank's commercial lending. In total, the bank originated 356 HMDA loans and 46 commercial loans during the review period (years 2014, 2015, and 2016). When more recent data was needed for comparative purposes, such data was used and the applicable date noted.

We conducted our previous CRA evaluation on January 24, 2012, which covered a period from January 1, 2007 through September 30, 2011. During that evaluation, we concluded the bank had a satisfactory record of meeting the credit needs of its community.

We additionally contacted a community agency in each state to obtain feedback regarding the area's demographics, perceived credit needs, and the responsiveness of local banks with addressing those needs.

Data Integrity

As part of our ongoing supervision of Anthem, we tested the accuracy of the bank's HMDA data prior to commencing this evaluation. The OCC verified the accuracy of the banks' loan data for years 2014, 2015, and 2016. Our testing indicated no significant substantive inaccuracies in the data. Therefore, we conclude that the home mortgage loan data can be relied upon for this examination.

Selection of Areas for Full-Scope Review

In each state where the bank has an office, an AA in that state received a full-scope review. Anthem currently has offices in three states: Louisiana, Texas and Florida. In both Louisiana and Florida, the bank operates in one AA and received a full-scope review. In Texas the bank operates in the Austin-Round Rock MSA and Burnet County Non-MSA, with the Austin-Round Rock MSA receiving a full-scope review.

Refer to the "Scope" section under each state rating for details regarding how the areas were selected for review and are representative of each rating area.

Ratings

Anthem's overall rating is primarily based on performance in the state of Louisiana. Approximately 64.31 percent of loans were originated in Louisiana and 68.40 percent of deposits are located in this state. No significant weight was placed on performance in the state of Florida since 18.02 percent of loans originated in Florida, but only 4.72 percent of deposits were located in that state. In Texas, the bank originated 17.67 percent of loans in the state, but had 26.88 percent of deposits located in Texas.

Discriminatory or Other Illegal Credit Practices Review

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

LTD Ratio

Anthem's LTD ratio is more than reasonable given the credit needs of the AA and the bank's size, financial condition and location. We based this determination on quarterly LTD ratios from March 2012 to March 2017 that averaged 75 percent. During this evaluation period, the bank's LTD ratio ranged from a low of 58.21 percent to a high of 97.58 percent.

Management considers the five banks shown in the following table to be its competitors as all are of comparable size, actively offer similar loan products, and have at least one branch location within the same boundaries of one of the bank's AA. The LTD ratio for these peer banks is 48.07 percent, which is significantly lower than Anthem's average during the same period. The peer bank's average LTD ratio for the same period ranged from a low of 29.72 percent to a high of 60.23 percent.

Institution	Assets – As of June 07, 2016 (in thousands)	Average LTD
Anthem Bank and Trust	\$132,175	75.00%
Plaquemine Bank and Trust Company	\$151,642	60.23%
Bank of Zachary	\$247,422	56.70%
Intercontinental Bank	\$154,897	29.72%
First State Bank of Burnet	\$260,385	34.60%
Business Bank of Texas	\$114,754	59.11%

Source: Call Reports

Lending in AA

Anthem originated a majority of loans in its AA during the review period. As shown in the following table, the bank made a total of 78.86 percent of loans by number and 74.95 percent by dollar amount in its AA.

Lending in the Assessment Area										
Loan Type	Number of Loans					Dollars of Loans				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Home Mortgage	283	79.49	73	20.51	356	51,697	77.72	14,822	22.28	66,519
Commercial	34	73.91	12	26.09	46	14,098	66.28	7,173	33.72	21,271
Totals	317	78.86	85	21.14	402	65,795	74.95	21,995	25.05	87,790

Source: 2010 US Census. Source: Data Reported under HMDA

State Rating

State of Louisiana

CRA rating for the Baton Rouge AA: Satisfactory

The major factors that support this rating include:

- An overall reasonable penetration of loans to borrowers of different income.
- An overall excellent penetration of loans to businesses with gross annual revenues of less than \$1 million.
- An overall reasonable dispersion of loans to businesses with gross annual revenues of less than \$1 million within Anthem's AA.
- Anthem did not receive any CRA complaints during the review period.

Description of Institution's Operations in Louisiana

Anthem operates within the Baton Rouge MSA, the bank's only AA within the state of Louisiana. Within the Baton Rouge MSA, the bank has designated the parishes of East Baton Rouge, West Baton Rouge, and Iberville as the bank's AA. The bank determined that the entire Baton Rouge MSA would be too large to serve and so selected those parishes within a reasonable distance from the bank's branches. The bank provides a full range of loan and deposit products and services to its AA through two branch locations, including its main office. During the evaluation period, 68.40 percent of total deposits and 64.31 percent of total mortgage loans were from this state.

Refer to the market profile for the state of Louisiana in Appendix C for detailed demographics and other performance context information for AA in this state.

Scope of Evaluation in Louisiana

For the state of Louisiana, we completed a full-scope review of the Baton Rouge AA, which consists of East Baton Rouge, West Baton Rouge, and Iberville Parishes. In Louisiana, HMDA loans and small business loans were weighted equally.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN LOUISIANA

LENDING TEST

The bank's performance under the Lending Test in Louisiana is rated "Satisfactory". Based on a full-scope review, the lending performance in the Baton Rouge AA is satisfactory.

See Appendix C, Market Profiles for a complete analysis of the full-scope AAs.

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

The distribution of home mortgage loans to borrowers in the Baton Rouge AA reflects a reasonable penetration among individuals of different income levels, given the demographics of the AA. The median cost of housing is \$155,796 while a moderate-income person earns less than \$51,279 based on the HUD updated 2016 median family income. Additionally, approximately 17.14 percent of the households in the AA live below the poverty level. We considered these mitigating factors in our lending analysis for loans to moderate-income borrowers.

The bank’s distribution of home mortgage loans to low-income borrowers exceeded the percentage of peer banks and is considered excellent. The bank’s distribution of home mortgage loans to moderate-income borrowers is less than peer, but is satisfactory, given the mitigating factors discussed above. See the table below for further analysis.

Borrower Distribution of Residential Real Estate Loans in Baton Rouge AA								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of Aggregate	% of Number of Loans	% of AA Aggregate	% of Number of Loans	% of AA Aggregate	% of Number of Loans	% of AA Aggregate	% of Number of Loans
Home Mortgage	2.74	3.85	20.55	13.74	20.55	19.78	34.25	35.71

Source: Data reported under HMDA, HMDA 2015 aggregate. Income NA for 21.91 percent of peer mortgage loans and 26.92 percent for home mortgage loans.

The distribution of loans to businesses with revenues of \$1 million or less reflects excellent penetration in the Baton Rouge AA. Both the number and dollar amount of loans to businesses with revenues of \$1 million or less exceeded the percentage of those businesses in the AA, as the table below reflects.

Borrower Distribution of Loans to Businesses in Baton Rouge AA				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/Unknown	Total
% of AA Businesses	86.61	4.37	9.02	100.00
% of Bank Loans in AA by #	95.65	4.35	NA	100.00
% of Bank Loans in AA by \$	95.23	4.77	NA	100.00

Source: Loan sample; Dun and Bradstreet data.

Geographic Distribution of Loans

The geographic distribution of mortgage loans originated in the bank’s AA reflects reasonable penetration in the AA. While the bank’s lending in the low-income CTs is considerably less than peer, only 7.78 percent of housing units in those tracts are owner-occupied, displaying a lack of need for mortgage lending in those CTs. Furthermore, 23.16 percent of units in the low-income CTs are vacant. Lastly, the bank faces considerable competition in the AA.

The bank’s lending activities are significantly better in the moderate-income CTs and are reasonable even though they are less than peer. Only 16.58 percent of the housing units in the moderate-income CTs are owner-occupied, and 25.69 percent of units are vacant, showing a compressed market for mortgage loans in the CTs. Lastly, the bank faces considerable competition in the AA. See the table below for further analysis.

Geographic Distribution of Residential Real Estate Loans in Baton Rouge AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan type	% of AA Aggregate	% of Number of Loans	% of AA Aggregate	% of Number of Loans	% of AA Aggregate	% of Number of Loans	% of AA Aggregate	% of Number of Loans
Home Mortgage	7.45	1.30	23.50	16.64	5.92	52.09	63.13	29.98

Source: Data reported under HMDA; HMDA 2015 aggregate

The geographic distribution of loans to businesses with revenues of less than \$1 million is reasonable. While the bank did not make any loans to such businesses located in the low-income CTs, the bank’s distribution of loans in moderate-income CTs significantly exceeded the percentage of businesses on those CTs and is therefore excellent.

Geographic Distribution of Loans to Businesses in Baton Rouge AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses /Farms	% of Number of Loans
Commercial Loans	10.54	0.00	19.27	34.78	23.29	56.52	46.90	8.70

Source: D & B data; Loan sample

Responses to Complaints

Anthem did not receive any complaints during the review period.

State Rating

State of Texas

CRA rating for the Travis County AA: Satisfactory

The major factors that support this rating include:

- An overall reasonable penetration of loans to borrowers of different incomes.
- Anthem did not receive any CRA complaints during the review period.

Description of Institution's Operations in Texas

Anthem operates within two AAs in the state of Texas: Travis County, which is part of the Austin-Round Rock MSA, and Burnet County, which is in a Non-MSA. The bank determined the entire Round Rock MSA would be too large to serve and consequently only designed Travis County as the AA. The bank provides a full range of loan and deposit products and services to its AA in Texas. Overall, 26.88 percent of deposits and 17.67 percent of loans are located in Texas. Within Texas, 64.98 percent of deposits are located in Travis County, with the remaining 35.02 percent being located in the Burnet County Non-MSA.

Refer to the market profile for the state of Texas in Appendix C for detailed demographics and other performance context information for AA in this state.

Scope of Evaluation in Texas

For the state of Texas, we completed a full-scope review of the Travis County AA and a limited-scope review in the Burnet County Non-MSA. We conducted a full-scope review of Travis County based upon deposit market share, with approximately 65 percent of state deposits being located in Travis County. The bank did not have a sufficient number of small business loans to allow for meaningful analysis. Consequently, the rating is exclusively based upon the analysis of HMDA loans.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN TEXAS

LENDING TEST

The bank’s performance under the Lending Test in Texas is rated “Satisfactory”. Based on the full-scope review, the lending performance in the Travis County AA was considered satisfactory. The lending performance in the limited-scope AA was not inconsistent with the performance of the full-scope AA.

See Appendix C, Market Profiles for a complete analysis of the full-scope AAs.

Lending to Borrowers of Different Incomes

The bank’s distribution of home mortgage loans to moderate-income borrowers was only slightly less than peer and is considered reasonable. Neither the bank nor peer made loans to low-income borrowers in the AA. See the table below for further analysis.

Borrower Distribution of Residential Real Estate Loans in Travis County AA								
Borrower Income Level	Low		Moderate		Middle		Upper	
	% of Aggregate	% of Number of Loans	% of AA Aggregate	% of Number of Loans	% of AA Aggregate	% of Number of Loans	% of AA Aggregate	% of Number of Loans
Home Mortgage	0.00	0.00	6.67	6.25	6.67	12.50	86.66	70.83

Source: Data reported under HMDA, HMDA 2015 aggregate. Income NA for 10.42 percent for home mortgage loans.

Conclusion for limited-scope Burnet County Non-MSA AA

The bank’s lending in the Burnet County Non-MSA was not inconsistent with the lending performance in the Travis County AA and is reasonable.

Geographic Distribution of Loans

The geographic distribution of mortgage loans originated in the bank’s AA reflects poor penetration in the AA, given the demographics in the AA. While the bank’s lending in the low-income CTs is slightly less than peer, 22.70 percent of housing units are owner-occupied, revealing a need for mortgage lending in those CTs. Furthermore, only 12.63 percent of housing are vacant, with the remaining 64.67 percent being rentals, again illustrating the need

for mortgage lending. Lastly, the median value of a home in the low-income CTs is \$122,368, making home ownership affordable in those CTs.

The bank’s lending activities in the moderate-income CTs is likewise considered poor. The bank’s lending in the moderate-income CTs is significantly less than peer and 40.31 percent of housing units are owner-occupied, showing a strong demand for housing in the moderate-income CTs. The median value of a home in the moderate-income CTs is \$148,546, making home ownership affordable in the CTs.

Geographic Distribution of Residential Real Estate Loans in Travis County AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan type	% of AA Aggregate	% of Number of Loans	% of AA Aggregate	% of Number of Loans	% of AA Aggregate	% of Number of Loans	% of AA Aggregate	% of Number of Loans
Home Mortgage	13.33	12.50	40.00	18.75	6.67	20.83	40.00	47.92

Source: Data reported under HMDA; HMDA 2015 aggregate

Conclusion for limited-scope Burnet County Non-MSA AA

The bank’s lending in the Burnet County Non-MSA was not inconsistent with the lending performance in the Travis County AA and is poor.

Responses to Complaints

Anthem did not receive any complaints during the review period.

State Rating

State of Florida

CRA rating for the Miami AA: Satisfactory

The major factors that support this rating include:

- An overall reasonable penetration of loans to borrowers of different income.
- An overall reasonable dispersion of mortgage loans originated in the bank's AA.
- Anthem did not receive any CRA complaints during the review period.

Description of Institution's Operations in Florida

Anthem operates within the Miami-Dade MSA, a one-county MSA located in the southern tip of the state of Florida. The Miami-Dade MSA is the bank's only AA within Florida. The AA consists of 518 CTs and has a total population of 2.4 million. Anthem does not have a reported market share in the state and is ranked 96th out of 101 banks in the AA. The bank's one branch is located in an upper-income CT and provides a full range of loan and deposit products and services. During the review period, 4.72 percent of total deposits and 18.02 percent of total mortgage loans were from this state.

Scope of Evaluation in Florida

For the state of Florida we completed a full-scope review of the Miami AA, which consists of the entire Miami-Dade MSA. Our analysis focused on HMDA loans only, as the bank only made one commercial loan during the review period and thus commercial lending volume is insufficient to allow for meaningful analysis.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN FLORIDA

LENDING TEST

The bank’s performance under the lending test is rated “Satisfactory”. Based on a full-scope review, the lending performance in the Miami AA is satisfactory.

See Appendix C, Market Profiles for a complete analysis of the full-scope AA.

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

The distribution of home mortgage loans to borrowers in the Miami AA reflects a reasonable penetration among individuals of different income levels, given the demographics of the AA. The median cost of housing is \$295,738 while a low-income person earns less than \$24,049, based on the HUD updated 2016 median family income. Additionally, 18.02 percent of the households in the AA live below the poverty level. We considered these mitigating factors in our lending analysis to low-income borrowers.

The bank’s distribution of home mortgage loans to moderate-income borrowers exceeds the percentage of peer banks and is considered excellent.

Borrower Distribution of Residential Real Estate Loans in Miami AA								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of Aggregate	% of Number of Loans	% of AA Aggregate	% of Number of Loans	% of AA Aggregate	% of Number of Loans	% of AA Aggregate	% of Number of Loans
Home Mortgage	0.00	0.00	0.00	1.96	0.00	13.73	39.22	70.59

Source: Data reported under HMDA, HMDA 2015 aggregate. Income NA for 55.56% of peer mortgage loans and 58.82 percent for home mortgage loans.

Geographic Distribution of Loans

The geographic distribution of mortgage loans originated in the bank’s AA reflects reasonable penetration in the AA. While the lending in the low-income CTs is less than peer, only 1.67 of the housing units are owner-occupied, showing a lack of need for mortgage lending in those CTs. The bank’s lending activities are significantly better in the moderate-income CTs and exceed peer, revealing excellent penetration.

Geographic Distribution of Residential Real Estate Loans in Miami AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan type	% of AA Aggregate	% of Number of Loans	% of AA Aggregate	% of Number of Loans	% of AA Aggregate	% of Number of Loans	% of AA Aggregate	% of Number of Loans
Home Mortgage	5.56	3.92	0.00	1.96	5.56	13.73	77.78	70.59

Source: Data reported under HMDA; HMDA 2015 aggregate. Tract data unavailable for 9.80 percent of home mortgage loans and 11.11 percent of peer data

Responses to Complaints

Anthem did not receive any complaints during the review period.

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: (01/01/2014 to 12/31/2016)	
Financial Institution	Products Reviewed	
Anthem Bank and Trust Plaquemine, LA	Home Mortgage Loans Commercial Loans	
Affiliate(s)	Affiliate Relationship	Products Reviewed
NA	NA	NA
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Louisiana Baton Rouge AA	Full-Scope	
Texas Travis County AA Burnet AA	Full-Scope Limited-Scope	
Florida Miami AA	Full-Scope	

Appendix B: Summary of State Ratings

RATINGS	
Overall Bank:	Lending Test Rating
Anthem Bank and Trust	Satisfactory
Louisiana	Satisfactory
Texas	Satisfactory
Florida	Satisfactory

Appendix C: Community Profiles for Full-Scope Areas

State of Louisiana

Demographic Information for Full-Scope Area: Baton Rouge AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	104	18.27	24.04	24.04	32.69	0.96
Population by Geography	497,346	15.00	19.75	25.55	39.70	0.00
Owner-Occupied Housing by Geography	206,359	30.47	46.50	62.53	67.83	0.00
Businesses by Geography	54,853	10.54	19.27	23.29	46.83	0.07
Family Distribution by Income Level	117,682	12.19	19.26	26.48	42.07	0.00
Median Family Income FFIEC Updated MSA Median Family Income for 2016 Households Below the Poverty Level	= \$64,078 = \$64,100 = 17.14%	Median Housing Value Unemployment Rate		= \$155,796 = 5.0%		

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 2010 U.S. Census, and 2016 HUD updated MFI.

The Baton Rouge AA includes the parishes of Iberville, East Baton Rouge, and West Baton Rouge, which are part of the Baton Rouge MSA. Management determined that the entire Baton Rouge MSA would be too large to serve with the bank’s branches only located in Plaquemine and Baton Rouge. The AA meets regulatory guidelines by including whole geographies and not arbitrarily excluding low- and moderate-income areas. Plaquemine and Baton Rouge are the parish seats for Iberville and East Baton Rouge Parishes. Port Allen is the parish seat for West Baton Rouge Parish.

The Baton Rouge AA is made up of 104 census tracts (19 low-income, 25 moderate-income, 25 middle-income, 34 upper-income, and one N/A).

The FFIEC updated 2016 median family income for the AA was \$64,100. The following table depicts those income categories:

Income Categories – Baton Rouge AA			
Low	Moderate	Middle	Upper
<\$32,050	\$32,050 – \$51,279	\$51,280 - \$76,919	>\$76,920

Source: FFIEC, 2016

Based on 2016 business demographic data, there were 54,853 non-farm businesses in the AA. Of these, 47,510 (87 percent) had revenues of less than \$1 million, 2,397 (4 percent) had revenues greater than \$1 million, and 4,946 (9 percent) did not report revenue information. Major industries in the AA include manufacturing, healthcare, construction, technology, and professional and business services.

Competition among financial institutions in the AA is strong, with the bank competing with several large national and regional banks. According to the Federal Deposit Insurance Corporation's June 30, 2016 deposit market share report, Anthem had 0.35 percent of the market share and ranks 24th out of 37 banks in the AA. The top two banks accounted for 53.75 percent of the deposits in the AA.

As part of this evaluation, we assessed community credit needs in the bank's AA by reviewing CRA Public Evaluations of other banks operating in the same area, and reviewing community contacts with organizations in the Baton Rouge AA. Our review determined the credit needs in the AA are affordable housing and flood-related financial assistance. The area experienced massive flooding in 2016 and continues to be in recovery mode.

State of Texas

Demographic Information for Full-Scope Area: Travis County AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	218	16.06	25.23	26.61	30.73	1.37
Population by Geography	1,024,266	17.49	24.43	24.39	33.46	0.23
Owner-Occupied Housing by Geography	427,591	7.56	19.66	26.79	45.99	0.00
Businesses by Geography	101,822	8.88	16.64	22.52	51.84	0.12
Family Distribution by Income Level	233,380	14.86	22.02	24.72	38.40	0.00
Median Family Income FFIEC Updated MSA Median Family Income for 2016 Households Below the Poverty Level	= \$79,592 = \$77,800 = 13.97%	Median Housing Value Unemployment Rate				= \$228,291 = 3.3%

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 2010 U.S. Census, and 2016 HUD updated MFI.

The Travis County AA consists of Travis County, which is part of the Austin-Round Rock MSA. Management determined the entire MSA would be too large an area to serve and so focused on the bank’s location in Lakeway, Texas, which is located in Travis County. The AA meets regulatory guidelines by including whole geographies and not arbitrarily excluding low- and moderate-income areas.

The Travis County AA is made up of 218 census tracts (35 low-income, 55 moderate-income, 58 middle-income, 67 upper-income, and three N/A).

The FFIEC updated 2016 median family income for the AA was \$77,800. The following table depicts those income categories:

Income Categories – Travis County AA			
Low	Moderate	Middle	Upper
<\$38,900	\$38,900 - \$62,239	\$62,240 - \$93,359	>\$93,360

Source: FFIEC, 2016

The county's largest employers are governments (the state of Texas, the US Federal Government, Travis County and the city of Austin) and public education bodies. Other major employers are concentrated in industries relating to semiconductors, software engineering, and healthcare.

Competition among financial institutions in the AA is strong. According to the Federal Deposit Insurance Corporation’s June 30, 2016 deposit market share report, Anthem had 0.06 percent market share and ranks 44th out of 49 banks in Travis County. The top three banks accounted for 60.41 percent of the deposits in the AA.

As part of this evaluation, we assessed community credit needs in the bank's AA by reviewing CRA Public Evaluations of other banks operating in the same area, and reviewing community contacts with organizations in the Austin - Round Rock MSA. Our review determined the credit needs in the AA are affordable housing and small business lending.

State of Florida

Demographic Information for Full-Scope Area: Miami AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	518	5.98	25.48	32.05	33.20	3.29
Population by Geography	2,496,435	5.06	26.89	34.46	33.01	0.58
Owner-Occupied Housing by Geography	980,580	14.34	36.86	52.26	60.96	8.46
Businesses by Geography	333,816	3.14	21.77	26.88	46.40	1.81
Family Distribution by Income Level	571,889	4.69	26.61	34.35	34.34	0.01
Median Family Income FFIEC Updated MSA Median Family Income for 2016 Households Below the Poverty Level	= \$56,643 = \$48,100 = 18.02%	Median Housing Value Unemployment Rate				= \$295,738 = 4.5%

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 2010 U.S. Census, and 2016 HUD updated MFI.

The Miami AA includes Miami-Dade County, which is part of the Miami-Miami Beach-Kendall Metropolitan Division. The AA meets regulatory guidelines by including whole geographies and not arbitrarily excluding low- and moderate-income areas. The Miami AA is made up of 518 census tracts (31 low-income, 132 moderate-income, 166 middle-income, 172 upper-income, and 17 N/A).

The FFIEC updated 2016 median family income for the AA was \$48,100. The following table depicts those income categories:

Income Categories – Miami AA			
Low	Moderate	Middle	Upper
<\$24,050	\$24,050 – \$38,479	\$38,480 - \$57,719	>\$57,720

Source: FFIEC, 2016

Based on 2016 business demographic data, there were 333,816 non-farm businesses in the AA. Of these, 302,818 (91 percent) had revenues of less than \$1 million, 13,592 (4 percent) had revenues greater than \$1 million, and 17,406 (5 percent) did not report revenue information. Major industries in the AA include education, government, banking and finance, healthcare, hospitality and tourism, and aviation. According to the Beacon Council, Miami-Dade County’s Official Economic Development Partnership, the top employers in 2015 included Miami-Dade Public Schools, Miami-Dade County, Baptist Health South Florida, University of Miami, and American Airlines.

Competition among financial institutions in the AA is saturated. According to the Federal Deposit Insurance Corporation’s June 30, 2016 deposit market share report, Anthem did not

have any market share and ranks 96th out of 101 banks in the Miami MSA. The top five banks accounted for 55.32 percent of the deposits in the AA.

Community credit needs in the AA were determined by reviewing CRA Performance Evaluations of other banks operating in the same AA and community contacts conducted during the evaluation period. According to these sources, the most pressing credit needs in the AA are affordable housing and small business lending.