



PUBLIC DISCLOSURE

August 17, 2020

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

American National Bank & Trust
Charter Number: 16617

2732 Midwestern Parkway
Wichita Falls, Texas 76308-0477

Office of the Comptroller of the Currency
Dallas Field Office
225 E. John Carpenter Freeway, Suite 900
Irving, Texas 75062-2326

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

Table of Contents

Overall CRA Rating.....1
Description of Institution.....2
Scope of the Evaluation.....4
Discriminatory or Other Illegal Credit Practices Review.....5
State Rating.....6
 State of Texas.....6
Community Development Test12
Appendix A: Scope of Examination.....A-1
Appendix B: Summary of MMSA and State Ratings.....B-1
Appendix C: Definitions and Common Abbreviations.....C-1
Appendix D: Tables of Performance Data.....D-1

Overall CRA Rating

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

The Lending Test is rated: Satisfactory.

The Community Development Test is rated: Satisfactory.

The major factors that support this rating include:

- The Lending Test rating is based on performance in the Bank's assessment areas (AAs).
- The Community Development (CD) Test rating is based on performance in the Bank's AAs.
- The loan-to-deposit (LTD) ratio is reasonable.
- A majority of the Bank's loans are inside its AAs.
- The geographic distribution of loans across geographies of different income levels is reasonable.
- The borrower distribution of loans to borrowers of different income levels and businesses of different sizes is reasonable.
- CD activities reflect adequate responsiveness to community development needs.

Loan-to-Deposit Ratio

Considering the Bank's size, financial condition, and credit needs of the AAs, the Bank's loan-to-deposit ratio is reasonable. The LTD ratio is calculated on a bank-wide basis. The Bank's quarterly average LTD ratio during the evaluation period was 81.9 percent. We compared the Bank's LTD ratio to similarly situated institutions operating in the area. The average LTD ratio for the peer banks was 95.0 percent.

Lending in Assessment Area

A majority of the Bank's loans are inside its AAs.

The Bank originated and purchased 73.6 percent of its total loans inside the Bank's AAs during the evaluation period. This analysis is performed at the Bank, rather than the AA level. This percentage does not include extensions of credit by affiliates that may be considered under the other performance criteria. The Bank's primary products are home mortgages and small loans to businesses. Farm loans are not a primary product but were included in the following table for informational purposes. The findings from this analysis factored into the overall analysis of the geographic distribution of lending by income level of the geography.

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	1,259	82.3	270	17.7	1,529	204,441	71.4	81,924	28.6	286,365
Small Business	605	59.5	412	40.5	1,017	185,558	24.1	585,424	75.9	770,982
Small Farm	115	80.0	28	20.0	143	10,375	85.5	1,766	14.5	12,141
Total	1,979	73.6	710	26.4	2,689	400,374	37.4	669,114	62.6	1,069,486

Description of Institution

American National Bank & Trust (ANB or Bank) is a single-state full-service community bank headquartered in Wichita Falls, Texas. The Bank was chartered in 1976, and a one bank holding company was established in 1997. ANB is a wholly owned subsidiary of Ameribancshares, Inc., also located in Wichita Falls, Texas. Business units of the Bank include a trust department, leasing division, mortgage division, a title services division, a principally inactive insurance division, and an outsourced non-deposit retail investment products division (Cetera). The Bank opened two branches since the previous CRA evaluation. The Bank's corporate structure has not changed during the review period.

ANB serves the community from its main office. In addition to its main office in Wichita Falls (Midwestern Parkway), the Bank has nine branch offices. Their locations and census tract income designations are as follows:

- 2732 Midwestern Parkway, Wichita Falls (upper-income), main office.
- 825 Scott Avenue, Wichita Falls (moderate-income).
- 1920 Elmwood Avenue North, Wichita Falls (upper-income).
- 219 West Park Avenue, Iowa Park (middle-income).
- 108 West Main Street, Archer City (middle-income).
- 1201 Cross Timbers Road, Flower Mound (middle-income).
- 200 Avenue H, Chillicothe (moderate-income).
- 111 West Fourth Street, Quanah (moderate-income).
- 1500 West 7th, Fort Worth (upper-income).
- 100 West Mulberry St. #200, Denton (low-income)

Some notable changes since the previous evaluation include the addition of the branch located at 1500 West 7th in Fort Worth, Texas as of August 14, 2017, and the addition of the branch located at 100 West Mulberry Street in Denton, Texas as of January 2, 2019. The Bank also opened a loan production office (LPO) in Dallas, located at 17440 Dallas Parkway as of June 3, 2018. The new branch in Denton, Texas is in a low-income census tract.

The main office, and two other branches, have drive-up facilities with extended hours. Saturday hours are offered at the drive-up facilities at the main office and the Flower Mound branch. The main office and the Iowa Park branch have full-service ATMs with 24-hour access. ANB has 11 branded cash-only ATMs that are located at five of the branch offices as well as six stand-alone locations across the city of Wichita Falls.

The Bank is partnered with MoneyPass, a network that offers 22,000 ATMs across the U.S. Use of these ATMs is surcharge-free to all ANB depositors. MoneyPass has an iPhone and Android ATM locator app for customer convenience.

ANB'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 AAs. ANB offers online banking through its web site, www.amnat.com. Bank customers can utilize online banking and the mobile app at no charge. Telephone banking in English and Spanish is available. ATM services are available in English and Spanish. The main office, two of the Wichita Falls branches, and the Chillicothe branch have employees who speak Spanish. ANB offers secured and unsecured small dollar personal loans to qualified customers. The Bank also offers start-up and working capital loans for small businesses.

The Bank has partnered with the City of Wichita Falls through its *First Time Home Buyers Program* to assist low- and moderate-income individuals and families in obtaining financing to purchase a residence.

ANB is primarily a real estate lender. As of December 31, 2019, the Bank reported total assets of \$885.1 million, total deposits of \$772.4 million, and total equity capital of \$102.8 million. Net loans and leases totaled \$660.4 million, or 74.6 percent of total assets. Outstanding loans by category include one- to four-family residential mortgages at 12.8 percent, commercial real estate loans at 53 percent, commercial and industrial loans at 5.9 percent, and consumer loans at 6.7 percent. The Bank's total investments were \$85.1 million. Tier 1 capital totaled \$98.6 million.

ANB has four AAs in Texas:

- Wichita Falls MSA – it is comprised of Wichita, Archer, and Clay Counties.
- Denton County AA – it is comprised of 95 contiguous CTs located in the southern half of Denton County.
- Tarrant County AA – includes 47 contiguous CTs located in and around Fort Worth, Texas.
- Non-MSA – Hardeman and Wilbarger Counties.

ANB has no affiliate or operating subsidiary activities considered when evaluating the Community Reinvestment Act (CRA) performance. No legal or financial factors impede the Bank from meeting the credit needs of its community. The Bank was rated "Satisfactory" at the previous CRA evaluation dated June 12, 2017.

Scope of the Evaluation

Evaluation Period/Products Evaluated

This Performance Evaluation (PE) assesses the Bank's performance under the Lending Test and CD Test. In evaluating the Bank's lending performance, we reviewed residential mortgage loans subject to filing under the Home Mortgage Disclosure Act (HMDA), a sampling of small loans to businesses, and CD loans. We also evaluated CRA qualified investments including donations and grants as well as retail and CD services. The Bank reported some farm loans, but there was not enough activity to provide for meaningful analysis. Therefore, tables for this product are not included Appendix D. However, we included them in the analysis of loans inside the AA and on the lending activity table.

The evaluation period for the Lending Test is January 1, 2017 through December 31, 2019. The review period for the CD Test is June 13, 2017 through December 31, 2019. Our conclusions related to CD loans, qualified investments including donations, and CD services were based on the number and dollar amounts made during the evaluation period.

For geographic and borrower distribution analyses, loans originated in 2017 through 2019 are compared to the 2015 American Community Survey (ACS) Census data for mortgages and the 2019 Dun & Bradstreet (D&B) Data for loans to small businesses.

Selection of Areas for Full-Scope Review

In each state where the Bank has an office, one or more of the AAs within that state were selected for a full-scope review. For purposes of this evaluation, bank delineated assessment areas located within the same metropolitan statistical area (MSA), multistate metropolitan statistical area (MMSA), or combined statistical area (CSA) are combined and evaluated as a single AA. Similarly, bank delineated non-MSA AAs within the same state are combined and evaluated as a single area. These combined AAs may be evaluated as full- or limited-scope. Refer to the "Scope" section under each State Rating for details regarding how full-scope AAs were selected. Refer to Appendix A: Scope of Examination for a list of full- and limited-scope AAs.

ANB has four AAs in Texas which include the Wichita Falls, Texas MSA, two partial counties within Dallas-Fort Worth-Arlington, Texas MSA (Dallas MSA), and one combined non-MSA made up of two separate rural counties. For our full-scope reviews, we selected MSA 48660 Wichita Falls, Texas (Wichita Falls MSA) which is comprised of Wichita, Archer, and Clay Counties, and the Denton County AA which is comprised of 95 contiguous CTs located in the southern half of Denton County. Denton County is located in the Dallas-Plano-Irving, Texas Metropolitan Division (MD), which is located within the Dallas MSA. We selected the full-scope AAs after considering the number of originated and purchased loans in each AA, the volume of deposits in each AA, the number of branch offices in each AA, and the length of time branch offices have operated in the respective markets under the Bank's brand. The full-scope AAs represent 88.2 percent of the Bank's deposits as of June 30, 2019 and 90.2 percent of the total number of loans reported at this examination. In addition, seven of the 10 banking offices are in these two full scope AAs. Refer to Appendix A for additional information.

For this evaluation period, the limited-scope AAs were comprised of one partial county in the Dallas MSA and one combined non-MSA. The limited-scope AAs include the following:

- Tarrant County AA – includes 47 contiguous CTs located in and around Fort Worth, Texas. Tarrant County is part of the Fort Worth-Arlington-Grapevine, Texas MD, which is included in the Dallas MSA.
- Non-MSA – Hardeman and Wilbarger Counties.

Combined, these limited-scope AAs originated approximately 9.8 percent of the reported loans and 11.8 percent of the total deposits. In addition, three of the 10 banking offices are in these limited-scope AAs. Refer to Appendix A for additional information.

Ratings

The Bank's overall rating is based on the performance in the State of Texas. The state rating is based on performance in all Bank AAs with the most weight placed on the full-scope AAs. For the geographic and borrower distribution of loans under the Lending Test, consideration was given to the number of loans and dollar volume of loans originated in each category. One- to four-family mortgage lending received the most weight and then the loans to small businesses were considered. Refer to the "Scope" section under the "State Rating" section for details regarding how the areas were weighted in arriving at the respective ratings.

Discriminatory or Other Illegal Credit Practices Review

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

The OCC has not identified that this institution has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

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

State Rating

State of Texas

CRA rating for the State of Texas¹: Satisfactory

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Satisfactory

The major factors that support this rating include:

- The geographic distribution of loans across geographies of different income levels is reasonable.
- The borrower distribution of loans to borrowers of different income levels and businesses of different sizes is reasonable.
- CD activities reflect adequate responsiveness to community development needs.

Description of Institution's Operations in Texas

The Bank operates in four AAs in the State of Texas as described in the "Description of the Institution" and the "Scope of Evaluation" sections of this PE. The Bank's primary business focus is one- to four-family residential lending and business loans. Competitors, in all markets, include other local community banks in its markets and some of the United States' largest banks that have a nationwide footprint as well as credit unions and nonbank financial entities that compete for residential, business, and consumer loans.

Community credit needs in the full-scope AAs were determined by reviewing recent housing and demographic information, CRA PEs from other banks operating in the Bank's AAs, and discussions with two different community contacts with organizations that provide services within the full-scope AAs.

Wichita Falls MSA

Based on 2019 Peer Mortgage Data for Wichita Falls MSA, ANB has a market share of 10.9 percent for total loans and 11.8 percent of the total dollar amount of loans, which is top ranked in this AA. ANB has five branches in the Wichita Falls MSA which equates to 10.2 percent of the total market, with average deposits per branch representing 15.9 percent, also leading the AA (out of 21 lenders). The top employers are Sheppard Air Force Base, United Regional Healthcare System, Midwestern State University, and Walmart, Inc. There are four CTs designated as low-income and 12 CTs designated as moderate-income. A majority of the low- and moderate-income CTs are located in or around the downtown area, which is prone to heavy flooding from the Wichita River and Holiday Creek. Thus, lending opportunities in these CTs are limited. Wichita Falls MSA is the headquarters of ANB and deposits total 80.1 percent, with 83.2 percent of all loans originated coming from this AA.

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

The community contact for the Wichita Falls AA is a community development organization that focuses on home ownership for first time home buyers. The organization is focused on helping low- and moderate-income families and individuals with the amount of cash required at the time of closing. The most critical need identified from this contact was affordable housing and assistance for homebuyers to purchase their home in the Wichita Falls area.

Denton County AA

Denton is historically a university town with two four-year universities, the University of North Texas and Texas Woman's University, and one two-year campus for North Central Texas College. Based on 2019 Peer Mortgage Data, Denton also has substantial competition from financial institutions and mortgage companies, which accounts for the Bank's lower than average market share of 0.10 percent for the total loans and 0.08 percent of total dollar amount. In the Denton County AA, ANB is ranked 153 out of 645 lenders. ANB has one established branch in the Denton County AA, which equates to a 1.04 percent market share. Total Bank deposits represent 8.1 percent, with 7.0 percent of all loans originated from this AA. ANB opened a new branch in the Denton County AA as of January 2, 2019, which is located in a low-income CT. This new branch will likely increase their market and deposit share in Denton County. The Denton County AA has three low-income CTs and 11 moderate-income CTs.

The community contact for the Denton County AA is a community development organization that focuses on home ownership and affordable housing. The organization is located within the Dallas-Plano-Irving, Texas MD. The organization is committed to fight poverty in the Dallas area through the development of affordable housing, providing needed services for low income homebuyers, community engagement, job training, and workforce development. The most critical need identified from this contact was access to capital for land acquisition and construction of affordable housing through the development of vacant land.

Tarrant County AA

Top employers in the Tarrant County AA are AMR/American Airlines, Lockheed Martin, Texas Health Resources, NAS – Fort Worth – JRB, and Arlington ISD. Based on 2019 Peer Mortgage Data, ANB has a market share of 0.44 percent of the total number of loans and 0.57 percent of the total dollar amount. In the Tarrant County AA, ANB is ranked 47 out of 447 lenders. ANB has one branch in the Fort Worth area which equates to a 0.88 percent market share in relation to other financial institutions in the area. The Tarrant County AA has 10 low-income CTs and 14 moderate-income CTs. Opportunities to lend are available in this AA, but the Bank just entered this market in the late part of 2017 and are still building their client base and brand. Total Bank deposits represent 5.8 percent, with 5 percent of all loans originated from this AA. A community contact was not completed for the Tarrant County AA as this is a limited-scope AA.

Non-MSA

Based on 2019 Peer Mortgage Data, ANB has a market share of 7.5 percent of the total number of loans and 8.0 percent of the total dollar amount. In the non-MSA, ANB is ranked three out of 70 lenders. ANB has two branches in the non-MSA which equates to a 22.2 percent deposit market share in relation to other financial institutions in the area. The non-MSA has no low-income CTs and two moderate-income CTs. A majority, if not all the lending, is out of a middle-income CT which has been designated as an underserved or distressed area. Total Bank deposits represent 6.0 percent, with 4.8 percent of all loans originated from this AA. A community contact was not completed for the non-MSA as this is a limited-scope AA.

The following tables depict the demographic information for the two full-scope AAs in Texas:

Wichita Falls MSA

Table A – Demographic Information of the Assessment Area						
Assessment Area: Wichita Falls MSA 2017–2019						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	43	9.3	27.9	30.2	30.2	2.3
Population by Geography	151,215	5.4	21.2	35.1	38.3	0.0
Housing Units by Geography	65,162	6.1	23.5	34.5	35.9	0.0
Owner-Occupied Units by Geography	35,703	5.0	19.6	36.8	38.7	0.0
Occupied Rental Units by Geography	19,734	7.4	28.8	26.9	37.0	0.0
Vacant Units by Geography	9,725	7.8	27.3	41.6	23.3	0.0
Businesses by Geography	9,377	4.2	28.5	25.0	42.2	0.1
Farms by Geography	414	2.4	12.8	47.6	37.2	0.0
Family Distribution by Income Level	36,174	21.5	16.8	20.5	41.3	0.0
Household Distribution by Income Level	55,437	23.8	16.3	18.3	41.6	0.0
Median Family Income MSA - 48660 Wichita Falls, TX MSA		\$57,690	Median Housing Value			\$95,990
			Median Gross Rent			\$758
			Families Below Poverty Level			12.3%
<i>Source: 2015 ACS and 2019 D&B Data</i>						
<i>Due to rounding, totals may not equal 100.0%</i>						
<i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

Denton County AA

Table A – Demographic Information of the Assessment Area						
Assessment Area: Denton County AA 2017–2019						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	95	3.2	11.6	33.7	51.6	0.0
Population by Geography	470,670	2.6	8.8	34.4	54.1	0.0
Housing Units by Geography	179,539	3.4	10.2	36.3	50.1	0.0
Owner-Occupied Units by Geography	109,418	0.6	4.7	28.9	65.9	0.0
Occupied Rental Units by Geography	60,260	8.4	19.3	48.4	23.8	0.0
Vacant Units by Geography	9,861	4.2	15.7	44.4	35.6	0.0
Businesses by Geography	48,467	1.4	7.9	24.0	66.8	0.0
Farms by Geography	923	0.8	6.9	23.5	68.8	0.0
Family Distribution by Income Level	121,758	13.1	12.4	17.0	57.4	0.0
Household Distribution by Income Level	169,678	13.9	13.6	17.2	55.2	0.0
Median Family Income MD - 19124 Dallas-Plano-Irving, TX		\$71,149	Median Housing Value			\$223,411
			Median Gross Rent			\$1,064
			Families Below Poverty Level			5.3%
<i>Source: 2015 ACS and 2019 D&B Data</i>						
<i>Due to rounding, totals may not equal 100.0%</i>						
<i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

Scope of Evaluation in Texas

As discussed earlier, the Wichita Falls MSA and the Denton County AA were selected for full-scope reviews. Refer to the table in Appendix A for a list of all AAs under review.

With an evaluation period end date of December 31, 2019, qualifying activities performed in response to the significant impact of the coronavirus pandemic across the United States are not addressed in this evaluation. Bank qualifying activities will be considered in the subsequent evaluation.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN TEXAS

LENDING TEST

The Bank’s performance under the Lending Test in Texas is rated Satisfactory.

Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, the Bank’s lending performance in the State of Texas is reasonable.

Distribution of Loans by Income Level of the Geography

The Bank exhibits reasonable geographic distribution of loans in the state.

Wichita Falls MSA

Home Mortgage Loans

The geographic distribution of mortgage loans in the AA is poor. Refer to Table O in the State of Texas section of Appendix D for the facts and data used to evaluate the geographic distribution of the Bank's home mortgage loan originations and purchases.

In 2017-2019, the Bank's mortgage lending in low-income geographies was lower than the owner-occupied housing units and lower than the aggregate lending. For moderate-income geographies, the Bank's lending was somewhat lower than the owner-occupied units and the aggregate lending.

Small Loans to Businesses

The geographic distribution of small loans to businesses is adequate. Refer to Table Q in the State of Texas section of Appendix D for the facts and data used to evaluate the geographic distribution of the Bank's originations and purchases of small loans to businesses.

In 2017-2019, the Bank's small loans to businesses in low- and moderate-income geographies was somewhat lower than the percentage of businesses located in low- and moderate-income geographies and the percentage of aggregate lending to small businesses in low- and moderate-income geographies.

Denton County AA

Home Mortgage Loans

The geographic distribution of home mortgage loans is good. Refer to Table O in the State of Texas section of Appendix D for the facts and data used to evaluate the geographic distribution of the Bank's home mortgage loan originations and purchases.

In 2017-2019, the Bank's mortgage lending in low-income geographies exceeded the owner-occupied housing units and the aggregate lending. For moderate-income geographies, the Bank's mortgage lending was lower than the owner-occupied units and somewhat lower than the aggregate lending.

Small Loans to Businesses

The geographic distribution of small loans to businesses is excellent. Refer to Table Q in the State of Texas section of Appendix D for the facts and data used to evaluate the geographic distribution of the Bank's originations and purchases of small loans to businesses.

In 2017-2019, the Bank's small loans to business lending in low-income geographies was near the percentage of businesses located in low-income geographies and exceeded the aggregate lending. The Bank's small loans to businesses in moderate-income geographies exceeded the percentage of businesses located in moderate-income geographies and the aggregate lending.

Lending Gap Analysis

We evaluated the lending distribution in the Bank's AAs to determine if any unexplained conspicuous gaps existed. There were no unexplained conspicuous gaps identified after reviewing performance context.

Distribution of Loans by Income Level of the Borrower

The Bank exhibits a reasonable distribution of loans to individuals of different income levels and businesses and farms of different sizes, given the product lines offered by the bank.

Wichita Falls MSA

Home Mortgage Loans

The distribution of loans to low- and moderate-income individuals in the AA is adequate. Refer to Table P in the State of Texas section of Appendix D for the facts and data used to evaluate the borrower distribution of the Bank's home mortgage loan originations and purchases.

In 2017-2019, the Bank's mortgage lending to low-income borrowers was lower than the percentage of families identified as low-income and near the aggregate lending. For moderate-income borrowers, the Bank's mortgage lending was somewhat lower than the percentage of families identified as moderate-income and exceeded the percentage of the aggregate lending.

Small Loans to Businesses

The distribution of loans to small businesses in the AA is good. Refer to Table R in the State of Texas section of Appendix D for the facts and data used to evaluate the borrower distribution of the Bank's originations and purchases of small loans to businesses.

In 2017-2019, the Bank's loans to businesses with revenues less than or equal to \$1 million was somewhat lower than the percentage of businesses identified as having revenues less than or equal to \$1 million but exceeded the aggregate lending.

Denton County AA

Home Mortgage Loans

The distribution of loans to low- and moderate-income individuals in the AA is adequate. Refer to Table P in the State of Texas section of Appendix D for the facts and data used to evaluate the borrower distribution of the Bank's home mortgage loan originations and purchases.

In 2017-2019, the Bank's mortgage lending to low income borrowers was significantly lower than the percentage of families identified as low income and the aggregate lending. For moderate-income borrowers, the Bank's mortgage lending exceeded the percentage of families identified as moderate-income and the percentage of the aggregate lending.

Small Loans to Businesses

The distribution of loans to small businesses in the AA is good. Refer to Table R in the State of Texas section of Appendix D for the facts and data used to evaluate the borrower distribution of the Bank's originations and purchases of small loans to businesses.

In 2017-2019, the Bank's loans to businesses with revenues less than or equal to \$1 million was near the percentage of businesses identified as having revenues less than or equal to \$1 million and exceeded the aggregate lending to these businesses.

Responses to Complaints

There were no complaints related to the institution's CRA performance within the State of Texas during the review period.

Conclusions for Areas Receiving Limited Scope Reviews

Based on limited-scope reviews, the Bank's performance under the Lending Test in the Tarrant County AA and the non-MSA is consistent with the Bank's overall performance under the Lending Test in the full scope area(s).

COMMUNITY DEVELOPMENT TEST

The Bank's performance under the Community Development Test in the State of Texas is rated Satisfactory.

Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, the Bank exhibits adequate responsiveness to community development needs in the state through community development loans, qualified investments, and community development services, as appropriate, considering the Bank's capacity and the need and availability of such opportunities for community development in the Bank's assessment area(s).

Number and Amount of Community Development Loans

The following Community Development Loans table sets forth the information and data used to evaluate the Bank's level of CD lending. The table includes all CD loans, including multifamily loans that also qualify as CD loans.

<i>Community Development Loans</i>				
Assessment Area	Total			
	#	% of Total #	\$(000's)	% of Total \$
Full Review				
Wichita Falls MSA	26	63.41	4,645	33.45
Denton County AA	3	7.32	1,364	9.82
Limited Review				
Tarrant County AA	5	12.20	4,977	35.84
Non-MSA	7	17.07	2,900	20.88

Wichita Falls MSA

The level of CD lending demonstrates adequate responsiveness to the CD needs in the AA. The Bank originated or renewed 26 CD loans in the Wichita Falls MSA totaling \$4.6 million, or 5.9 percent of tier 1 capital allocated to the AA. Examples include:

- A loan in the amount of \$600 thousand for an ophthalmology medical practice located in a moderate-income census tract. This helps stabilize the local economy by providing jobs and facilities for moderate-income families.
- Two loans totaling \$1 million for a manufacturing company located in a moderate-income CT to purchase new equipment. Proceeds from the loan assists in retaining permanent job creation and retention.
- A loan in the amount of \$350 thousand for a 501(c)3 non-profit organization that promotes the economic and personal independence of the blind and visually impaired. The website of this organization indicates that 70 percent of the blind and vision impaired are without employment. The facility is also located in a moderate-income CT.

Denton County AA

The level of CD lending demonstrates excellent responsiveness to the CD needs in the AA. The Bank originated or renewed three CD loans in the Denton County AA totaling \$1.4 million, or 17.1 percent of tier 1 capital allocated to the AA. The three loans made in this AA were all for businesses located in either low- or moderate-income CTs. These loans assist with economic development and stabilization of the area. It is important to note that the competition in the Denton County AA is significant.

Number and Amount of Qualified Investments

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Full Review										
Wichita Falls MSA	6	3,430	252	130	258	82.17	3,561	98.82	0	0
Denton County AA			49	37	49	15.61	37	1.01	0	0
Limited Review										
Tarrant County AA			7	4	7	2.23	4	0.11	0	0
Non-MSA			6	2	6	1.91	2	0.06	0	0

* Prior Period Investments means investments made in a previous evaluation period that are outstanding as of the examination date.

** Unfunded Commitments means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

The Qualified Investments table, shown above, set forth the information and data used to evaluate the bank's level of qualified CD investments. These tables include all CD investments, including prior period investments that remain outstanding as of the examination date.

The Bank's level of community development investments demonstrates adequate responsiveness to the needs of the AAs.

Wichita Falls MSA

The level of qualified investments in the Wichita Falls MSA reflects an adequate responsiveness to the CD needs of the AA.

The Bank maintains one qualifying prior period debt investment totaling \$3.4 million in the AA and 252 grants totaling \$130.6 thousand to CD organizations. These investments accounted for 4.5 percent of tier 1 capital allocated to the AA.

The Bank purchased a \$5.5 million bond from the Wichita Falls Independent School District (WFISD) in 2016. WFISD has a majority of their students designated economically disadvantaged as determined under the guidelines of the U.S. Department of Agriculture's National School Lunch Program. The proceeds of this bond issuance are used to perform renovations and improvements at existing WFISD schools (building and classrooms) including roof repair and replacements, HVAC replacements, the installation of new lighting and electrical systems, and other work to upgrade technology. In addition, it will aid in the ability to make tax payments. The bond's primary purpose is to finance community development as the proceeds will primarily benefit a low- and moderate-income student population.

ANB made 252 separate community development grants totaling \$130.6 thousand to several organizations in the Wichita Falls MSA that have a purpose to serve low- and moderate-income individuals and/or geographies.

Denton County AA

The level of qualified investments in the Wichita Falls MSA reflects an adequate responsiveness to the CD needs of the AA considering performance context. ANB made 49 separate community development grants totaling \$36.5 thousand to several organizations in the Denton County AA that have a purpose to serve low- and moderate-income individuals and/or geographies.

Extent to Which the Bank Provides Community Development Services

The level of CD services in the Wichita Falls MSA and the Denton County AA reflect an adequate responsiveness to CD needs.

Wichita Falls MSA

The level of CD services in the Wichita Falls MSA reflects an adequate responsiveness to the CD needs of the AA. The Bank meets the CD service needs of the AAs through the volunteer activities of its directors, officers and employees, many on a continuing basis to the CD organizations. ANB's officers serve in leadership roles at non-profit organizations throughout the AAs. Organizations include the United Way, Children's Aid Society Foundation, Wichita Falls Area Food Bank Board, Chamber of Commerce, and Habitat for Humanity.

Denton County AA

The level of CD services in the Denton County AA reflects an adequate responsiveness to the CD needs of the AA. One officer of the Bank in the Denton County AA is a director of both the Chamber of Commerce and Pedi Place. Pedi Place is a nonprofit organization that assists low- and moderate-income children in obtaining medical services and care. Other organizations in which ANB employees volunteer their time provide a combination of economic development and community services for low- and moderate individuals or geographies.

Conclusions for Areas Receiving Limited Scope Reviews

Based on limited-scope reviews, the Bank's performance under the CD Test in the Tarrant County AA and the non-MSA is weaker than the Bank's overall performance under the CD Test in the full scope area(s). The branch in the Tarrant County AA has only been in operation for the last two years of the evaluation period. The non-MSA is a rural community lacking community development organizations and opportunities. These limited-scope areas only make up 11.8 percent of overall deposit market share and represent 9.8 percent of overall lending. The performance in these areas has a neutral impact on the overall rating.

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 MSA(s) and non-MSA(s) that received comprehensive examination review, designated by the term “full-scope,” and those that received a less comprehensive review, designated by the term “limited-scope”.

Time Period Reviewed:	01/01/2017 to 12/31/2019; 6/13/2017 to 12/31/2019 for CD Activity	
Bank Products Reviewed:	Home mortgage (home purchase, home improvement, and refinance), small loans to businesses, CD loans, investments, and services.	
Affiliate(s)	Affiliate Relationship	Products Reviewed
None		
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
Texas		
Wichita Falls MSA	Full-scope	Wichita, Archer, and Clay Counties
Denton County AA	Full-scope	95 contiguous census tracts located in the southern portion of Denton County
Tarrant County AA	Limited-scope	47 contiguous census tracts located in Tarrant County
Non-MSA	Limited-scope	Hardeman and Wilbarger Counties

Appendix B: Summary of State Ratings

RATINGS: American National Bank & Trust			
Overall Bank:	Lending Test Rating*	CD Test Rating	Overall Bank/State/Multistate Rating
American National Bank & Trust	Satisfactory	Satisfactory	Satisfactory
State:			
Texas	Satisfactory	Satisfactory	Satisfactory

(*) The Lending Test is weighted more heavily than the Community Development Test in the overall rating.

Appendix C: Definitions and Common Abbreviations

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

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

Aggregate Lending (Aggt.): The number of loans originated and purchased by all reporting lenders (HMDA or CRA) in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

Census Tract (CT): A small, relatively permanent statistical subdivision of a county delineated by a local committee of census data users for the purpose of presenting data. Census tracts nest within counties, and their boundaries normally follow visible features, but may follow legal geography boundaries and other non-visible features in some instances, census tracts ideally contain about 4,000 people and 1,600 housing units.

Combined Statistical Area (CSA): A geographic entity consisting of two or more adjacent Core Based Statistical Areas with employment interchange measures of at least 15. An employment interchange measure is a measure of ties between two adjacent entities. The employment interchange measure is the sum of the percentage of workers living in the smaller entity who work in the larger entity and the percentage of employment in the smaller entity that is accounted for by workers who reside in the larger entity.

Community Development (CD): Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; or activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas.

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

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

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

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

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

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

Home Mortgage Loans: A closed-end mortgage loan or an open-end line of credit as these terms are defined under 12 CFR 1003.2, and that is not an excluded transaction under 12 CFR 1003.3(c)(1) through (c)(10) and (c)(13).

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

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

Low-Income Individual: Individual income that is less than 50 percent of the area median income.

Low Income Geography: A census tract with a median family income that is less than 50 percent.

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

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

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

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

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

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

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

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

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

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

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

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

Tier 1 Capital: The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

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

Appendix D: Tables of Performance Data

Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan statistical areas, if applicable, are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to Appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: (1) purchased are treated as originations; and (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all HMDA or CRA-reporting lenders in the MMSA/assessment area. Deposit data are compiled by the FDIC and are available as of June 30th of each year. Tables without data are not included in this PE.

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

- Table 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 MMSA/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 that were originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) in those geographies. Because aggregate small business data are not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank’s assessment area.
- Table R. Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenue** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to: 1) the percentage distribution of businesses with revenues of greater than \$1 million; and, 2) the percentage distribution of businesses for which revenues are not available. The table also presents aggregate peer small business data for the years the data is available.

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography**2017-2019**

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
Wichita Falls MSA	1,114	167,844	88.5	3,816	5.0	0.8	1.7	19.6	10.8	15.2	36.8	31.5	32.9	38.7	56.9	50.3	0.0	0.0	0.0
Denton County AA	47	11,974	3.7	24,737	0.6	2.1	0.3	4.7	2.1	2.8	28.9	21.3	24.2	65.9	74.5	72.8	0.0	0.0	0.0
Tarrant County AA	54	20,108	4.3	5,363	13.7	3.7	9.8	31.3	5.6	25.4	12.7	9.3	15.4	42.3	81.5	49.4	0.0	0.0	0.0
Non-MSA	44	4,515	3.5	198	0.0	0.0	0.0	22.9	11.4	21.7	77.1	88.6	78.3	0.0	0.0	0.0	0.0	0.0	0.0
Total	1,259	204,441	100.0	34,114	4.0	1.0	2.0	13.3	10.2	7.8	28.3	32.2	24.1	54.3	56.6	66.2	0.0	0.0	0.0

Source: 2015 ACS Census; 01/01/2017 - 12/31/2019 Bank Data, 2019 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																			2017-2019		
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		
Wichita Falls MSA	1,114	167,844	88.5	3,816	21.5	3.4	4.1	16.8	12.8	11.5	20.5	25.4	21.1	41.3	57.3	41.1	0.0	1.1	22.2		
Denton County AA	47	11,974	3.7	24,737	13.1	0.0	1.7	12.4	12.8	9.2	17.0	17.0	17.5	57.4	66.0	58.0	0.0	4.3	13.6		
Tarrant County AA	54	20,108	4.3	5,363	33.3	0.0	4.4	16.7	5.6	13.3	16.6	3.7	17.0	33.4	83.3	49.8	0.0	7.4	15.5		
Non-MSA	44	4,515	3.5	198	20.6	2.3	9.6	19.0	18.2	19.2	18.4	27.3	22.7	42.0	50.0	36.4	0.0	2.3	12.1		
Total	1,259	204,441	100.0	34,114	19.0	3.1	2.4	14.2	12.7	10.2	17.6	24.2	17.8	49.2	58.5	54.7	0.0	1.5	14.8		

*Source: 2015 ACS Census; 01/01/2017 - 12/31/2019 Bank Data, 2019 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																			2017-2019	
Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	
Wichita Falls MSA	437	103,705	55.9	1,613	4.2	3.2	4.2	28.5	18.8	28.1	25.0	21.5	22.4	42.2	56.5	45.1	0.1	0.0	0.1	
Denton County AA	84	54,742	29.5	13,336	1.4	1.2	1.1	7.9	30.9	8.6	24.0	16.7	20.8	66.8	51.2	69.6	0.0	0.0	0.0	
Tarrant County AA	39	24,248	13.1	6,228	9.0	17.9	9.1	20.3	15.4	23.0	13.1	10.3	19.9	57.7	56.4	48.0	0.0	0.0	0.0	
Non-MSA	45	2,863	1.5	129	0.0	0.0	0.0	43.1	0.0	34.9	56.9	100.0	65.1	0.0	0.0	0.0	0.0	0.0	0.0	
Total	605	185,558	100.0	21,306	4.0	3.6	3.7	14.4	18.8	14.4	21.1	30.0	20.9	60.5	51.6	61.0	0.0	0.0	0.0	

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, “—” 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											2017-2019	
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	
Wichita Falls MSA	20	4,100	18.2	1,613	81.3	65.0	40.5	5.4	20.0	13.3	15.0	
Denton County AA	20	4,458	19.8	13,336	90.9	80.0	45.2	2.6	20.0	6.5	0.0	
Tarrant County AA	20	12,652	56.2	6,228	83.1	70.0	41.2	6.2	10.0	10.7	20.0	
Non-MSA	20	1,304	5.8	129	74.7	90.0	33.3	5.2	10.0	20.1	0.0	
Total	80	22,514	100.0	21,306	87.2	76.3	43.6	4.1	15.0	8.7	8.7	
<i>Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, “—” data not available. Due to rounding, totals may not equal 100.0%</i>												