



SMALL BANK

Comptroller of the Currency
Administrator of National Banks

PUBLIC DISCLOSURE

July 28, 2003

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**American National Bank
Charter Number 17764**

**1901 North Commerce
Ardmore, Oklahoma 73401**

**Comptroller of the Currency
Southern District
1600 Lincoln Plaza
500 North Akard
Dallas, Texas 75201-3394**

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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INSTITUTION'S CRA RATING

This institution is rated *Satisfactory*.

The following factors support this overall rating:

- A majority of loans are made within the bank's designated assessment area (AA).
- The bank's average loan to deposit ratio of 70% is reasonable and is favorable when compared to similar banks located within the AA.
- Lending performance reflects a reasonable penetration among borrowers of all income levels and segments of the community.

DESCRIPTION OF INSTITUTION

American National Bank is a \$126 million institution headquartered in Ardmore, with four branch locations. It is 99.97 percent owned by Amcorp Financial, Incorporated, a two bank holding company. The main bank is located at 1901 North Commerce in Ardmore. Full-service branches are located at 205 N. Commerce in Ardmore inside the Nichols Dollar Saver supermarket, and 133 Oak Main in Comanche, Oklahoma. A branch location is also available at 6295 West Broadway, Lone Grove, Oklahoma and at 222 West Main, Wilson, Oklahoma. Drive-in facilities are located at the main bank and at the Lone Grove, Wilson and Comanche branches. Automated Teller Machine (ATM) services are available at the Main bank, Nichols Dollar Saver, Lone Grove, and Comanche branches. The bank's primary focus is to serve commercial, agricultural, and consumer customers in it's designated assessment area. The bank offers a variety of loan and deposit products and services to meet community credit needs. As of March 31, 2003, loans represent 58% of total assets. The following table details the composition of the loan portfolio.

Loan Category	\$ (000)	%
Commercial Loans	4,731	6.53%
Commercial Loans Real Estate	16,069	22.19%
Residential Real Estate Loans	16,170	22.33%
Consumer Loans	22,082	30.50%
Agricultural Loans	13,355	18.45%
Total	72,407	100.00%

DESCRIPTION OF THE ASSESSMENT AREA

The bank's AA is described as southern central Oklahoma and contains a total of thirteen census tracts. The assessment includes all eleven census tracts located within the physical boundaries of

Carter County, one census tract in Stephens County and one census tract in Jefferson County. This area encompasses areas in which the main bank and the four branches are located. The bank also makes loans within a 50-mile radius of the main bank and the branch locations. The designated AA is reasonable and legal and does not arbitrarily exclude any low-to-moderate-income geographies. Based on 1990 U.S. Census Bureau information, none of the thirteen census tracts in the bank's AA are identified as low income tracts.

The community credit needs and business opportunities are also served by several other national and state chartered banks. It is also served by branches of these banks, and several local credit unions. Our community contact confirmed that banking in southern central Oklahoma is very aggressive and there are no unmet credit needs. The following table depicts the demographics of the AA.

DEMOGRAPHIC AND ECONOMIC CHARACTERISTICS OF AA	
<i>Population</i>	
Number of Families	14,338
Number of Households	19,518
<i>Geographies</i>	
Number of Census Tracts/BNA	13
% Low-Income Census Tracts/BNA	0%
% Moderate-Income Census Tracts/BNA	15%
% Middle-Income Census Tracts/BNA	54%
% Upper-Income Census Tracts/BNA	31%
<i>Median Family Income (MFI)</i>	
1990 MFI for AA	\$24,139
2000 Census MFI	\$35,250
2003 Estimated HUD MFI	\$39,400
<i>Economic Indicators</i>	
Unemployment Rate	4.7%
1990 Median Housing Value	\$37,443
% of Households Below Poverty Level	21%

The area's major employers are an automotive tire manufacturer, Michelin North America employing over 2,000 employees. Ardmore Schools, the City of Ardmore, and EJIW- Ardmore Foundry, Inc. are also major employers. There are several retail distribution centers in southern central Oklahoma including, Best Buy, Dollar General and Dollar Tree, and Circuit City.

CONCLUSIONS ABOUT PERFORMANCE CRITERIA

American National Bank has historically demonstrated satisfactory lending performance. A majority of credit is extended within the assessment area, and the bank continues to make consumer, commercial, and agricultural loans to customers of all income levels throughout the AA. Lending to low-to-moderate income families is good. The evaluation of the bank's CRA performance covers the years 2000 thru 2002. The following tables support these conclusions.

Loan-to-Deposit Ratio

American National Bank's quarterly average loan to deposit ratio reflects favorably compared to other financial institutions which are in close proximity to the subject bank. The loan-to-deposit ratio is derived from the Uniform Bank Performance Report from December 31, 1998 to December 31, 2002.

Institution	Assets (as of 12/31/02)	Average LTD Ratio
Citizens Bank & Trust Co. of Ardmore	116,236	62.41%
First National Bank & Trust of Ardmore	271,646	64.99%
First Bank & Trust Co. Duncan	271,352	74.37%
American National Bank	116,828	70.05%

Lending in Assessment Area

Based upon a loan sample of sixty loans, fifty three of the sixty loans or 88.3% of the sample were made within the AA. The number and dollar volume reflects satisfactory performance.

TOTAL LOANS REVIEWED								
	IN ASSESSMENT AREA				OUT OF ASSESSMENT AREA			
LOAN TYPE	#	%	\$ (000s)	%	#	%	\$ (000s)	%
Consumer	17	85%	91	76%	3	15%	34	24%
1-4 Family R/E	19	95%	527	91.33%	1	5%	50	8.67%
Commercial	17	85%	1,013	89.49%	3	15%	119	10.51%
Total Reviewed	53	--	1,631	--	7	--	203	--

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

A sample of twenty consumer loans revealed that 50% of the sample were made to low-to-moderate income households.

Borrower Income Level	LOW		MODERATE		MIDDLE		UPPER	
% of AA Households ²	25.3%		14.4%		15.1%		45.2%	
LOANS BY PRODUCT	% of Number	% of Amount						
Consumer	25%	25.6%	25%	20.8%	15%	11.2%	35%	42.4%

The 1-4 family residential real estate sample reflects a lower volume of loans made to low-to-moderate income families compared to middle and upper income families, however there are no defined low-income tracts within the AA. Based on 1990 Census Bureau data, there are 22,855 housing units of which 62% are owner occupied, while 22% are rental units. The remaining 14% of housing units are either multi-family units or mobile homes. There is a very limited number of new housing construction in the AA during the evaluation period.

RESIDENTIAL REAL ESTATE								
Borrower Income Level	LOW		MODERATE		MIDDLE		UPPER	
% of AA Families ¹	21.3%		15.6%		18.6%		44.4%	
LOANS BY PRODUCT	% of Number	% of Amount						
1-4 Fam R/E	5%	6.24%	15%	9.19%	50%	53.55%	30%	31.02%

Based on a sample of twenty commercial loans, the chart below reflects that 80% of the sampled loans were made to businesses with annual revenues of less than \$1 million, compared to 20% of businesses with annual revenues greater than \$1 million. Seventeen of twenty or 85% of the loans were made within the AA, while 89.49% of the dollar amount (\$1,132 million) was made to businesses with annual revenues less than \$1 million.

BORROWER DISTRIBUTION OF SMALL LOANS TO BUSINESSES		
Business Revenues	≤\$1,000,000	>\$1,000,000
% of Sample Businesses Loans ³	80%	20%
% of Sampled Loans in AA #	85%	15%
% of Sampled Loans in AA \$	89.49%	10.51%

Geographic Distribution of Loans

On a routine basis, American National Bank geo-codes the entire portfolio of loans. The June 30, 2003 bank prepared analysis reflects that 69% of the banks loan portfolio was made within the designated assessment area. Income level distribution information was not collected for the entire loan portfolio. Based on the sample of consumer, residential real estate and commercial loans used in this analysis, the sampled loans reflect satisfactory performance by number and dollar volume on loans made to low-to-moderate income census tracts and to businesses with annual revenues less than \$1 million.

Responses to Complaints

American Bank received no CRA related complaints during the evaluation period.

Fair Lending Review

An analysis of 2000-2002 public comments and consumer complaint information was performed according to the OCC's risk based fair lending approach. Based on its analysis of the information, the OCC decided that a comprehensive fair lending examination would not need to be conducted in connection with the CRA evaluation this year.