Office of the
Comptroller of the Currency
Washington, DC 20219

INTERMEDIATE SMALL BANK

PUBLIC DISCLOSURE

May 12, 2025

COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION

American Bank, National Association
Charter Number: 17319

200 West Highway 6
Waco, TX 76712

Office of the Comptroller of the Currency

Dallas / Fort Worth Office
225 E. John Carpenter Freeway, Suite 900
Irving, Texas 75062

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income 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.

Contents

Overall CRA Rating

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

The lending test is rated: Satisfactory.
The community development test is rated: Outstanding.

The major factors that support this rating include:

- The Lending Test rating is based on performance in the bank's assessment area (AA), all located in the state of Texas.
- The Community Development (CD) Test rating is based on performance in the bank's assessment area (AA), all located in the state of Texas.
- The loan-to-deposit ratio (LTD) was reasonable.
- A substantial majority of the bank's loans were inside its AA.
- The geographic distribution of loans across geographies of different income levels was excellent.
- The distribution of loans to borrowers of different income levels and businesses of different sizes was reasonable.
- The bank exhibited excellent responsiveness to CD needs through CD loans, qualified investments, donations, and services.

Loan-to-Deposit Ratio

Considering the bank's size, financial condition, and credit needs of the AA, the bank's loan-to-deposit ratio was reasonable.

The bank's quarterly average LTD ratio was calculated on a bank-wide basis for the 12-quarter evaluation period was 79.7 percent. During the evaluation period, the bank's quarterly LTD ratio ranged from a low of 70.7 percent to a high of 86.9 percent. We compared the bank's average LTD ratio to nine similarly situated institutions. The average LTD ratio for the other institutions was 69.7 percent, with a low average of 31.3 percent to a high average of 95.6 percent. Four of the institutions are in the local market with asset size ranging from $127 million to $1.6 billion. The average LTD ratio for these institutions is 73.5 percent with a low average of 54.4 percent and a high average of 87.6 percent. The bank's LTD ratio is comparable to similarly situated institutions.

Lending in Assessment Area

A substantial majority of the bank's loans were inside its AA.

The bank originated and purchased 87.9 percent of its total loans inside the bank's AA 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 findings from this analysis had a positive impact on the overall analysis of the geographic distribution of lending by income level of geography.

Table 1: Lending Inside and Outside of the Assessment Area										2022- 2024
Loan Category	Number of Loans				Total #	Dollar Amount of Loans $(000s)				Total $(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		$	%	$	%	
Home Mortgage	362	86.8	55	13.2	417	94,210	72.8	35,190	27.2	129,400
Small Business	68	94.4	4	5.6	72	8,199	93.2	599	6.8	8,798
Total	430	87.9	59	12.1	489	102,409	74.1	35,789	25.9	138,198
Source: 1/1/2022 - 12/31/2024 Bank Data.										
Due to rounding, totals may not equal 100.0%										

Description of Institution

American Bank (American or bank) is a single state full-service bank chartered in June 1982 and headquartered in Waco, Texas, which is located in McLennan County. The bank is wholly owned by American National Bancshares, Inc., a single bank holding company also headquartered in Waco, Texas. There are no other subsidiaries or affiliates and there was no merger or acquisition activity during the review period.

American serves the public through its headquarters and three additional branch locations in Waco, Texas. The bank's sole AA is comprised of all of McLennan County. McLennan County is part of the Waco Metropolitan Statistical Area (MSA). The bank's headquarters and branch office locations are all within its delineated AA,. Please refer to the "*Description of Institution's Operations in Texas*" for additional information on the bank's AA

As of December 31, 2024, the bank reported total assets of $599.7 million, total deposits of $539.2 million, and tier one capital of $59.8 million. Total loans and leases of $473.6 million represented 79 percent of total assets. The loan portfolio by dollar volume is comprised of 45 percent commercial and commercial real estate loans, 39 percent residential real estate loans, 3 percent farm and agriculture loans, and 1 percent consumer loans. Investment securities totaled $42.6 million. American's strategy focuses on commercial and commercial real estate lending in the bank's AA.

There are no legal, financial, or other factors impeding the bank's ability to meet the credit needs of the AA during the evaluation period. American received a "Satisfactory" overall rating at the last CRA evaluation dated February 14, 2022.

Scope of the Evaluation

Evaluation Period/Products Evaluated

We completed a review of American's CRA activities in its AA under the Interagency Intermediate Small Bank CRA procedures, which includes the Lending Test and the CD Test. The Lending Test evaluates the bank's record of meeting the credit needs of the AA through its lending activities. In evaluating the bank's lending performance, we identified residential real estate and small business loans as the bank's primary loan products for review. The CD Test evaluates the bank's responsiveness to CD needs in its AA through qualified CD lending, investments and donations, and services.

The evaluation period for this examination was January 1, 2022, to December 31, 2024. For residential real estate mortgage loans reviewed under the Lending Test, loan information used for this evaluation included Home Mortgage Disclosure Act (HMDA) data from 2022, 2023, and 2024. For small business loans reviewed under the Lending Test, we reviewed an initial sample of 72 small loans to businesses. Deposit data was as of June 30, 2024, and was based on information from the Federal Deposit Insurance Corporation (FDIC).

Examiners also evaluated CD loans, qualified investments, and services. Activities originated or engaged in between January 1, 2022, and December 31, 2024, were evaluated per the 1995 CRA Rule.

Selection of Areas for Full-Scope Review

In each state where the bank has an office, one or more of AAs within that state was selected for a full-scope review. For purposes of this evaluation, bank delineated AAs located within the same MSA, multistate metropolitan statistical area (MMSA), or combined statistical area (CSA), if applicable 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.

American has delineated one AA that includes all of McLennan County, Texas. The AA consists of 58 census tracts (CTs). The bank has properly defined its AA in accordance with the technical requirements of the CRA regulation. The AA consists of whole CTs, does not arbitrarily exclude low- and moderate-income (LMI) CTs, and includes CTs where the majority of loans were originated, and where the bank is located. The AA does not reflect illegal discrimination. McLennan County is located within the Waco MSA and is not a combination of more than one non-MSA AA.

Ratings

The bank's overall rating is based on the performance in the State of Texas.

The state rating is based on performance in the bank's AA. 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) (March 29, 2024) in determining a national banks 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 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.

State Rating

State of Texas

CRA rating for the State of Texas[1]: Satisfactory
The Lending Test is rated: Satisfactory
The Community Development Test is rated: Outstanding

The major factors that support this rating include:

- The bank exhibited excellent geographic distribution of loans across geographies of different income levels in the State of Texas.

- The bank exhibited reasonable distribution of loans to individuals of different income levels and businesses of different sizes in the State of Texas.

- The bank exhibited excellent responsiveness to the CD needs in the State of Texas through qualified CD loans, investments, and services.

- The bank did not receive any CRA related complaints during the evaluation period.

Description of Institution's Operations in Texas

American is a $599.7 million institution headquartered in Waco, Texas that serves a single AA in the state of Texas.

American's physical offices are its primary delivery system for retail products and services.
Below are the bank's main office and branch office locations in the city of Waco:

- 200 West Highway 6, Waco, Texas 76712 (Main Office) – census tract (CT) 0025.93 Upper-income CT(Plaza)
- 1601 North Interstate 35, Waco, Texas 76705 – CT 0016.00 – Moderate-income CT (Bellmead)
- 325 Franklin Avenue, Waco, Texas 76701 CT 001.00 – Moderate-income CT (Downtown)
- 5901 Woodway Drive, Waco, Texas 76701 CT 0025.03 – Upper-income CT (Woodway)

The bank's main office and its three branch offices offer identical services, except for the downtown (Franklin Ave.) location, which does not offer a drive-thru facility, although a deposit-taking Automatic Teller Machine (ATM) and night deposit drop are available at that location. The Plaza location offers safe deposit boxes as well. The bank's banking programs and hours allow the bank to deliver needed banking and credit services to LMI areas and customers, as well as small business owners throughout the bank's AA. These branches each have full-service ATMs. There are 10 cash-dispensing ATMs/Interactive Teller Machines (ITM) in total. Of these machines, eight ATMs/ITMs take deposits.

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[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.

American Bank offers Online banking to both consumer and commercial customers. Online banking can be accessed at www.am.bank. Services available through Online banking include balance inquiry, transfers, bill payment, and images. Commercial customers may also initiate ACH originations as well as wire transfers. American Bank also offers remote deposit services to both consumer and commercial customers. Deposit Now is available to commercial customers, and Mobile Deposit is available to consumer customers. Deposit via postal mail is also available to all customers. American bank offers telephone banking, which allows banking customers to perform balance inquiries and transfers.

Partial Waco MSA (McLennan County) AA

American has only one AA, which is located in Texas, that will be assessed under this evaluation. The AA comprises all of McLennan County is in the Waco MSA and consists of 58 CTs. Of those CTs, nine are low-income, 15 are moderate-income, 13 are middle-income, 18 are upper-income, and three are unknown. The county does not have any underserved or distressed CTs. The AA meets the requirements of the CRA regulation and does not arbitrarily exclude any LMI geographies. The bank continues to focus on commercial real estate, commercial loans and investor-owned single-family lending.

Competition
According to the Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report as of June 30, 2024, American had $538 million in deposits representing 7.0 percent of the deposit market share in the AA. American ranked 7th of the 24 reporting institutions in the AA. Local competition is intense and includes community banks, local credit unions, and a few larger, super-regional financial institutions. Other banks with notable market share include First National Bank of Central Texas (15.1 percent), First National Bank of McGregor (10.6 percent), and Extraco Banks, NA (8. 8 percent). Local financial institutions operate 63 offices in the AA, with The First National Bank of McGregor having the largest branch network in the market with six offices.

Demographics
The following table provides a summary of demographics, including housing, business, and economic information for the Partial Waco MSA

Partial Waco MSA (McLennan County) AA

Assessment Area – Partial Waco MSA (McLennan County)						
						2022 - 2024
Demographic Characteristics	**#**	**Low % of #**	**Moderate % of #**	**Middle % of #**	**Upper % of #**	**NA* % of #**
Geographies (Census Tracts)	58	15.5	25.9	22.4	31.0	5.2
Population by Geography	260,579	10.9	27.6	21.5	36.6	3.3
Housing Units by Geography	102,300	12.4	29.4	23.2	33.1	2.0
Owner-Occupied Housing by Geography	54,151	6.2	22.5	24.9	46.3	0.2
Occupied Rental Units by Geography	37,271	19.2	39.1	20.4	17.4	3.9
Vacant Units by Geography	10,878	20.4	30.1	24.1	21.0	4.3
Businesses by Geography	9,485	10.5	26.5	23.3	38.8	0.9
Farms by Geography	406	5.2	11.6	30.1	53.0	0.3
Family Distribution by Income Level	59,829	22.8	17.2	17.0	43.0	0.0
Household Distribution by Income Level	91,422	25.3	15.2	17.0	42.5	0.0
Unemployment rate (%)	4.6	5.5	5.5	4.9	3.3	6.0
Households Below Poverty Level (%)	18.1	45.8	23.7	13.1	4.7	69. 9
Median Family Income (47380 - Waco, TX MSA)		$65,634			**Median Housing Value**	$117,600
Median Family Income (47380 - Waco, TX MSA) for 2024		$81,700			**Median Gross Rent**	$891
					Families Below Poverty Level	12.9

Assessment Area – Partial Waco MSA (McLennan County)						
						2022 - 2024
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
FFIEC File - 2020 Census						
FFIEC File - 2024 Census						
2024 Dun & Bradstreet SBSF Demographics						
Due to rounding, totals may not equal 100.0%						
(*) The NA category consists of geographies that have not been assigned an income classification						

Owner-occupied housing units in the AA total 54,151. The majority of the housing units are in the upper-income geographies. Only 6.2 percent are in low-income CTs and 22.5 percent in moderate-income CTs. The poverty level across the AA was considered in the evaluation of lending performance. Families living below the stated poverty rate are identified as having difficulty meeting financial needs and as such are less likely to have the financial resources to qualify for a home loan than those with income above poverty. In the AA, the poverty level was reported at 12. 9 percent per the most recent census data available. This represents a reduction in poverty levels in recent years as the poverty rate was reported at 14.7 percent according to 2015 ACS data.

Economic Data
According to Moody's Analytics, Waco's economy is expected to remain a step behind the state over the next few years due to below average per capita income and population growth. Waco's residential reals estate has seen several years of rapid price appreciation. The accelerated house appreciation and high borrowing costs have negatively impacted housing affordability. In addition, the number of single-family home permits trended a decline from 920 in 2022 down to 885 in 2024. While the unemployment rate in Waco at approximately 4.6 percent, trails the state average due to the lack of quality employment.

Community Contacts
To help identify needs and opportunities in the AA, the OCC conducted a community contact for the McLennan County AA. The community contact is a traditional chamber of commerce in Waco that promotes the interests of business associations within the community. Their work is primarily with the business community; however, additional opportunities are with leading economic development within the community. They strategically work with other businesses in the area promoting small business development.

The contact stated Waco's banking and credit needs are met because the city and county are very well banked. The local community banks have a strong foundation and are very community focused. There are some large institutions that also have very strong community relationships as well. Opportunities for participation by local financial institutions include public works projects that are taking place that includes schools, a new university arena, downtown growth and a new hotel.

Scope of Evaluation in Texas

A full-scope review was performed on the bank's AA for the evaluation period covering January 1, 2022, through December 31, 2024.

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 Area Receiving a Full-Scope Review

Based on a full-scope review, the bank's lending performance in the state of Texas was reasonable.

Distribution of Loans by Income Level of the Geography

The bank exhibited excellent geographic distribution of loans in the state.

Home Mortgage Loans

Refer to Table 7 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.

Based on the data in the tables the overall geographic distribution of home mortgage loans was excellent.

In 2022-2024, the bank's percentage of home mortgage loans in both low-income and moderate-income geographies exceeded the percentage of owner-occupied homes and the aggregate lending in those geographies.

Small Loans to Businesses

Refer to Table 9 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.

Based on the data in the tables the overall geographic distribution of small loans to businesses was excellent.

In 2022-2024, the bank's percentage of loans to small businesses in low-income geographies exceeded the both the percentage of businesses located in low-income geographies and the aggregate lending performance. In moderate-income geographies, the percentage of small business lending is near the percentage of businesses in moderate-income geographies and exceeded the aggregate lending performance.

Lending Gap Analysis

No unexplained, conspicuous lending gaps were identified.

Distribution of Loans by Income Level of the Borrower

The bank exhibited 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. Our analysis considered the following performance context factors when evaluating income distribution across the bank's full-scope AAs:

- A significant volume of reported home mortgage loans in the AA involve investor properties in which income information is not collected for business entities. Given this, coupled with the bank's overall strategy, we placed more weight on loans to small businesses rather than home mortgage lending when formulating conclusions for the distribution of loans by income level of borrower.

Home Mortgage Loans

Refer to Table 8 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.

Based on the data in the tables and considering the performance factors discussed above, the overall borrower distribution of home mortgage loans is poor.

In 2022-2024, the bank's percentage of mortgage lending to low-income borrowers was lower than the percentage of families identified as low-income and somewhat lower than the aggregate lending to low-income borrowers. The bank's mortgage lending to moderate-income borrowers was lower than both the percentage of families identified as moderate-income and the aggregate lending to moderate-income borrowers.

American does not offer 30-year fix rate mortgage loans. Most of the bank's mortgage loans are adjustable short-term balloons. In addition, the bank does not offer a product with low or minimal down payments. These factors in combination with the rapid housing appreciation in the Waco market and high borrowing costs have resulted in low lending opportunities to LMI families.

Small Loans to Businesses

Refer to Table 10 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.

Based on the data in the tables and considering performance context factors discussed above, the overall borrower distribution of small loans to businesses is reasonable.

In 2022-2024, the percentage of the bank's small loans to businesses was somewhat lower than the percentage of businesses identified as having revenue less than or equal to $1 million but exceeded the aggregate lending performance.

Responses to Complaints

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

COMMUNITY DEVELOPMENT TEST

The bank's performance under the Community Development Test in the state of Texas is rated Outstanding.

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank exhibited excellent 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 AA.

Number and Amount of Community Development Loans

The Community Development Loans Table, shown below, 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.

Table 3: Community Development Loans				
Assessment Area	Total			
	#	% of Total #	$(000's)	% of Total $
Partial Waco MSA- McLennan County	25	100	27,470	100

The bank's overall level of CD lending demonstrated an excellent responsiveness to local credit and CD needs. The bank made 25 CD loans totaling $27.5 million in the AA, which represented 46 percent of allocated tier 1 capital.

The following are examples of CD loans the bank originated in this AA:

- Two loans totaling $1.8 million to support economic development activities by financing small businesses that have a gross annual revenue of $1 million or less.
- One loan totaling $6.3 million to construct a new medical facility located in a low-income census tract ensuring medical services are provided to the local LMI individuals.
- Two loans totaling $600 thousand to a non-profit organization that assists LMI borrowers in obtaining affordable housing.

Number and Amount of Qualified Investments

Table 4: Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	$(000's)	#	$(000's)	#	% of Total #	$(000's)	% of Total $	#	$(000's)
Partial Waco MSA (McLennan County)	-	-	97	271	97	84.0	271	6.0	-	-
Broader Statewide or Regional Area	2	909	16	3,370	18	16.0	4,279	94.0	4	1,985
Total	**2**	**909**	**113**	**3,641**	**115**	**100**	**4,550**	**100**	**4**	**1,985**

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

The bank's level of donations and investments demonstrated an adequate responsiveness to the CD needs of the bank's AA. The Qualified Investment 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 investment, including prior period investments, that remain outstanding as of this examination date.

The following are examples of qualified donations in the AA:

- $61,500 to an organization that provides health care to LMI individuals.
- $20,000 to a non- profit organization that provides various community services targeted to LMI individuals. This includes housing, job training, health clinic, and legal services.
- $22,655 to three organizations that promote economic development of local LMI areas within the McLennan County AA.

Broader Statewide Area

The bank made several investments that did not have a purpose, mandate, or function to specifically serve the bank's AA. Since the bank has been responsive to the needs and opportunities of its AA, we considered these investments in the overall Investment Test rating. During the evaluation period, American made 16 investments totaling $3.4 million and two prior period investments totaling $909 thousand that benefited Broader Statewide or Regional Areas.

The bank invested in 14 municipal school bonds during the evaluation period totaling $3.2 million. Bond proceeds primarily benefitted Texas Independent School Districts where the majority of the students are economically disadvantaged. The funds were used to provide for needed improvements to school facilities, as well as provide for necessary expansion.

In addition, the bank invested in four what?. During the evaluation period the bank invested in two Small Business Investment Companies (SBIC) Valesco III and Bluehenge Capital totaling $159 thousand. The bank also had two prior period SBIC investments in Valesco Fund II and Lightspring Capital, totaling $909 thousand. These SBICs make equity investments in small businesses across the southern and central US. These investments primarily benefit small businesses statewide and may also benefit the bank's AA.

Extent to Which the Bank Provides Community Development Services

The bank's level of CD services demonstrated an excellent responsiveness to the CD needs and opportunities in the AA. During the evaluation period, 19 employees provided 2,334 service hours to 29 qualified organizations within the AA. Qualified CD service hours increased from the previous CRA evaluation wherein service hours in the AA totaled 2043 for the 2018-2021 review period. For 2022-2024, employees provided 69.5 percent of service hours to organizations engaged in a variety of community services targeted towards LMI individuals and families. The remaining hours supported organizations that promote economic development of local small businesses and the provision of financial literacy courses for LMI individuals.

Examples of service hours include the following:

- Six employees provided 121 hours of service as a presenter to six organizations that provide financial literacy classes to schools with the majority of the students comprised of children from LMI families.
- One employee provided 450 hours in service on the board of directors for a non-profit organization that supports and promotes court-appointed advocates for abused and neglected children in the AA.
- One employee provided 150 hours in service as Board Chairman for an organization that provides accessible support and services to LMI children, youth and their families.

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:	January 1, 2022 to December 31, 2024	
Bank Products Reviewed:	Home mortgage and small business loans Community development loans, qualified investments, community development services.	
Affiliate(s)	**Affiliate Relationship**	**Products Reviewed**
N/A		
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	**Type of Exam**	**Other Information**
State of Texas		
Partial Waco MSA AA	Full-scope	All Census Tracts in McLennan County

Appendix B: Summary of MMSA and State Ratings

RATINGS			
Overall Bank:	Lending Test Rating*	CD Test Rating	Overall Bank/State/ Multistate Rating
American National Bank	Satisfactory	Outstanding	Satisfactory
MMSA or State:			
Texas	Satisfactory	Outstanding	Satisfactory

(*) The Lending Test and Community Development Test carry equal weight 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 CD loans and qualified investments, branch distribution, and CD services).

Low-Income: Individual income that is at 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 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**.**

Multistate Metropolitan Statistical Area (MMSA): Any multistate metropolitan statistical area or multistate combined statistical area, as defined by the Office of Management and Budget.

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.

Prior Period Investments: Investments made in a previous evaluation period that are outstanding as of the end of the evaluation period.

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 multistate 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 multistate metropolitan statistical area, the institution will receive a rating for the multistate 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.

Unfunded Commitments: Legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

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/AA. 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 7. **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 8. **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/AA. The table also presents aggregate peer data for the years the data is available.

Table 9. **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 arrogate 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 AA.

Table 10. **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.

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.

Table 7: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2022 - 2024
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	$	% of Total Number	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
Waco MSA	362	94,210	100.0	11,221	6.2	14.6	7.1	22.5	27.6	19.9	24.9	21.3	32.6	46.3	36.2	39.9	0.2	0.3	0.5
Total	**362**	**94,210**	**100.0**	**11,221**	**6.2**	**14.6**	**7.1**	**22.5**	**27.6**	**19.9**	**24.9**	**21.3**	**32.6**	**46.3**	**36.2**	**39.9**	**0.2**	**0.3**	**0.5**

Source: FFIEC File - 2020, 2024 Census; 1/1/2022 - 12/31/2024 Bank Data, 2022 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%

Table 8: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2022 - 2024
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	$	% of Total Number	Overall Market	% Families	% Bank Loans	% Aggregate	% Families	% Bank Loans	% Aggregate	% Families	% Bank Loans	% Aggregate	% Families	% Bank Loans	% Aggregate	% Families	% Bank Loans	% Aggregate
Waco MSA	362	94,210	100.0	11,221	22.8	2.86	3.9	17.2	4.1	13.3	17.0	8.0	19.9	43.0	36.5	41.8	--	48.6	21.2
Total	**362**	**94,210**	**100.0**	**11,221**	**22.8**	**2.8**	**3.9**	**17.2**	**4.1**	**13.3**	**17.0**	**8.0**	**19.9**	**43.0**	**36.5**	**41.8**	**--**	**48.6**	**21.2**

Source: FFIEC File - 2020, 2024 Census; 1/1/2022 - 12/31/2024 Bank Data, 2022 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%

Table 9: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																			2022 - 2024
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 Number	Overall Market	% Businesses	% Bank Loans	% Aggregate	% Businesses	% Bank Loans	% Aggregate	% Businesses	% Bank Loans	% Aggregate	% Businesses	% Bank Loans	% Aggregate	% Businesses	% Bank Loans	% Aggregate
Waco MSA	68	8,199	100.0	8,615	10.5	14.7	9.5	26.5	23.5	21.2	23.3	30.9	31.2	38.8	30.9	37.6	0.9	--	0.6
Total	**68**	**8,199**	**100.0**	**8,615**	**10.5**	**14.7**	**9.5**	**26.5**	**23.5**	**21.2**	**23.3**	**30.9**	**31.2**	**38.8**	**30.9**	**37.6**	**0.9**	**--**	**0.6**

Source: FFIEC File - 2020, 2024 Census; 1/1/2022 - 12/31/2024 Bank Data, 2022, 2023, 2024 Dunn & Bradstreet SBSF Demographics, 2022 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%

Table 10: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2022 - 2024
Assessment Area:	**Total Loans to Small Businesses**				**Businesses with Revenues <= 1MM**			**Businesses with Revenues > 1MM**		**Businesses with Revenues Not Available**	
	#	**$**	**% of Total Number**	**Overall Market**	**% Businesses**	**% Bank Loans**	**% Aggregate**	**% Businesses**	**% Bank Loans**	**% Businesses**	**% Bank Loans**
Waco MSA	68	8,199	100.0	8,615	77.8	60.3	49.4	10.2	33.8	12.1	5.9
Total	**68**	8,199	**100.0**	**8,615**	**77.8**	**60.3**	**49.4**	**10.2**	**33.8**	**12.1**	**5.9**

Source: FFIEC File - 2020, 2024 Census; 1/1/2022 - 12/31/2024 Bank Data, 2022, 2023, 2024 Dunn & Bradstreet SBSF Demographics, 2022 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%