



PUBLIC DISCLOSURE

October 15, 2018

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Amarillo National Bank
Charter Number 14206

400 South Taylor, Plaza One
Amarillo, TX 79101

Office of the Comptroller of the Currency

Lubbock Field Office
5225 South Loop 289, Suite 108
Lubbock, TX 79424-1319

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.

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Overall CRA Rating

Institution’s CRA Rating: This institution is rated **Outstanding**.

The following table indicates the performance level of **Amarillo National Bank (ANB)** with respect to the Lending, Investment, and Service Tests:

Performance Levels	Amarillo National Bank Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding	X		X
High Satisfactory		X	
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			

* The lending test is weighted more heavily than the investment and service tests when arriving at an overall rating.

The major factors that support this rating include:

- An excellent level of community development (CD) lending that is responsive to CD credit needs and has a significant positive impact on the overall Lending Test rating.
- Lending activity that reflects excellent responsiveness to the credit needs of the bank’s assessment area (AA), given performance context.
- Good geographic distribution of loans with a substantial majority of loans within the bank’s AA.
- Good distribution of loans among borrowers of different income levels and businesses of different sizes, as well as the use of flexible lending programs in order to serve AA credit needs.
- A good level of qualified investments responsive to AA needs.
- Retail service delivery systems that are readily accessible to all portions of the AA and an excellent level of CD services.

Definitions and Common Abbreviations

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

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

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

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

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

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

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

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is

further classified into “male householder” (a family with a male householder and no wife present) or “female householder” (a family with a female householder and no husband present).

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

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

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

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

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

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

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

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

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

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

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

centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

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

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

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

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

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

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

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

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

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

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

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

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

Description of Institution

Amarillo National Bank (ANB) is a full-service, intrastate, family-owned community bank headquartered in Amarillo, Texas. ANB is wholly-owned by Amarillo National Bancorp, Inc., a one-bank holding company also located in Amarillo, TX with total assets of \$4 billion as of December 31, 2017. ANB has an agency-only real estate title company operating subsidiary.

As of December 31, 2017, ANB reported total assets of \$4.0 billion, total deposits of \$3.3 billion and Tier One capital of \$505.4 million. Net loans and leases totaled \$3.2 billion which represents 80 percent of total assets. Outstanding loans by category include commercial and commercial real estate (46 percent), consumer (21 percent), agricultural and farmland (21 percent), residential real estate (8 percent), and other (4 percent).

ANB offers a full range of products and services through its 16 full-service branches, located in Amarillo and Canyon (13), Lubbock (2), and Borger (1). The bank also operates two limited-service branches, three drive-up branches, two loan production offices, six deposit-taking automated teller machines (ATMs), and one mobile ATM.

ANB strives to be a leading corporate citizen in the city of Amarillo and is highly involved in a wide variety of community initiatives. The bank provides traditional loan, deposit, and service offerings and willingly innovates as needed to meet community needs. Additional information about the bank is available on its website at www.anb.com.

There are no legal or financial factors impeding the bank's ability to help meet the credit needs of its AA. During the evaluation period, the ANB faced competitive and economic challenges as discussed throughout this Performance Evaluation. These factors were considered when determining ANB's CRA performance. The bank's rating at its previous CRA Performance Evaluation dated July 29, 2014 was "Outstanding."

Scope of the Evaluation

Evaluation Period/Products Evaluated

This Performance Evaluation assesses the bank's performance under the Lending, Investment, and Service Tests. In evaluating lending performance, we reviewed home mortgage loans subject to reporting under HMDA (home purchase, home improvement, and home refinance loans), small loans to businesses and farms subject to reporting under the CRA, and community development loans. We also evaluated community development investments as well as retail and community development services.

The evaluation period for loans is January 1, 2014 through December 31, 2017. The review period for CD loans is the same due to the verification that the CD loans from January 1, 2014 through August 1, 2014 as stated in the previous CRA Performance evaluation dated July 29, 2014 were not included in that evaluation. For the Lending Test, separate analyses for home mortgage, business lending, and farm lending were conducted for the years of 2014, 2015, and 2016 combined, compared to demographics from the 2010 US Census. The year 2017 was analyzed separately due to the 2015 American Community Survey (ACS) US Census that applies to 2017. The evaluation period for investments and CD services is August 2, 2014 through December 31, 2017.

Data Integrity

This evaluation is based on accurate data. In March 2018, the Office of the Comptroller of the Currency completed a data integrity examination and determined that the HMDA and CRA data for 2014 through 2017 was accurately reported. During this CRA Performance Evaluation, examiners reviewed all community development loans, investments, and services submitted by the bank to ensure the activities met the regulatory definition for community development. Any items that did not qualify were excluded.

Conclusions related to community development loans and qualified investments are based on the number and dollar amounts made during the evaluation period. In addition, the level of innovation, complexity, responsiveness to community credit needs, and the degree to which investment instruments are not routinely provided by private investors were considered.

Selection of Areas for Full-Scope Review

The bank has three AAs in the State of Texas. The Amarillo AA includes Potter and Randall Counties in MSA 11100 (Amarillo, TX). This AA will receive a full-scope review as it represents 96.3 percent of the bank's deposits as of June 30, 2017 according to the Federal Deposit Insurance Corporation (FDIC) deposit market share report and 94.9 percent of the total number of loans analyzed during this evaluation. Furthermore, 13 of the 16 banking offices are in this AA. Refer to appendix A for additional information.

There are two limited-scope AAs. The Lubbock AA is Lubbock County in MSA 31180 (Lubbock, TX) representing only 1.4 percent of bank loans, 0.5 percent of deposits, and two banking offices. The Hutchinson County AA is non-MSA and represents only 5.3 percent of bank loans, 3.2 percent of deposits, and one banking office.

Ratings

The bank's overall rating is based primarily on the AA that received a full-scope review, which is the Amarillo AA. Business and home mortgage lending received the most weight considering the ANB's strategic focus and lending volume during the evaluation period. The Lending Test received the most weight when arriving at an overall rating. The level and responsiveness of the bank's community development lending to the community credit needs was also factored into the Lending Test.

For the Investment Test, the level of current period investments was more heavily weighted as well as the responsiveness to the community needs. For the Service Test, the retail banking services portion is more heavily weighted than the CD services.

In determining conclusions related to lending activity and aggregate data comparisons for home mortgage loans, we used peer mortgage data for 2016 and 2017. For business lending and farm lending we used 2016 peer business data for 2016 and 2017 as it was the most recent aggregate data available at the time of our evaluation.

Discriminatory or Other Illegal Credit Practices Review

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

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

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

Conclusions with Respect to Performance Tests

LENDING TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Lending Test in Texas is rated "Outstanding" when considering the excellent level of community development lending that enhanced the good level of lending in the Amarillo AA.

Lending Activity

Overall, the bank's lending activity reflects excellent responsiveness to assessment area credit needs for mortgages, small business loans, and farms given performance context in the Amarillo AA. Refer to Table 1 in appendix C for the facts and data used to evaluate the bank's lending activity.

ANB has experienced steady organic growth during the evaluation period and continues to dominate deposit and loan market shares within the Amarillo AA. Local competition is high and consists of numerous national and state community banks, credit unions, and branches of large, nationwide banks that offer a wide variety of home mortgage loan products and small business loans.

As of June 30, 2017, the FDIC reports the bank's deposits in the Amarillo AA totaled \$3.2 billion, ranking first among 16 banks, with a 49 percent market share.

For home mortgage loans, ANB's lender market share and rank is excellent across all products. The bank is ranked first among 16 banks for home purchase (24 percent), home refinance (21 percent), and home improvement loans (48 percent). While competition has increased, the bank has been successful and consistent in reaching low- and moderate-income (LMI) borrowers and geographies.

Lending activity for reportable businesses loans is excellent. ANB's lender market share of small loans to businesses ranks first among 74 lenders, equal to its deposit market share rank. Based on 2016 aggregate data, the bank's market share of small loans to businesses is high at 16.4 percent based on number of loans, and 35.0 percent based on the dollar volume. Happy State Bank, American Express FSB, and Chase Bank USA, NA were next with business loan market shares of 13.7, 11.9, and 8.3 percent, respectively. ANB also a good level of small business loans (revenues of \$1 million or less) with a 32.2 percent lender market share, ranking second among 74 lenders after Happy State Bank.

ANB's small farm loan volume is good with a 16.1 market share. ANB's lender market share is slightly lower than its deposit market share rank at third among 13 lenders, after Happy State Bank and First United Bank.

Distribution of Loans by Income Level of the Geography

Overall, the geographic distribution of home mortgage loans, small loans to businesses, and small loans to farms in the Amarillo AA is good, given performance context.

Home Mortgage Loans

Refer to Table O in appendix C for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations.

Overall, the geographic distribution of home mortgage loans is good. For 2014-2016, ANB's mortgage lending in low-income geographies (3.1 percent) was lower than the owner-occupied housing units (7.5 percent) but was near to the aggregate lending in low-income geographies (3.2 percent). For moderate-income geographies (12.3 percent), the lending was somewhat lower than the owner-occupied housing units (15.7 percent) but exceeded the aggregate lending (11.7 percent).

In 2017, the bank's mortgage lending in low-income geographies (0.4 percent) is near to the owner-occupied housing units (1.0) and the aggregate lending (0.3 percent). For moderate-income geographies (16.4 percent), the lending was somewhat lower than the owner-occupied housing units (22.9) but exceeded the aggregate lending (12.5 percent).

Small Loans to Businesses

Refer to Table Q in appendix C for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

Overall, the geographic distribution of small loans to businesses is good, given performance context. For 2014-2016, the percentage of small loans to businesses in low-income geographies (13.1 percent) is somewhat lower than both the businesses located in low-income geographies (20.2 percent) and the aggregate lending (17.3 percent). The percentage of small loans to businesses in moderate-income geographies (4.5 percent) is lower than the businesses located in moderate-income geographies (11.3 percent) and somewhat lower than the aggregate lending (8.6 percent). During 2014 and 2015, ANB reported used vehicle loans to dealers as individual loans instead of a single loan or line of credit. Since these high-volume automobile dealers are located in middle- and upper-income census tracts of the AA, this caused the percentages in those tracts to be overstated while the percentages in LMI tracts were understated. In 2016, the bank changed its reporting to more accurately reflect geographic distribution.

As a result, for 2017 the percentage of small loans to businesses in low-income geographies (5.9 percent) is equal to the businesses located in low-income geographies (5.9 percent) but lower than the aggregate lending (17.3 percent). The percentage of small loans to businesses in moderate-income geographies (26.9 percent) exceeded both the businesses located in moderate-income geographies (25.7 percent) and the aggregate lending (8.6 percent).

Small Loans to Farms

Refer to Table S in appendix C for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to farms.

The overall geographic distribution of small loans to farms is good. Farm lending is not a primary product in the Amarillo AA, but the bank had a meaningful volume of loans. For 2014-2016, small loans to farms in low-income geographies (23.6 percent) exceeded the both the farms (10.7 percent) and the aggregate lending (7.9 percent). The bank did not make any farm loans in moderate-income geographies, which contained only 3.9 percent of total farms.

For 2017, small loans to farms in low-income geographies (3.1 percent) was near to the percentage of farms in low-income geographies (3.4 percent) but lower than the aggregate lending (7.9 percent). Small loans to farms in moderate-income geographies (26.6 percent) exceeded both the percentage of farms (11.7 percent) and the aggregate lending (1.5 percent).

Lending Gap Analysis

There were no unexplained conspicuous gaps based on the geographic distribution of loans, branch locations, and performance context.

Inside/Outside Ratio

A substantial majority of the bank's loans are in the AA. This analysis is performed at the bank level rather than AA levels. For all loans, 88.9 percent by number and 87.5 percent by dollar amount are inside the AAs. This level of performance was positively factored into the overall analysis of the distribution of loans by income level of the geography.

For home mortgage loans, 88.9 percent by number and 87.5 percent by dollar amount are inside the AAs. For small loans to businesses, 87.3 percent by number and 87.5 percent by dollar amount are inside the AAs. For small loans to farms, 60.9 percent by number and 53.3 percent by dollar amount are inside the AAs.

Distribution of Loans by Income Level of the Borrower

Overall, the bank's distribution of loans by income level of the borrower is good. The distribution of both home mortgage loans and small loans to farms is good, and the distribution of small loans to businesses is adequate.

Home Mortgage Loans

Refer to Table P in appendix C for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The distribution of home mortgage loans by income level of the borrower in the Amarillo AA is good. For 2014-2016, home mortgage loans to low-income borrowers (8.8 percent) is lower than low-income families (22.7 percent) but exceeds the aggregate lending (8.0 percent). Home mortgage loans to moderate-income borrowers (18.4 percent) exceeds moderate-income families (16.8 percent) and is near to the aggregate lending (18.5 percent).

For 2017, home mortgage loans to low-income borrowers (9.5 percent) is lower than low-income families (22.0 percent) but exceeds the aggregate lending (6.0 percent). Home mortgage loans to moderate-income borrowers (19.4 percent) exceeds both moderate-income families (17.0 percent) and the aggregate lending (15.1 percent).

Small Loans to Businesses

Refer to Table R in appendix C for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

Overall, the borrower distribution of small loans to businesses is adequate in the Amarillo AA. For 2014-2016, ANB's loans to businesses with revenues less than or equal to \$1 million (21.6 percent) is lower than both the businesses reporting these revenues (82.6) and the aggregate lending (45.6 percent).

For 2017, the bank's loans to businesses with revenues less than or equal to \$1 million (60.2 percent) is somewhat lower than the businesses with these revenues (82.1) but exceeds the aggregate lending (45.6 percent).

Small Loans to Farms

Refer to Table T in appendix C for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to farms.

Overall, the borrower distribution of small loans to farms is good in the Amarillo AA. For 2014-2016, ANB's loans to farms with revenues less than or equal to \$1 million (73.6 percent) is somewhat lower than the farms reporting these revenues (95.3) but exceeds the aggregate lending (71.6 percent).

For 2017, the bank's loans to farms with revenues less than or equal to \$1 million (65.6 percent) is somewhat lower than the farms reporting these revenues (94.6) but is near to the aggregate lending (71.6 percent).

Community Development Lending

Refer to Table 1 in appendix C for the facts and data used to evaluate the bank's level of community development lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans.

Overall, the bank's community development lending activity in the Amarillo AA is excellent and had a significant positive impact on the overall Lending Test rating. During the community development evaluation period, the bank made 48 CD loans totaling \$45.4 million, and 21 additional loans totaling \$1.9 million that have a regional impact including the AAs. ANB originated 13 loans totaling \$40.0 million that revitalize and stabilize distressed and underserved geographies, 50 loans totaling \$6.6 million that provide community services, 5 loans totaling \$319 thousand that provide affordable housing, and 1 loan of \$336 thousand for economic development. Noteworthy examples include:

- \$11 million to provide working capital to an organization that is located in a low-income tract and provides employment opportunities to the area. The organization is located within the Tax Increment Reinvestment Zone (TIRZ). A TIRZ is a political subdivision of a municipality or county in the state of Texas created to implement tax increment financing.
- \$7.5 million for the construction of a distribution facility located in a moderate-income tract (and in the downtown Amarillo TIRZ) that will help revitalize/stabilize the area and provide LMI jobs.
- \$5 million to construct a new hotel in the downtown Amarillo TIRZ which will help revitalize the area. This will also aid in the creation jobs for low- and moderate income individuals.

- \$1.6 million to an organization that provides occupational, physical, and speech therapy services to children. Enrollment records indicate that 85 to 90 percent of the patients are low-income and receive Medicaid. Additionally, the business is located in a low-income census tract.
- \$1.1 million to cover payroll for a non-profit organization that serves primarily LMI families. The organization works to promote affordable housing, community services, and revitalization/stabilization. ANB lends to this organization annually to help cover payroll and receivables, as well as timing differences between the sales of properties.

Product Innovation and Flexibility

ANB uses flexible mortgage programs in a safe and sound manner to address the credit needs of LMI individuals or geographies as well as lending to small businesses. This had a positive impact on conclusions under the Lending Test.

The bank is active in loan modifications through the Fannie Mae Flex Modification Program, and the Federal Housing Administration (FHA) Home Affordable Modification Program (HAMP). In addition, the bank has its own proprietary ANB Modification Program in which it modifies in-house loans without the assistance of government programs. The ANB Modification Program has modified 19 loans, and ANB has modified another 19 loans through FHA modification programs and 63 loans through Fannie Mae modification programs. Due to ANB's dominant mortgage lending market share in the Amarillo AA, the bank is actively involved in servicing loans sold to Fannie Mae.

ANB gained national recognition from the Pew Charitable Trust for its small dollar lending efforts and its participation in the FDIC's small dollar lending pilot program in 2008. The ANB small dollar lending program consists of loans between \$500 and \$2,500. ANB provides small dollar loans to applicants who demonstrate appropriate creditworthiness. Volume in the small dollar lending program has been excellent with 21,442 loan originations totaling \$28,382,400 (average of \$1,324 per loan).

- 2014: 5,269 loans totaling \$7,043,248 (average of \$1,337 per loan)
- 2015: 5,535 loans totaling \$7,223,934 (average of \$1,305 per loan)
- 2016: 5,492 loans totaling \$7,273,682 (average of \$1,324 per loan)
- 2017: 5,146 loans totaling \$6,841,535 (average of \$1,329 per loan)

The bank's small business department provides a package service of deposit, loan, and other bank services, including financial information and training, geared to small businesses. This team of lenders is active in the Entrepreneurial Alliance, Amarillo Chamber of Commerce, Hispanic Chamber of Commerce, Small Business Development Center, WT Enterprise Center, and Amarillo Area Foundation PATH Fund.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Lending Test in the Hutchinson County AA is not inconsistent with the bank's "Excellent" performance in the Amarillo AA. The bank's performance under the Lending Test in the Lubbock AA was weaker but adequate. Refer to the Tables in appendix C for the facts and data that support these conclusions.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Investment Test in Texas is rated "High Satisfactory" considering the overall positive impact and the performance context in the Amarillo AA

Although CD investment opportunities are limited in this AA due to competition and availability, the bank's investment performance is good and is responsive to AA needs. Refer to Table 14 in appendix C for the facts and data used to evaluate the bank's level of qualified investments.

Current period qualified investments in the Amarillo AA during the evaluation period totaled \$7.2 million in dollar volume and 660 in number, consisting of equity investments, grants, and donations. In addition, there are about \$2.9 million of prior period, long-term investments outstanding at the end of the evaluation period that continue to have a positive impact on the AA. When considering all activities, qualified investments and outstanding prior period investments total \$10.1 million in the Amarillo AA. These investments are not considered innovative or complex.

Investments

During the evaluation period, ANB purchased one large qualifying equity investment in the Amarillo AA totaling \$4 million. The investment was a Federal National Mortgage Association (FNMA) mortgage-backed security that is backed by a loan that finances an affordable housing complex located in a moderate-income census tract in Amarillo. All of the units in the complex are restricted under the Section 8 Housing Assistance Program (HAP) in order to be available to LMI families.

Grants and Donations

The bank also funded qualified investments in the form of donations and grants to organizations that support LMI individuals and geographic areas. Donations to organizations in the Amarillo AA totaled \$3.2 million through 659 individual donations. The following is a summary of a few organizations that benefited from the bank's donations:

- \$1.2 million to an organization that provides grants to charitable organizations that meet the needs of the Amarillo AA. A majority of the grants are targeted to social service needs for LMI individuals. These include juvenile crime reduction, assisting in various needs for LMI women and children, and providing banking access to un-banked and under-banked LMI individuals.
- \$165,453 to a non-profit organization that provides medical resources such as free urgent care and educational services to low-income residents living in and around the San Jacinto neighborhood.
- \$75,000 to an organization that provides LMI senior citizens with limited resources and disabilities with affordable housing and healthcare. The majority of the occupants rely on Medicaid and other assistance to pay for services. The primary location is a 156 unit apartment building that is located in a moderate-income geography and within the TIRZ.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, ANB's performance in the Lubbock AA and the Hutchinson County AA is not inconsistent with the "High Satisfactory" performance of the Amarillo AA when considering performance context for these AAs. Competition is strong in the Lubbock AA and the opportunity to obtain larger CRA-qualified investments in the Hutchinson County AA is very limited. The bank has made responsive investments through donations to qualifying CD organizations.

Other

During the evaluation period, the bank had 15 investments and two donations totaling \$823,500 statewide in Texas with no purpose, mandate, or function to serve the AA that received positive consideration due to the bank satisfactorily meeting the CD investment related needs of its AAs. These investments and donations consisted of city sewer and water improvement bonds, independent school district bonds, Government National Mortgage Association (GNMA) CRA mortgage-backed securities for LMI single-family borrowers in two counties, and Hurricane Harvey relief.

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Service Test in Texas is rated "Outstanding." ANB's performance in the Amarillo AA is excellent. The rating is based on the geographic distribution of full-service banking offices and ATMs, and the strong commitment to CD services. Please refer to Table 15 in appendix C for the data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

Retail Banking Services

The bank's delivery systems are readily accessible to essentially all portions of the AA. ANB has 13 full-service branches in the Amarillo AA. The percentage of the bank's branch offices located in low-income (7.8 percent) and moderate-income (38.4 percent) geographies exceeds the percentage of population within the low-income (2.2 percent) and moderate-income (29.4 percent) geographies. Home mortgage and business lending patterns support that the bank is serving all adjacent LMI geographies.

During the evaluation period, the opening and closing of branches did not adversely affect the accessibility of the bank's delivery systems, particularly LMI geographies or individuals. The bank did not close any branches during the review period. Changes in census tracts during 2017 resulted in a decline in the percent of the population in low-income geographies and the percent of the bank's branches in low-income geographies. ANB opened two branches in the Amarillo AA during the evaluation period, one in a middle-income tract and one in an upper-income tract.

Business hours are tailored to the convenience and needs of their respective area, regardless of the income level of the geography. Weekday, weekend, and extended branch hours in LMI tracts are consistent with the hours in middle- and upper-income tracts. Additionally, branch offices offer a variety of alternative retail delivery channels, including ATM, telephone banking, and online banking. There is limited data on the effectiveness of these alternative retail delivery systems; therefore, no significant weight was given to these systems. Additionally, the bank offers 96 ATMs located primarily at branches and in the surrounding areas.

Community Development Services

The bank provides an excellent level of community development services and is a leader in providing community development services in the Amarillo AA that are responsive to AA needs. The bank's responsiveness is demonstrated with respect to the number of contributed hours, the number of employees actively involved, and the number and diversity of the type of non-profits served.

During the evaluation period, officers and employees performed approximately 9,238 community development service hours for at least 72 different qualifying organizations in the AA, frequently in positions of leadership. They shared their financial expertise by serving as board members, officers, and on fund-raising committees that help provide affordable housing, economic development opportunities, and community services to LMI individuals and families. Examples of organizations to which the bank frequently provides community development services include:

- An ANB officer serves on the board of directors for an organization that provides funding for programs to make historic downtown Amarillo a vibrant and attractive place for people to live and work. Several events are held each year in the downtown area that promote downtown businesses and the overall economic development and revitalization of the area.
- An ANB director serves on the board of directors for a non-profit organization that implements the Downtown Strategic Action Plan dedicated to revitalization of downtown Amarillo. The boundaries of the central business district are located in LMI tracts and this area is a designated TIRZ.
- Five ANB officers have served on the board of directors of an organization that provides structured and safe residential housing and counseling for homeless women with addictions and their children. Social case managers are on staff to assist with health care, life skills, high school completion, and college entrance training in order to gain meaningful employment. In addition, it provides transitional housing with funding from the city's community development block grants. At the end of 2016, the newest shelter served 14 adults and 16 children. The organization also operates a 34-unit affordable housing complex for low-income individuals located in a low-income census tract. In total, ANB employees donated 369 hours in various community services to this organization.
- Many ANB employees provided financial education classes to 15 schools in Amarillo and 2 schools in Canyon. Fourteen of these 17 schools had student enrollment that was 53 percent or more designated as economically disadvantaged. In total, ANB employees spent 677 hours teaching financial literacy and serving as board members.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on a limited-scope review, ANB's performance under the Service Test in the Lubbock AA and the Hutchinson County AA is not inconsistent with the bank's "Outstanding" performance under the Service Test. Refer to Table 15 in appendix C for the facts and data that support these conclusions.

Appendix A: Scope of Examination

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

Time Period Reviewed	Lending Test (excludes CD Loans): 1/1/2015 to 12/31/2017 Investment and Service Tests: 1/1/2015 to 12/31/2017 CD Loans: 1/1/2014 to 12/31/2017	
Financial Institution	Products Reviewed	
Amarillo National Bank Amarillo, Texas	Home mortgage loans (home purchase, home improvement, and refinance), small loans to businesses, small loans to farms, and community development loans, investments, and services.	
Affiliate(s)	Affiliate Relationship	Products Reviewed
None		
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Amarillo, TX	Full-Scope	Potter & Randall Counties in MSA 11110 (partial)
Lubbock, TX	Limited Scope	Lubbock County in MSA 31180 (partial)
Hutchinson County, TX	Limited Scope	Non-MSA

Appendix B: Community Profiles for Full-Scope Areas

AMARILLO ASSESSMENT AREA (MSA 11110)

The Amarillo AA consists of a portion of the Amarillo, TX MSA that includes two of the four counties (Potter and Randall). The AA meets the requirements of the CRA regulation and does not arbitrarily exclude LMI geographies. The accompanying table and discussions are for the two counties combined.

Table A – Demographic Information of the Assessment Area						
Assessment Area: MSA 11110 Amarillo TX MSA Potter & Randall Counties						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	63	4.8	30.2	34.9	28.6	1.5
Population by Geography	249,134	2.2	29.4	36.7	31.7	0.0
Housing Units by Geography	101,545	2.4	28.8	36.5	32.3	0.0
Owner-Occupied Units by Geography	58,512	1.0	22.9	34.8	41.3	0.0
Occupied Rental Units by Geography	33,485	4.1	37.9	38.9	19.1	0.0
Vacant Units by Geography	9,548	5.4	33.5	37.6	23.5	0.0
Businesses by Geography	15,381	5.9	25.7	31.5	36.6	0.3
Farms by Geography	709	3.4	11.7	31.9	53.0	0.0
Family Distribution by Income Level	61,074	22.0	17.0	19.7	41.3	0.0
Household Distribution by Income Level	91,997	25.1	16.0	17.8	41.1	0.0
Median Family Income MSA - 11100 Amarillo, TX MSA		\$61,673	Median Housing Value			\$121,615
FFIEC Adjusted Median Family Income for 2017		\$65,200	Median Gross Rent			\$764
Households Below Poverty Level		15%	Families Below Poverty Level			12%
<i>Source: 2015 ACS Census and 2017 D&B Data</i>						
<i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

Competition for financial services within the Amarillo AA is high and increasing. As of June 30, 2017, ANB ranks first among 16 banks with a dominant 49.2 percent market share; the second ranked bank is Happy State Bank at 17.6 percent. ANB is also the top mortgage lender, the second highest small business lender, and the third highest small farm lender. Given these market shares, the bank has a high responsibility to meet community credit needs under the CRA.

In the Amarillo AA, ANB operates 13 full-service branches, 6 limited-service branches, 3 drive-up branches and 96 ATMs. The limited-service branches offer transaction only, mortgage loans, card and ATM services, and checking and business account activities. ANB retail services are highly accessible.

Unemployment in the AA is low and stable at 3.0 percent in Potter County and 2.7 percent in Randall County, well below state of Texas (4.0 percent) and the national averages (4.1 percent) in December 2017. Amarillo's economy is diversified among agriculture, primarily cattle production, dairy, and irrigated farming, as well as oil and gas production and support and wind energy. The five largest employers in the AA are CNS Pantex (3,203 employees), BSA Health System/ Harrington Cancer Center (3,200 employees), Tyson Foods Inc. (2,280 employees), Northwest Texas Healthcare System (1,860 employees), and Affiliated Foods/TriState Baking/Plains Daily (1,400 employees).

There are numerous organizations located in the AA that provide affordable housing, community services to LMI families, and support for economic development activities. ANB maintains relationships with dozens of government, non-governmental, and non-profit agencies to determine and help address community needs.

Community contacts identified several needs in the community, including affordable housing, lending opportunities for small or startup businesses, and financial literacy training. The poverty level is high at 15 percent of households and 12 percent of families. LMI persons have more difficulty purchasing homes given the high housing costs and the added costs of insurance and taxes. In addition, investors making cash purchases provide significant competition for affordable homes. According to the Comprehensive Housing Affordability Strategy (CHAS), over 77 percent of households in the 0-30 percent area median income (AMI) income category (including renters and owners) had cost burden of over 30 percent, with over 61 percent having a cost burden of over 50 percent. ANB is directly responding to these and other needs through product innovation and community development activities detailed throughout this evaluation.

Appendix C: Tables of Performance Data

Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan areas are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the lending test tables, the following are applicable: (1) purchased loans are treated as originations/purchases; (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/assessment area. Deposit data are compiled by the FDIC and are available as of June 30th of each year. Tables without data are not included in this PE. Tables are identified by both letters and numbers, which results from how they are generated in supervisory analytical systems.

The following is a listing and brief description of the tables:

- Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MA/AA. Community development loans to statewide or regional entities or made outside the bank’s assessment area may receive positive CRA consideration.
- Table O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents aggregate peer data for the years the data is available.
- Table P. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MA/AA. The table also presents aggregate peer data for the years the data is available.
- Table Q. Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. Because small business data are not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank’s AA.
- Table R. Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenue** - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated

and purchased by the bank by loan size, regardless of the revenue size of the business. The table also presents aggregate peer data for the years the data is available.

- Table S. Assessment Area Distribution of Loans to Farms by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. Because small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's AA.
- Table T. Assessment Area Distribution of Loans to Farms by Gross Annual Revenues** - Compares the percentage distribution of the number of small loans (less than or equal to \$500,000) originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm. The table also presents aggregate peer data for the years the data is available.
- Table U. Assessment Area Distribution of Consumer 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 households throughout those geographies.
- Table V. Assessment Area Distribution of Consumer Loans by Income Category of the Geography** - 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 households by income level in each MA/AA.
- Table 14. Qualified Investments** - Presents the number and dollar amount of qualified investments made by the bank in each MA/AA. The table separately presents investments made during prior evaluation periods that are still outstanding and investments made during the current evaluation period. Prior-period investments are reflected at their book value as of the end of the evaluation period. Current period investments are reflected at their original investment amount even if that amount is greater than the current book value of the investment. The table also presents the number and dollar amount of unfunded qualified investment commitments. In order to be included, an unfunded commitment must be legally binding and tracked and recorded by the bank's financial reporting system.
- Table 15. Distribution of Branch Delivery System and Branch Openings/Closings** - Compares the percentage distribution of the number of the bank's branches in low-, moderate-, middle-, and upper-income geographies to the percentage of the population within each geography in each MA/AA. The table also presents data on branch openings and closings in each MA/AA.

Table 1. Lending Volume

LENDING VOLUME		Geography: TEXAS				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2017						
Assessment Area:	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000s)	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)	
Full Review:												
MSA 11110 Amarillo TX Potter & Randall Counties	94.9	5,861	794,040	8,448	654,657	242	38,264	48	45,396	14,599	1,532,357	96.3
Limited Review:												
MSA 31180 Lubbock TX Lubbock County	1.4	158	23,714	58	5,078	3	1,250	2	190	221	30,232	0.5
Non-MSA TX Hutchinson County	3.7	443	41,067	124	9,169	2	150	0	0	569	50,386	3.2
Regional With Purpose/Mandate/Function To Serve The AA	0	0	0	0	0	0	0	21	1,880	21	1,880	0

* Loan Data from January 1, 2014 through December 31, 2017. Rated area refers to either state or multi-state MA rating area.

** The evaluation period for Community Development Loans is from January 1, 2014 to December 31, 2017.

*** Deposit Data as of June 30, 2017. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2014-2016		
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts				
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate		
Full Review																					
MSA 11110 Amarillo TX Potter & Randall Counties	4,537	608,303	90.4	7,821	7.5	3.1	3.2	15.7	12.3	11.7	39.3	34.8	35.8	37.5	49.8	49.4	0.0	0.0	0.0		
Limited Review																					
MSA 31180 Lubbock TX Lubbock County	135	19,690	2.7	9,633	4.3	1.5	2.2	17.7	7.4	6.7	36.7	32.6	40.0	41.3	58.5	51.1	0.0	0.0	0.0		
Non-MSA TX Hutchinson County	349	32,797	6.9	420	3.6	2.0	3.0	7.1	4.6	6.8	63.0	61.3	62.1	26.3	32.1	28.0	0.0	0.0	0.0		
Total	5,021	660,790	100.0	17,874	5.7	3.0	3.1	16.2	11.7	11.2	39.2	36.6	37.8	38.7	48.7	47.9	0.0	0.0	0.0		
<i>Source: 2010 U.S Census; 1/1/2014 - 12/31/2016 Bank Data; 2016 HMDA Aggregate Data.</i>																					

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2017
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
Full Review																			
MSA 11110 Amarillo TX Potter & Randall Counties	1,324	185,737	91.9	7,208	1.0	0.4	0.3	22.9	16.4	12.5	34.8	31.8	33.7	41.3	51.4	53.5	0.0	0.0	0.0
Limited Review																			
MSA 31180 Lubbock TX Lubbock County	23	4,024	1.6	8,897	2.5	4.3	1.8	16.4	4.3	10.4	38.2	17.4	39.8	42.9	74.0	48.0	0.0	0.0	0.0
Non-MSA TX Hutchinson County	94	8,270	6.5	354	0.0	0.0	0.0	5.4	7.4	4.5	30.2	23.4	20.9	64.4	69.2	76.6	0.0	0.0	0.0
Total	1,441	198,031	100.0	16,459	1.7	0.4	1.1	18.9	15.6	11.2	36.2	31.0	36.7	43.2	53.0	51.0	0.0	0.0	0.0

Source: 2015 ACS Census; 1/1/2017 - 12/31/2017 Bank Data; 2017 HMDA Aggregate Data.

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2014-2016		
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers				
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate		
Full Review																					
MSA 11110 Amarillo TX Potter & Randall Counties	4,537	608,303	90.4	7,821	22.7	8.8	8.0	16.8	18.4	18.5	20.0	22.9	22.0	40.5	46.7	47.8	0.0	3.2	3.7		
Limited Review																					
MSA 31180 Lubbock TX Lubbock County	135	19,690	2.7	9,633	21.0	3.0	4.4	17.8	12.6	11.1	19.1	20.0	22.2	42.1	60.7	62.2	0.0	3.7	0.0		
Non-MSA TX Hutchinson County	349	32,797	6.9	420	17.3	3.2	4.5	18.4	11.2	11.4	20.1	25.2	27.3	44.2	60.1	56.8	0.0	0.3	0.0		
Total	5,021	660,790	100.0	17,874	21.6	8.2	7.6	17.4	17.8	17.8	19.6	23.0	22.4	41.4	48.0	48.8	0.0	3.0	3.3		
<i>Source: 2010 U.S Census; 1/1/2014 - 12/31/2016 Bank Data; 2016 HMDA Aggregate Data.</i>																					

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2017
	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
Assessment Area:	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Full Review																			
MSA 11110 Amarillo TX Potter & Randall Counties	1,324	185,737	91.9	7,208	22.0	9.5	6.0	17.0	19.4	15.1	19.7	24.1	19.7	41.3	44.5	35.5	0.0	2.5	23.8
Limited Review																			
MSA 31180 Lubbock TX Lubbock County	23	4,024	1.6	8,897	22.1	4.3	2.4	16.4	4.3	8.6	19.6	13.1	15.3	41.9	74.0	45.2	0.0	4.3	28.6
Non-MSA TX Hutchinson County	94	8,270	6.5	354	20.2	3.2	2.0	13.3	12.8	10.5	19.0	21.3	18.9	47.4	59.6	47.7	0.0	3.2	20.9
Total	1,441	198,031	100.0	16,459	22.0	9.0	4.0	16.6	18.7	11.5	19.6	23.9	17.3	41.8	45.9	41.0	0.0	2.5	26.3
<i>Source: 2015 ACS Census; 1/1/2017 - 12/31/2017 Bank Data; 2017 HMDA Aggregate Data.</i>																			

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																			2014-2016		
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		
Full Review																					
MSA 11110 Amarillo TX MSA Potter & Randall Counties	7,634	534,526	98.1	4,905	20.2	13.1	17.3	11.3	4.5	8.6	34.8	54.7	33.3	33.5	27.7	40.7	0.2	0.0	0.1		
Limited Review																					
MSA 31180 Lubbock TX MSA Lubbock County	53	4,782	0.7	5,857	5.4	0.0	4.8	14.8	0.0	11.2	38.8	92.5	37.9	40.9	7.5	46.0	0.1	0.0	0.1		
Non-MSA TX Hutchinson County	94	7,116	1.2	233	13.3	18.1	19.3	18.1	14.9	14.2	49.6	43.6	50.2	19.0	23.4	16.3	0.0	0.0	0.0		
Total	7,781	546,424	100.0	10,995	11.9	13.1	10.7	13.4	4.6	10.1	37.4	54.9	36.1	37.2	27.4	43.0	0.1	0.0	0.1		
<i>Source: 2016 D&B Data; 1/1/2014 - 12/31/2016 Bank Data; 2016 CRA Aggregate Data.</i>																					

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																			2017	
Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	
Full Review																				
MSA 11110 Amarillo TX MSA Potter & Randall Counties	814	120,131	95.9	4,905	5.9	5.9	17.3	25.7	26.9	8.6	31.5	31.6	33.3	36.6	35.6	40.7	0.3	0.0	0.1	
Limited Review																				
MSA 31180 Lubbock TX MSA Lubbock County	5	296	0.6	5,857	3.8	0.0	4.8	17.1	20.0	11.2	36.3	20.0	37.9	42.7	60.0	46.0	0.1	0.0	0.1	
Non-MSA TX Hutchinson County	30	2,053	3.5	233	0.0	0.0	19.3	19.3	16.7	14.2	33.7	60.0	50.2	47.0	23.3	16.3	0.0	0.0	0.0	
Total	849	122,480	100.0	10,995	4.5	5.7	10.7	20.7	26.5	10.1	34.2	32.5	36.1	40.4	35.3	43.0	0.2	0.0	0.1	
<i>Source: 2017 D&B Data; 1/1/2017 - 12/31/2017 Bank Data; 2016 CRA Aggregate Data.</i>																				

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2014-2016	
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= \$1MM			Businesses with Revenues > \$1MM		Businesses with Revenues Not Available		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans	
Full Review												
MSA 11110 Amarillo TX Potter & Randall Counties	7,634	534,526	98.1	4,905	82.6	21.6	45.6	5.3	78.1	12.1	0.5	
Limited Review												
MSA 31180 Lubbock TX Lubbock County	53	4,782	0.7	5,857	83.6	20.8	39.2	5.0	79.2	11.4	0.0	
Non-MSA TX Hutchinson County	94	7,116	1.2	233	75.2	56.3	49.8	5.6	42.6	19.2	1.1	
Total	7,781	546,424	100.0	10,995	82.9	22.0	42.3	5.2	77.6	11.9	0.4	
<i>Source: 2016 D&B Data; 1/1/2014 - 12/31/2016 Bank Data; 2016 CRA Aggregate Data.</i>												

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2017	
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= \$1MM			Businesses with Revenues > \$1MM		Businesses with Revenues Not Available		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans	
Full Review												
MSA 11110 Amarillo TX Potter & Randall Counties	814	120,131	95.9	4,905	82.1	60.2	45.6	5.5	35.9	12.4	3.9	
Limited Review												
MSA 31180 Lubbock TX Lubbock County	5	296	0.6	5,857	83.9	100.0	39.2	4.9	0.0	11.2	0.0	
Non-MSA TX Hutchinson County	30	2,053	3.5	233	74.3	46.7	49.8	5.8	53.3	19.9	0.0	
Total	849	122,480	100.0	10,995	82.7	60.0	42.3	5.2	36.1	12.1	3.9	
<i>Source: 2017 D&B Data; 1/1/2017 - 12/31/2017 Bank Data; 2016 CRA Aggregate Data.</i>												

Table S: Assessment Area Distribution of Loans to Farms by Income Category of the Geography																			2014-2016		
Assessment Area:	Total Loans to Farms				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts				
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate		
Full Review																					
MSA 11110 Amarillo TX Potter & Randall Counties	178	27,657	97.8	341	10.7	23.6	7.9	3.9	0.0	1.5	36.2	24.2	23.8	49.2	52.2	66.9	0.0	0.0	0.0		
Limited Review																					
MSA 31180 Lubbock TX Lubbock County	3	1,250	1.7	449	1.2	0.0	0.7	10.5	100.0	4.2	39.4	0.0	51.2	48.9	0.0	43.9	0.0	0.0	0.0		
Non-MSA TX Hutchinson County	1	75	0.5	19	2.4	0.0	5.3	5.9	0.0	0.0	37.3	0.0	36.8	54.4	100.0	57.9	0.0	0.0	0.0		
Total	182	28,982	100.0	809	4.8	23.1	3.8	7.7	1.1	3.0	37.8	23.6	39.3	49.7	52.2	53.9	0.0	0.0	0.0		
<i>Source: 2016 D&B Data; 1/1/2014 - 12/31/2016 Bank Data; 2016 CRA Aggregate Data.</i>																					

Table S: Assessment Area Distribution of Loans to Farms by Income Category of the Geography																				2017
Assessment Area:	Total Loans to Farms				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	
Full Review																				
MSA 11110 Amarillo TX Potter & Randall Counties	64	10,607	98.5	341	3.4	3.1	7.9	11.7	26.6	1.5	31.9	25.0	23.8	53.0	45.3	66.9	0.0	0.0	0.0	
Limited Review																				
MSA 31180 Lubbock TX Lubbock County	0	0	0.0	449	1.7	0.0	0.7	8.3	0.0	4.2	34.5	0.0	51.2	55.5	0.0	43.9	0.0	0.0	0.0	
Non-MSA TX Hutchinson County	1	75	1.5	19	0.0	0.0	5.3	8.0	0.0	0.0	64.0	100.0	36.8	28.0	0.0	57.9	0.0	0.0	0.0	
Total	65	10,682	100.0	809	2.3	3.1	3.8	9.6	26.2	3.0	34.3	26.2	39.3	53.8	44.5	53.9	0.0	0.0	0.0	
<i>Source: 2017 D&B Data; 1/1/2017 - 12/31/2017 Bank Data; 2016 CRA Aggregate Data.</i>																				

Table T: Assessment Area Distribution of Loans to Farms by Gross Annual Revenues											2014-2016	
Assessment Area:	Total Loans to Farms				Farms with Revenues <=\$1MM			Farms with Revenues > \$1MM		Farms with Revenues Not Available		
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	% Farms	% Bank Loans	
Full Review												
MSA 11110 Amarillo TX Potter & Randall Counties	178	27,657	97.8	341	95.3	73.6	71.6	3.5	23.6	1.2	2.8	
Limited Review												
MSA 31180 Lubbock TX Lubbock County	3	1,250	1.7	449	96.5	66.7	61.0	2.2	33.3	1.3	0.0	
Non-MSA TX Hutchinson County	1	75	0.6	19	98.1	100.0	47.4	1.9	0.0	0.0	0.0	
Total	182	28,982	100.0	809	96.1	73.6	65.1	2.7	23.6	1.2	2.8	
<i>Source: 2016 D&B Data; 1/1/2014 - 12/31/2016 Bank Data; 2016 CRA Aggregate Data.</i>												

Table T: Assessment Area Distribution of Loans to Farms by Gross Annual Revenues											2017
Assessment Area:	Total Loans to Farms				Farms with Revenues <= \$1MM			Farms with Revenues > \$1MM		Farms with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	% Farms	% Bank Loans
Full Review											
MSA 11110 Amarillo TX Potter & Randall Counties	64	10,607	98.5	341	94.6	65.6	71.6	3.8	34.4	1.6	0.0
Limited Review											
MSA 31180 Lubbock TX Lubbock County	0	0	0.0	449	96.5	0.0	61.0	2.3	0.0	1.2	0.0
Non-MSA TX Hutchinson County	1	75	1.5	19	96.0	100.0	47.4	4.0	0.0	0.0	0.0
Total	65	10,682	100.0	809	95.7	66.2	65.1	3.0	33.8	1.3	0.0
<i>Source: 2017 D&B Data; 01/01/2017 - 12/31/2017 Bank Data; 2016 CRA Aggregate Data.</i>											

Table 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography: TEXAS			Evaluation Period: AUGUST 2, 2014 TO DECEMBER 31, 2017				
Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	% of Total	#	\$(000s)
Full Review:									
MSA 11110 Amarillo TX Potter & Randall Counties	8	2,872	660	7,242	668	10,114	98.7	0	0
Limited Review:									
MSA 31180 Lubbock TX Lubbock County	0	0	57	104	57	104	1.0	0	0
Non-MSA TX Hutchinson County	0	0	63	26	63	26	0.3	0	0
Statewide With No Purpose/Mandate/Function To Serve The AA	4	704	16	824	20	1,528	0	0	0

* 'Prior Period Investments' means investments made in a previous 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.

Table 15. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND OPENINGS/CLOSINGS																Geography: TEXAS				Evaluation Period: AUGUST 2, 2014 TO DECEMBER 31, 2017			
Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population									
	% of Rated Area Deposits in AA	# of Bank Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography									
				Low	Mod	Mid	Upper			Low	Mod	Mid	Upper	Low	Mod	Mid	Upper						
Full Review:																							
MSA 11110 Amarillo TX Potter & Randall Counties	96.3	13	81.3	7.7	38.4	23.1	30.8	2	0	0	0	1	1	2.2	29.4	36.7	31.7						
Limited Review:																							
MSA 31180 Lubbock TX Lubbock County	0.5	2	12.5	0.0	0.0	50.0	50.0	1	0	0	0	1	0	5.6	22.0	39.9	32.5						
Non-MSA TX Hutchinson County	3.2	1	6.2	0.0	100.0	0.0	0.0	0	0	0	0	0	0	0.0	8.7	32.3	59.0						