

# **PUBLIC DISCLOSURE**

January 20, 2021

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

American Momentum Bank  
Certificate Number: 58309

One Momentum Boulevard  
College Station, Texas 77845

Federal Deposit Insurance Corporation  
Division of Depositor and Consumer Protection  
Dallas Regional Office

1601 Bryan Street, Suite 1410  
Dallas, Texas 75201

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

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## INSTITUTION RATING

**INSTITUTION'S CRA RATING:** This institution is rated **Satisfactory**.

An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment areas (AA), including low- and moderate-income (LMI) neighborhoods, in a manner consistent with its resources and capabilities.

American Momentum Bank's (AMB) satisfactory Lending Test and Community Development Test records support the overall Community Reinvestment Act (CRA) rating.

**The Lending Test is rated Satisfactory.**

- The loan-to-deposit ratio (LTD) is reasonable (considering seasonal variations and taking into account lending-related activities) given the institution's size, financial condition, and AA credit needs.
- A majority of loans and other lending-related activities are in the institution's AAs.
- The geographic distribution of loans reflects reasonable dispersion throughout the AAs.
- The distribution of borrowers reflects, given the demographics of the AAs, reasonable penetration among individuals of different income levels (including LMI) and businesses of different sizes.
- The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this criterion did not affect the Lending Test rating.

**The Community Development Test is rated Satisfactory.**

The institution's community development (CD) performance demonstrates adequate responsiveness to CD needs in its AAs through CD loans, qualified investments (QIs), and CD services, as appropriate, considering the institution's capacity and the need and availability of such opportunities for CD in the institution's AAs. Adequate responsiveness to the CD needs and adequate records regarding QIs and CD services support this conclusion. The bank also demonstrated an excellent record regarding its CD lending.

## DESCRIPTION OF INSTITUTION

AMB maintains its headquarters in College Station, Texas. The Adam Bank Group, Inc., also located in College Station, Texas, is a one-bank holding company, and wholly owns the bank, as well as additional subsidiaries and affiliates that provide financial services. The bank received a "Satisfactory" rating at its previous Federal Deposit Insurance Corporation (FDIC) CRA Evaluation dated February 5, 2018, using Intermediate Small Institution Procedures.

The bank operates 27 full-service offices and 27 automated teller machines (ATMs) in 11 AAs located throughout Florida and Texas. During the evaluation period, AMB merged with Commercial State Bank (CSB), Andrews, Texas, effective January 18, 2019, and acquired 7 offices in the State of Texas. Additionally, AMB merged with Security Bank (SB), Midland, Texas, effective February 29, 2020, gaining an additional 11 offices in the State of Texas. AMB entered new markets in Texas as a result of the mergers. AMB offers a full line of loan products, deposit accounts, and other financial services. The bank maintains hours consistent with area and industry norms.

AMB's assets totaled \$2.7 billion as of September 30, 2020, and included total loans of \$1.9 billion, and total securities of \$167.6 million. Total deposits equaled \$2.3 billion as of the same date. Since the previous evaluation, on average per year, total assets increased 57.0 percent, net loans increased 45.9 percent, and total deposits increased 65.0 percent, all largely due to the bank's merger activities. The bank reported a Return on Average Assets of 0.8 percent and a Tier 1 Leverage Capital Ratio of 9.8 percent as of September 30, 2020.

As reflected in the following table, the mix of outstanding loans shows that the bank's major loan products and primary business focus include commercial loans (Secured by Nonfarm and Nonresidential Properties and Commercial and Industrial) at 69.6 percent and home mortgage loans (Secured by 1-4 Family and Multifamily Residential Properties) at 14.5 percent. The commercial loans include commercial loans with origination amounts over \$1 million in addition to small business loans with origination amounts of \$1 million or less.

<b>Loan Portfolio Distribution as of 09/30/2020</b>		
<b>Loan Category</b>	<b>\$(000s)</b>	<b>%</b>
Construction, Land Development, and Other Land Loans	266,345	13.9
Secured by Farmland	19,626	1.0
Secured by 1-4 Family Residential Properties	243,443	12.7
Secured by Multifamily (5 or more) Residential Properties	35,124	1.8
Secured by Nonfarm Nonresidential Properties	747,612	39.1
<b>Total Real Estate Loans</b>	<b>1,312,150</b>	<b>68.5</b>
Commercial and Industrial Loans	583,221	30.5
Agricultural Production and Other Loans to Farmers	10,860	0.6
Consumer Loans	6,697	0.3
Obligations of State and Political Subdivisions in the U.S.	979	0.1
Other Loans	0	0.0
Lease Financing Receivable (net of unearned income)	0	0.0
Less: Unearned Income	0	0.0
<b>Total Loans</b>	<b>1,913,907</b>	<b>100.0</b>
<i>Source: Reports of Condition and Income</i>		

Based on the information discussed in this section as well as other regulatory data, the institution's financial condition, size, product offerings, prior performance, and status of any legal impediments did not affect its ability to meet the AAs' credit needs.

## DESCRIPTION OF ASSESSMENT AREAS

As more fully described under the Description of Institution's Operations section for each rated area, AMB operates in two rated areas, Florida and Texas. The bank has four AAs in Florida and seven in Texas. Six of the Texas AAs are new since the previous evaluation. Bank officials added these as a result of the CSB and SB mergers in January 2019, and February 2020, respectively. Refer to the rated areas and individual AAs for additional information.

## SCOPE OF EVALUATION

### General Information

This evaluation covers the time period from the previous evaluation dated February 5, 2018, to the current evaluation dated January 20, 2021. To assess performance, examiners applied the Federal Financial Institutions Examination Council (FFIEC) Intermediate Small Institution CRA Examination Procedures, which include the Lending Test and Community Development Test. The Appendix lists each tests' criteria.

Examiners applied full-scope procedures to assess AMB's performance in its Florida Tampa Metropolitan Statistical Area (MSA) AA as well as in the Texas College Station MSA AA and Midland MSA AA, as these areas maintained the greatest level of lending, deposits, and branches. Examiners used limited-scope procedures for the remaining reviewed AAs, as these areas accounted for a comparatively lower proportion of the institution's activity and operations. Please refer to the rated area sections for additional details.

The following table shows that the State of Texas generated a majority of the bank's loans and deposits, as well as accounted for the highest percentage of offices operated. Consequently, examiners weighed records in the State of Texas notably heavier when arriving at applicable conclusions and ratings.

Rated Area Breakdown of Loans, Deposits, and Branches						
Rated Area	Loans		Deposits		Branches	
	\$(000s)	%	\$(000s)	%	#	%
State of Florida	77,318	32.7	532,139	26.3	9	42.9
State of Texas	159,269	67.3	1,489,482	73.7	12	57.1
<b>Total</b>	<b>236,587</b>	<b>100.0</b>	<b>2,021,621</b>	<b>100.0</b>	<b>21</b>	<b>100.0</b>
<i>Source: 2019 Bank Data; 2019 Home Mortgage Disclosure Act (HMDA) Data; FDIC Summary of Deposits (06/30/2020)</i>						
<i>*Only includes areas reviewed under the Lending Test</i>						

### Activities Reviewed

Intermediate Small Institution Procedures require examiners to determine the bank's major product lines for review. As an initial matter, examiners may select from the same loan categories used for CRA Large Institution evaluations: home mortgage, small business, small farm, and consumer loans. The following table shows the bank's lending activity for 2019.

<b>Loans Originated or Purchased</b>				
<b>Loan Category</b>	<b>\$(000s)</b>	<b>%</b>	<b>#</b>	<b>%</b>
Construction and Land Development	362,828	31.5	403	19.8
Secured by Farmland	15,954	1.4	15	0.7
Secured by 1-4 Family Residential	90,573*	7.9	289	14.2
Multi-Family (5 or more) Residential	0	0.0	0	0.0
Commercial Real Estate Loans	240,270	20.8	183	9.0
Commercial and Industrial Loans	421,716	36.6	790	38.9
Agricultural Loans	16,346	1.4	55	2.7
Consumer Loans	5,198	0.5	298	14.7
Other Loans	0	0.0	0	0.0
<b>Total Loans</b>	<b>1,152,885</b>	<b>100.0</b>	<b>2,033</b>	<b>100.0</b>
<i>Source: 2019 Bank Data</i> <i>*Does not include secondary market lending</i> <i>Due to rounding, totals may not equal 100.0 percent.</i>				

Considering the dollar volume and number of loans originated during 2019, as well as management's stated business strategy, examiners determined that the bank's major product lines consist of commercial loans and home mortgage loans. Since none of the other categories typically reviewed for CRA, including small farm and consumer loans, represent major product lines and thus would not materially affect any conclusions or ratings, this evaluation does not include a review of them. Bank records indicate that the lending focus and product mix remained generally consistent throughout the evaluation period.

AMB reports home mortgage loans pursuant to the HMDA. Therefore, this evaluation reviewed all home mortgage loans reported on the bank's 2018 and 2019 HMDA Loan Application Registers. Examiners used aggregate HMDA data for 2018 and 2019 as sources of comparison. Examiners reviewed the following home mortgage loans for this evaluation:

- 2018: 380 home mortgage loans totaling \$126.8 million, and
- 2019: 432 home mortgage loans totaling \$200.8 million.

This evaluation only presents the 2019 home mortgage loan data for the bank's geographic distribution and borrower profile performance, the most recent year for which aggregate data exists. Furthermore, no significant trends exist between the different years' data that materially affect conclusions or ratings. However, the Assessment Area Concentration analysis presents all years of home mortgage loan data reviewed.

This evaluation also considered a random sample of small business loans originated in calendar year 2019. This sample was considered representative of the bank's performance during the entire evaluation period. The bank originated 865 small business loans totaling \$178.4 million in 2019, of which examiners sampled 225 totaling \$41.4 million. The Assessment Area Concentration review considered the universe of small business loans while examiners used the sample when evaluating the bank's geographic distribution and borrower profile performances. D&B data for 2019 provided the standard of comparison for the sampled small business loans.

Examiners considered the universes of home mortgage and small business loans when determining loan product weighting. The following table shows that home mortgage loans comprise the majority, by dollar volume, of 2019 loans reviewed, and small business loans comprise the majority by number volume. Therefore, examiners gave equal weight to home mortgage and small business loans when drawing conclusions regarding the Assessment Area Concentration review. As more fully described in the applicable sections, the weighting for the specific loan categories varies for each rated area.

<b>Loan Products Reviewed</b>				
<b>Loan Category</b>	<b>Universe</b>		<b>Reviewed</b>	
	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>
Home Mortgage	432	200,787	432	200,787
Small Business	865	178,402	865	178,402
<i>Source: 2019 HMDA Data; 2019 Bank Data</i>				

The scope for the Community Development Test considered applicable current period CD activities, including CD loans, QIs, and CD services. Current period activities involve those generated since the previous February 5, 2018, evaluation. This test further encompasses all prior period QIs. Prior period QIs involve those purchased prior to the previous evaluation, but that remain outstanding as of this evaluation's date, January 20, 2021. Examiners used the book value as of the current evaluation date for all prior period QIs.

## **CONCLUSIONS ON PERFORMANCE CRITERIA**

### **LENDING TEST**

AMB demonstrated satisfactory performance regarding the Lending Test. Reasonable records regarding the LTD ratio, geographic distribution, and borrower profile, as well as a majority of loans originated inside the AAs support this conclusion. The conclusion regarding the institution's overall performance is consistent with the conclusions for each rated area.

#### **Loan-to-Deposit Ratio**

The LTD ratio is reasonable (considering seasonal variations and taking into account lending-related activities) given the institution's size, financial condition, and AA credit needs. For the 11 quarters since the previous evaluation, the bank recorded an 89.5 percent average, net LTD ratio, lower than the 107.1 percent ratio reported at the previous evaluation. The quarterly, net LTD ratio ranged from a high of 102.3 percent on December 31, 2018, to a low of 76.9 percent on March 31, 2020.

Examiners identified and listed in the following table two comparable institutions operating in similar areas and reflecting comparable asset sizes and lending emphases. AMB's ratio compares favorably to the two similarly situated institutions.

<b>Loan-to-Deposit (LTD) Ratio Comparison</b>		
<b>Bank</b>	<b>Total Assets as of 09/30/2020 (\$000s)</b>	<b>Average Net LTD Ratio (%)</b>
<b>American Momentum Bank – College Station, Texas</b>	<b>2,657,310</b>	<b>89.5</b>
The Bank of Tampa – Tampa, Florida	2,546,227	73.9
Spirit of Texas Bank – College Station, Texas	2,922,521	97.2
<i>Source: Reports of Condition and Income (03/31/2018 – 09/30/2020)</i>		

### **Assessment Area Concentration**

A majority of loans and other lending-related activities are in the institution's AAs. Majorities of home mortgage and small business loans originated inside the bank's AAs support this conclusion. The following table shows that the bank originated a majority of home mortgage and small business loans, by both number and dollar volume, within its AAs.

Lending Inside and Outside of the Assessment Areas										
Loan Category	Number of Loans					Dollar Amount of Loans \$(000s)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%	#	\$	%	\$	%	\$(000s)
Home Mortgage										
2018	288	75.8	92	24.2	380	91,192	71.9	35,582	28.1	126,774
2019	337	78.0	95	22.0	432	111,345	55.5	89,442	44.5	200,787
Subtotal	625	77.0	187	23.0	812	202,537	61.8	125,024	38.2	327,561
Small Business	665	76.9	200	23.1	865	125,242	70.2	53,160	29.8	178,402
Source: 2018 and 2019 HMDA Data; 2019 Bank Data Due to rounding, totals may not equal 100.0 percent.										

### **Geographic Distribution**

The geographic distribution of loans reflects reasonable dispersion throughout the AAs. Reasonable performances in the State of Florida and State of Texas support this conclusion. Examiners focused on the percentage by number of loans in LMI census tracts when arriving at conclusions for this performance factor. This factor only considered loans originated inside the bank's AAs. Each rated area includes a more detailed discussion of the bank's geographic loan distribution performance.

### **Borrower Profile**

The distribution of borrowers reflects, given the demographics of the AAs, reasonable penetration among individuals of different income levels (including LMI) and businesses of different sizes. Reasonable performances in the State of Florida and State of Texas support this conclusion. Examiners focused on the percentage by number of loans to LMI individuals and to businesses with gross annual revenues (GAR) of \$1 million or less when arriving at conclusions for this performance factor. This factor only considered loans originated inside the bank's AAs. Each rated area includes a more detailed discussion of the bank's borrower profile distribution performance.



## **Response to Complaints**

The institution has not received any CRA-related complaints since the previous evaluation; therefore, this criterion did not affect the Lending Test rating.

## **COMMUNITY DEVELOPMENT TEST**

AMB demonstrated satisfactory performance regarding the Community Development Test. The institution's CD performance demonstrates adequate responsiveness to CD needs in its AAs through CD loans, QIs, and CD services, as appropriate, considering the institution's capacity and the need and availability of opportunities for CD in the institution's AAs. Adequate responsiveness to the CD needs and adequate records regarding QIs and CD services support this conclusion. The bank also demonstrated an excellent record regarding its CD lending. The conclusion regarding the institution's overall performance is consistent with the conclusions for each rated area.

The totals for each activity, as applicable, include activities benefitting a broader statewide or regional area since examiners concluded that the institution proved responsive to CD needs and opportunities in its AAs.

### **Community Development Loans**

The bank exhibited an excellent record regarding its CD loans. An excellent level regarding the dollar volume of CD loans supports this conclusion. The following table shows that since the last evaluation the bank originated 21 CD loans totaling over \$118.3 million. The total dollar amount equates to 6.8 percent of average total assets of \$1,741,155,000 since the previous evaluation, and 9.4 percent of average net loans of \$1,256,759,000 for the same period. These levels reflect increases from the 3.9 percent of average total assets and 4.7 percent of average net loans reported at the previous evaluation, still reflecting excellent performance.

The CD loans proved responsive to the areas' needs given that they primarily address affordable housing and economic development needs. As seen in the following table, 68.0 percent by dollar volume benefit activities that provide affordable housing for LMI individuals and 22.2 percent promote economic development, which demonstrate the bank's responsiveness to identified CD needs. In addition, the bank worked with the Small Business Administration to make small business loans through programs under the Coronavirus Aid, Relief, and Economic Security (CARES) Act. As of December 31, 2020, the bank originated 1,511 Paycheck Protection Program loans totaling \$268.7 million. The bank also provided loan modifications to customers experiencing financial hardships, demonstrating responsiveness to community needs. The following table illustrates the bank's CD lending activity by year and purpose.

Community Development Lending Institution										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2018*	4	30,240	1	150	1	6,300	1	211	7	36,901
2019	5	26,178	1	2,000	1	20,000	2	6,597	9	54,775
2020	2	24,000	2	763	0	0	1	1,899	5	26,662
<b>Total</b>	<b>11</b>	<b>80,418</b>	<b>4</b>	<b>2,913</b>	<b>2</b>	<b>26,300</b>	<b>4</b>	<b>8,707</b>	<b>21</b>	<b>118,338</b>
Source: Bank Data										
*Since the prior evaluation										

The bank's CD loans benefitted the following areas:

- State of Florida – 11 CD loans totaling \$83,351,000
- State of Texas – 10 CD loans totaling \$34,987,000

### **Qualified Investments**

The institution displayed an adequate record regarding its QIs. Adequate levels regarding the number and dollar volume of QIs support this conclusion. The following table shows that the bank made use of 92 QIs totaling over \$28.0 million. The total dollar amount equates to 1.6 percent of average total assets of \$1,741,155,000 since the previous evaluation, and 14.7 percent of average securities of \$191,082,000 for the same period. The percent of average total assets more than doubled from the 0.7 percent of average total assets, and the percent of average securities increased over the 9.3 percent of average securities recorded at the prior evaluation. The current levels reflect adequate performance relative to the considerations previously noted for the Community Development Test.

The following table indicates that by dollar volume, 56.3 percent of the QIs supported activities that provide affordable housing and 42.9 percent promote economic development by financing small businesses. These efforts demonstrate the bank's responsiveness to CD needs. The following table illustrates the bank's QIs by year and purpose.

Qualified Investments Institution										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	2	6,831	0	0	0	0	0	0	2	6,831
2018*	0	0	0	0	0	0	0	0	0	0
2019	0	0	0	0	0	0	0	0	0	0
2020	3	8,984	0	0	10	12,040	0	0	13	21,024
<b>Subtotal</b>	<b>5</b>	<b>15,815</b>	<b>0</b>	<b>0</b>	<b>10</b>	<b>12,040</b>	<b>0</b>	<b>0</b>	<b>15</b>	<b>27,855</b>
Qualified Grants & Donations	3	5	74	228	0	0	0	0	77	233
<b>Total</b>	<b>8</b>	<b>15,820</b>	<b>74</b>	<b>228</b>	<b>10</b>	<b>12,040</b>	<b>0</b>	<b>0</b>	<b>92</b>	<b>28,088</b>
Source: Bank Data										
*Since the prior evaluation										

The bank's QIs and donations benefited the following areas:

- State of Florida – 26 QIs totaling \$5,317,000
- State of Texas – 63 QIs totaling \$22,771,000
- Regional or Nationwide Activities – 3 QIs benefited multiple AAs within Florida and Texas. While the state level does not include the number of QIs, the dollar volume is included and reflected in each area benefited.

The following provides examples of the bank's regional/nationwide QI activities.

- **Affordable Housing** – In 2020, the bank invested an additional \$6.5 million in the Access Capital Community Reinvestment Fund, which carries a book value as of the evaluation date of \$13,604,989. On behalf of the bank, the fund invested in a pool of mortgages and a multi-family loan made to qualified LMI families within the bank's AAs.

### **Community Development Services**

The bank established an adequate record of providing CD services. Adequate performances regarding the types of services and the availability of services support this conclusion.

#### ***Types of Services***

The bank showed adequate performance regarding the types of services that primarily benefit LMI individuals. An adequate extent, or number, of CD services supports this conclusion. The following table shows that the bank provided 188 CD services since the last evaluation. This number equates to an average of 3.1 CD services per office, per year, since the last evaluation, and to 4.4 CD services per office per year, when adjusting the calculation for the months impacted by the reaction to COVID-19. These levels reflect a decrease over the 6.4 CD services, per office, per year, noted at the prior evaluation. Despite the decrease, the current levels reflect adequate performance relative to the considerations previously noted for the Community Development Test.

The services all involve bank personnel's use of their technical expertise to benefit organizations or projects with a primary purpose of CD, as defined by the CRA regulation. The table also shows that 84.0 percent of the services benefited community service organizations that serve LMI individuals, which demonstrates the bank's responsiveness to an identified CD need. The following table illustrates the bank's CD services by year and purpose.

<b>Community Development Services</b>					
<b>Institution</b>					
<b>Activity Year</b>	<b>Affordable Housing</b>	<b>Community Services</b>	<b>Economic Development</b>	<b>Revitalize or Stabilize</b>	<b>Totals</b>
	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>
2018*	8	35	0	0	<b>43</b>
2019	7	82	0	0	<b>89</b>
2020	12	41	3	0	<b>56</b>
<b>Total</b>	<b>27</b>	<b>158</b>	<b>3</b>	<b>0</b>	<b>188</b>
<i>Source: Bank Data</i>					
<i>*Since the prior evaluation</i>					

The bank's CD services benefitted the following areas:

- State of Florida – 83 CD services
- State of Texas – 105 CD services

### ***Availability of Services***

The bank showed adequate performance regarding the availability of its services to LMI individuals and geographies. Adequate performances regarding the types of services and the availability of services support this conclusion. The following table shows that the bank's lack of full-service offices in low-income census tracts still lands within an adequate range of the population percentage, given the ratios' overall levels. The bank's level falls 5.5 percentage points lower, reflecting adequate performance.

The table further shows in moderate-income tracts, the bank's level falls 14.9 percentage points lower than the population percentage, typically reflecting very poor performance. However, the bank operated six full-service offices in moderate-income census tracts for a majority of the review period. In November 2020, the bank consolidated two full-service offices in moderate-income census tracts with existing full-service offices within the State of Texas and converted one full-service office in a moderate-income census tract to a loan production office (LPO) in the State of Florida. During this time the bank also closed a branch in a middle-income census tract within the State of Texas. Considering the changes, the bank operated 19.4 percent of its full-service offices in moderate-income census tracts for a majority of the review period. The bank's adjusted level falls 6.7 percentage points below the population percentage, reflecting adequate performance.

<b>Branch and ATM Distribution by Geography Income Level</b>								
<b>Tract Income Level</b>	<b>Institution</b>							
	<b>Census Tracts</b>		<b>Population</b>		<b>Branches</b>		<b>ATMs</b>	
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
Low	104	7.0	380,873	5.5	0	0	0	0
Moderate	388	25.9	1,807,418	26.1	3	11.2	3	11.2
Middle	507	33.9	2,458,365	35.5	12	44.4	12	44.4
Upper	471	31.5	2,257,541	32.6	12	44.4	12	44.4
NA	26	1.7	20,775	0.3	0	0	0	0
<b>Total</b>	<b>1,496</b>	<b>100.0</b>	<b>6,924,972</b>	<b>100.0</b>	<b>27</b>	<b>100.0</b>	<b>27</b>	<b>100.0</b>
<i>Source: 2015 American Community Survey (ACS) Data; Bank Data</i>								

Besides its full-service office locations, the bank provides adequate alternative delivery systems that help avail the bank's services to LMI individuals or geographies. In addition to AMB's ATM network, bank customers received free access to more than 55,000 Allpoint ATMs worldwide. The bank also provides other alternative banking services including Momentum 24/7 telephone banking, free online banking, bill pay, e-Statements, and mobile banking with mobile deposit. The bank also waived the six-transfer limit and excessive transaction fees on savings and money market accounts from May 1, 2020, to July 31, 2020, in response to the COVID-19 pandemic.

## DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

The bank's compliance with the laws relating to discrimination and other illegal credit practices was reviewed, including the Fair Housing Act and the Equal Credit Opportunity Act. Examiners did not identify any discriminatory or other illegal credit practices.

### STATE OF FLORIDA

**CRA RATING FOR STATE OF FLORIDA: SATISFACTORY**

**The Lending Test is rated: Satisfactory**

**The Community Development Test is rated: Satisfactory**

### DESCRIPTION OF INSTITUTION'S OPERATIONS IN STATE OF FLORIDA

AMB designated four AAs in Florida as noted in the table below. All of the bank's AAs in the State of Florida conform to CRA regulatory requirements.

The bank operates nine full-service offices and ATMs in this area. Two offices and ATMs are located in moderate-income census tracts in Pinellas and Sarasota Counties. Additionally, the bank converted a full-service office in Orange County to an LPO in November 2020. AMB has not participated in any merger or acquisition activity in this area since the last evaluation.

Description of Florida Assessment Areas			
Assessment Area	Counties in Assessment Area	# of CTs	# of Branches
Naples MSA AA	Collier	74	1
North Port MSA AA	Sarasota	95	3
Orlando MSA AA	Orange	207	1
Tampa MSA AA	Hillsborough, Pinellas	567	4
<i>Source: Bank Data; 2015 ACS Data</i>			

### SCOPE OF EVALUATION – STATE OF FLORIDA

Of the four AAs in Florida, examiners applied full-scope procedures to the Tampa MSA AA since it generated the greatest volume of the bank's lending and deposit activity, and contains the largest portion of branches. Examiners applied limited-scope procedures to the other three Florida AAs.

The following table shows that the Tampa MSA AA generated the largest percentage of the bank's loans in the State of Florida. Consequently, examiners weighed performance in the Tampa MSA AA heaviest when arriving at applicable conclusions and ratings. Examiners weighed performance in each reviewed area consistent with that area's lending level as reflected in the following table.

Assessment Area Breakdown of Loans, Deposits, and Branches						
Assessment Area	Loans		Deposits		Branches	
	\$(000s)	%	\$(000s)	%	#	%
Naples MSA AA	7,477	9.7	181,526	34.1	1	11.1
North Port MSA AA	2,953	3.8	93,180	17.5	3	33.3
Orlando MSA AA	27,466	35.5	60,993	11.5	1	11.1
Tampa MSA AA	39,422	51.0	196,440	36.9	4	44.4
<b>Total</b>	<b>77,318</b>	<b>100.0</b>	<b>532,139</b>	<b>100.0</b>	<b>9</b>	<b>100.0</b>
Source: 2019 Bank Data; 2019 HMDA Data; FDIC Summary of Deposits (06/30/2020) Due to rounding, totals may not equal 100.0 percent.						

For the Lending Test, examiners only considered home mortgage loans granted inside the bank's Florida AAs as reported according to the HMDA data collection reporting requirements. In 2019, the bank granted 174 home mortgage loans totaling \$63.9 million in the Florida AAs. The bank originated only 32 small business loans in 2019 in the Florida AAs. Given such low volume, examiners did not review such product as the analysis would not yield meaningful conclusions. Examiners placed all weight on the bank's home mortgage lending performance when arriving at applicable conclusions.

Regarding the Community Development Test, the scope for this rated area remains consistent with that of institution as a whole. Refer to the institution level Scope of Evaluation section for additional information.

## CONCLUSIONS ON PERFORMANCE CRITERIA IN STATE OF FLORIDA

### LENDING TEST

AMB demonstrated a satisfactory Lending Test record in the State of Florida. Reasonable records regarding geographic distribution and borrower profile support this conclusion. This conclusion for the State of Florida proves consistent with the Lending Test conclusions for the Tampa MSA AA and Orlando MSA AA and inconsistent with the conclusions for the Naples MSA AA and North Port MSA AA. Specifically, the Lending Test performances in the Naples MSA AA and North Port MSA AA fall below the performance of that noted for the State of Florida.

### Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the State of Florida. Reasonable performances in the Tampa MSA AA and Orlando MSA AA outweighed very poor performances in the Naples MSA AA and North Port MSA AA to support this conclusion.

### Borrower Profile

The distribution of borrowers reflects, given the demographics of the AAs, reasonable penetration among individuals of different income levels (including LMI) and businesses of different sizes in the State of Florida. Reasonable performances in the Tampa MSA AA and North Port MSA AA outweighed poor performance in the Orlando MSA AA and very poor performance in the Naples MSA AA to support this conclusion.

## COMMUNITY DEVELOPMENT TEST

AMB demonstrated a satisfactory Community Development Test record in the State of Florida. The institution's CD performance demonstrates adequate responsiveness to CD needs in the State of Florida through CD loans, QIs, and CD services, as appropriate, considering the institution's capacity and the need and availability of such opportunities for CD in the institution's AAs. This conclusion for the State of Florida proves consistent with the Community Development Test conclusions for the Tampa MSA AA, Orlando MSA AA, and North Port MSA AA and inconsistent with the conclusion for the Naples MSA AA. Specifically, the CD performance in the Naples MSA AA falls below the performance of that noted for the State of Florida.

### Community Development Loans

The bank exhibited an excellent record regarding its CD loans in the State of Florida. An excellent level regarding the dollar volume of CD loans primarily supports this conclusion. The following table shows that since the prior evaluation, the bank originated 11 CD loans totaling over \$83.3 million in the State of Florida. These levels nearly doubled compared to the 5 CD loans totaling \$42.4 million reported for this state in the prior evaluation. The current dollar amount equates to 70.4 percent of the bank's overall excellent level of CD loans. As noted, this state contributed 32.7 percent of reviewed loans.

Community Development Lending by Assessment Area State of Florida										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Naples MSA AA	0	0	0	0	0	0	0	0	0	0
North Port MSA AA	0	0	2	2,571	0	0	0	0	2	2,571
Orlando MSA AA	0	0	0	0	0	0	1	1,899	1	1,899
Tampa MSA AA	8	78,881	0	0	0	0	0	0	8	78,881
<b>Total</b>	<b>8</b>	<b>78,881</b>	<b>2</b>	<b>2,571</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1,899</b>	<b>11</b>	<b>83,351</b>
<i>Source: Bank Data</i>										

### Qualified Investments

The bank exhibited an adequate record regarding its QIs in the State of Florida. An adequate level regarding the dollar volume of QIs primarily supports this conclusion. The following table shows that the bank made use of 26 QIs totaling over \$5.3 million in the State of Florida. These figures reflect a decrease in the number and an increase in the dollar volume from the 38 QIs totaling \$4.7 million benefitting this state in the prior evaluation. The current dollar amount equates to nearly 18.9 percent of the bank's overall adequate level of QIs. As noted, this state contributed 26.3 percent of the bank's total deposits.

Qualified Investments by Assessment Area State of Florida										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Naples MSA AA	*	810	0	0	0	0	0	0	0	810
North Port MSA AA	*	473	1	1	0	0	0	0	1	474
Orlando MSA AA	1*	1,968	5	31	0	0	0	0	6	1,999
Tampa MSA AA	1*	1,976	18	58	0	0	0	0	19	2,034
<b>Total</b>	<b>2</b>	<b>5,227</b>	<b>24</b>	<b>90</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>26</b>	<b>5,317</b>
<i>Source: Bank Data</i>										
<i>*Includes dollar portion of a fund allocated to multiple AAs</i>										

### **Community Development Services**

The bank established an adequate record regarding its CD services in the State of Florida. Adequate performances regarding the types of services and the availability of services support this conclusion.

#### ***Types of Services***

The bank showed adequate performance regarding the types of services that primarily benefit LMI individuals in the State of Florida. The following table shows that the bank provided 83 CD services in this state since the last evaluation. This number equates to an average of 3.3 CD services, per office, per year, since the last evaluation, and to 4.6 CD services, per office, per year when adjusting the calculation for the months impacted by the reaction to COVID-19. The unadjusted figure reflects a slight decrease from the average of 3.6 CD services, per office, per year, indicated at the prior evaluation. Despite the decrease, the current level still reflects adequate performance for the State of Florida.

Community Development Services by Assessment Area State of Florida					
Assessment Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
Naples MSA AA	0	1	0	0	1
North Port MSA AA	21	1	0	0	22
Orlando MSA AA	0	4	0	0	4
Tampa MSA AA	2	54	0	0	56
<b>Total</b>	<b>23</b>	<b>60</b>	<b>0</b>	<b>0</b>	<b>83</b>
<i>Source: Bank Data</i>					

#### ***Availability of Services***

The bank showed adequate performance regarding the availability of its services to LMI individuals and geographies in the State of Florida. The following table shows that in low-income census tracts, the bank's lack of full-service offices and ATMs still lands within an adequate range of the population percentage, given the ratios' overall levels. The bank's levels fall 4.8 percentage points lower, thereby reflecting an adequate distribution. The table further shows in moderate-income tracts, the bank's levels again land within an adequate range of the population percentage, given the



ratios' overall levels. The bank's levels fall 1.3 percentage points lower, thereby reflecting an adequate distribution. As discussed at the institution level, the bank converted a full-service office located in a moderate-income census tract within this state into an LPO during the evaluation period.

<b>Branch and ATM Distribution by Geography Income Level State of Florida</b>								
<b>Tract Income Level</b>	<b>Census Tracts</b>		<b>Population</b>		<b>Branches</b>		<b>ATMs</b>	
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
Low	58	6.2	201,677	4.8	0	0	0	0
Moderate	217	23.0	987,889	23.5	2	22.2	2	22.2
Middle	345	36.6	1,600,467	38.1	3	33.3	3	33.3
Upper	305	32.3	1,396,016	33.3	4	44.5	4	44.5
NA	18	1.9	10,480	0.3	0	0	0	0
<b>Total</b>	<b>943</b>	<b>100.0</b>	<b>4,196,529</b>	<b>100.0</b>	<b>9</b>	<b>100.0</b>	<b>9</b>	<b>100.0</b>
<i>Source: 2015 ACS Data; Bank Data</i>								

In addition to its ATMs, the bank provides the same alternative banking services in this area that it does at the institution level, including online banking, mobile banking, which includes mobile deposit capture, 24-hour telephone banking, and free access to the Allpoint ATM network.

## **TAMPA MSA AA – Full-Scope Review**

### **DESCRIPTION OF INSTITUTION'S OPERATIONS IN TAMPA MSA AA**

The Tampa MSA AA includes all of Hillsborough and Pinellas Counties, which comprise a portion of the Tampa-St. Petersburg-Clearwater, FL MSA. The bank operates four full-service offices and ATMs in this area. The bank has not opened or closed any offices in this area since the previous evaluation.

#### **Economic and Demographic Data**

The AA's census tracts reflect the following income designations based on 2015 ACS data: 40 low-, 114 moderate-, 207 middle-, and 191 upper-income tracts, and 15 tracts with no income designation. The following table notes certain demographic data for the area.

Demographic Information of the Assessment Area Tampa MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	567	7.1	20.1	36.5	33.7	2.6
Population by Geography	2,234,361	5.8	20.0	38.2	35.6	0.5
Housing Units by Geography	1,052,682	5.6	19.9	39.6	34.7	0.2
Owner-Occupied Units by Geography	545,133	2.5	16.0	39.5	42.0	0.1
Occupied Rental Units by Geography	343,598	10.0	25.4	39.6	24.6	0.4
Vacant Units by Geography	163,951	6.4	21.4	40.2	31.9	0.2
Businesses by Geography	284,062	4.9	17.3	34.7	42.7	0.4
Farms by Geography	6,156	3.8	18.2	39.5	38.3	0.2
Family Distribution by Income Level	531,900	21.2	17.0	18.4	43.4	0.0
Household Distribution by Income Level	888,731	23.7	15.8	17.1	43.4	0.0
Median Family Income – 45300 Tampa-St. Petersburg-Clearwater, FL MSA		\$58,916	Median Housing Value Median Gross Rent Families Below Poverty Level			\$166,481 \$988 11.5%
Source: 2015 ACS Data; 2019 D&B Data Due to rounding, totals may not equal 100.0 percent. *The NA category consists of geographies that have not been assigned an income classification.						

On October 9, 2018, the Federal Emergency Management Agency (FEMA) declared Hillsborough and Pinellas Counties as major disaster areas due to Hurricane Michael. Additionally, on August 30, 2019, FEMA declared both counties as major disaster areas due to Hurricane Dorian.

Examiners used the applicable FFIEC estimated median family income (MFI) to analyze home mortgage loans under the borrower profile performance factor. The following table shows the calculated income ranges based on the 2019 FFIEC estimated MFI.

<b>Median Family Income Ranges</b>				
<b>Median Family Incomes</b>	<b>Low &lt;50%</b>	<b>Moderate 50% to &lt;80%</b>	<b>Middle 80% to &lt;120%</b>	<b>Upper ≥120%</b>
<b>Tampa-St. Petersburg-Clearwater, FL MSA Median Family Income (45300)</b>				
2019 (\$66,900)	<\$33,450	\$33,450 to <\$53,520	\$53,520 to <\$80,280	≥\$80,280
<i>Source: FFIEC</i>				

Service industries represent the largest portion of businesses at 43.7 percent, followed by non-classifiable establishments at 18.0 percent, and retail trade at 10.6 percent. Major employers in the AA include BayCare Health System, Publix Supermarkets, Hillsborough County School District, HCA West Florida Division, and MacDill Air Force Base.<sup>1</sup> In addition, 66.9 percent of area businesses have 4 or fewer employees, and 93.7 percent operate from a single location.

The MSA's unemployment rate of 5.7 percent for November 2020 falls below the 6.1 percent rate for the State of Florida and the U.S. rate of 6.4 percent.

<sup>1</sup>Source: Moody's Analytics, Precise U.S. Metro, August 2019

## **Competition**

The area contains a high level of competition from other chartered banks based on its population. According to the FDIC Deposit Market Share data as of June 30, 2020, 54 institutions operated 554 offices within this AA. AMB ranked 32<sup>nd</sup> with 0.2 percent of the area's deposit market share. Credit unions, mortgage companies, and finance companies also compete for loans in the area, thus heightening the competition level. Overall, the competition level still allows for lending opportunities.

## **Credit and Community Development Needs and Opportunities**

Consistent with other metropolitan areas, the Tampa MSA AA creates varied loan demand and lending opportunities. Considering information from bank management and demographic and economic data, examiners determined that the area's primary credit needs include commercial and residential loans.

With respect to the area's CD needs, demographic data shows 38.2 percent of the area's families reported low- or moderate-incomes and 11.5 percent reported incomes below the poverty level. These levels suggest a high need for activities that benefit organizations or projects that provide community services to these families. Additionally, a need exists to expand housing in LMI geographies, thus creating opportunities for affordable housing in LMI areas.

## **CONCLUSIONS ON PERFORMANCE CRITERIA IN TAMPA MSA AA**

### **LENDING TEST**

AMB demonstrated a satisfactory record regarding the Lending Test in the Tampa MSA AA. Reasonable geographic and borrower profile loan distribution records support this conclusion.

### **Geographic Distribution**

The geographic distribution of loans reflects reasonable dispersion throughout the Tampa MSA AA. Reasonable home mortgage lending performance supports this conclusion.

### ***Home Mortgage Loans***

The geographic distribution of home mortgage loans reflects a reasonable record in the Tampa MSA AA. The following table shows that the bank's performance in low-income census tracts exceeds aggregate performance by 5.3 percentage points, reflecting reasonable performance. The table further shows that the bank's lending performance in moderate-income census tracts trails aggregate data by 4.5 percentage points. While this level of lending falls below aggregate data, it remains within a reasonable range.

Geographic Distribution of Home Mortgage Loans Tampa MSA AA						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	2.5	2.4	11	7.7	1,678	4.8
Moderate	16.0	13.7	13	9.2	1,886	5.4
Middle	39.5	37.7	41	28.9	8,456	24.4
Upper	42.0	46.0	77	54.2	22,701	65.4
Not Available	0.1	0.1	0	0.0	0	0.0
<b>Totals</b>	<b>100.0</b>	<b>100.0</b>	<b>142</b>	<b>100.0</b>	<b>34,721</b>	<b>100.0</b>
Source: 2015 ACS Data; 2019 HMDA Aggregate Data; 2019 HMDA Data Due to rounding, totals may not equal 100.0 percent.						

### **Borrower Profile**

The distribution of borrowers reflects, given the demographics of the AA, reasonable penetration among individuals of different income levels (including LMI) and businesses of different sizes in the Tampa MSA AA. Reasonable home mortgage lending performance supports this conclusion.

### ***Home Mortgage Loans***

The distribution of home mortgage loans to individuals of different income levels, including LMI, within the Tampa MSA AA reflects reasonable performance. The following table shows that the bank's level of lending to low-income borrowers trails aggregate data by 2.7 percentage points, reflecting reasonable performance. The table further shows that the bank's level of lending to moderate-income borrowers falls below aggregate data by 4.9 percentage points, also reflective of reasonable performance. While these lending levels fall below aggregate data, they remain within reasonable ranges.

Distribution of Home Mortgage Loans by Borrower Income Level Tampa MSA AA						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	21.2	4.1	2	1.4	124	0.4
Moderate	17.0	14.8	14	9.9	1,906	5.5
Middle	18.4	20.5	26	18.3	5,055	14.6
Upper	43.4	43.9	100	70.4	27,636	79.6
Not Available	0.0	16.6	0	0.0	0	0.0
<b>Totals</b>	<b>100.0</b>	<b>100.0</b>	<b>142</b>	<b>100.0</b>	<b>34,721</b>	<b>100.0</b>
Source: 2015 ACS Data; 2019 HMDA Aggregate Data; 2019 HMDA Data Due to rounding, totals may not equal 100.0 percent.						

## **COMMUNITY DEVELOPMENT TEST**

AMB demonstrated a satisfactory record regarding the Community Development Test in the Tampa MSA AA. The institution's CD performance demonstrates adequate responsiveness to CD needs in the Tampa MSA AA through CD loans, QIs, and CD services, as appropriate considering the institution's capacity and the need and availability of such opportunities for CD in the institution's AA.

### **Community Development Loans**

The bank exhibited an excellent record regarding its CD loans in the Tampa MSA AA. An excellent level regarding the dollar volume of CD loans primarily supports this conclusion. As noted under the rated area level, AMB originated 8 CD loans totaling approximately \$78.9 million in the Tampa MSA AA. These figures reflect a significant increase over the 2 CD loans totaling \$4.5 million reported for this area in the prior evaluation. The current dollar amount equates to 94.6 percent of the bank's excellent level of CD loans in the State of Florida. As noted, the Tampa MSA AA contributed 51.0 percent of reviewed loans for this rated area. The following point highlights an example of the bank's CD loans in the Tampa MSA AA.

- ***Affordable Housing*** – AMB originated a \$6.1 million loan to finance the purchase of two low-income housing tax credit (LIHTC) multi-family properties. The apartments offer rent below the median rent of the AA. Thus, the activity provides affordable housing for LMI individuals.

### **Qualified Investments**

The bank exhibited an adequate record regarding its QIs in the Tampa MSA AA. An adequate level regarding the dollar volume of QIs primarily supports this conclusion. The table for the State of Florida shows that AMB made use of 19 QIs totaling over \$2.0 million in the Tampa MSA AA. These figures reflect an increase by number and a decrease by dollar volume compared to the 3 QIs totaling \$2.8 million reported for this area in the prior evaluation. The current dollar amount equates to 38.3 percent of the bank's overall adequate level of QIs in the State of Florida. As noted, this area contributed 36.9 percent of the bank's deposits in the State of Florida. The following point highlights an example of the bank's QIs in the Tampa MSA AA.

- ***Affordable Housing*** – The bank continues to have an ownership investment in a CRA affordable housing Community Development Corporation with a current balance of \$10,000. Such investment is specified to fund loans for affordable housing construction or rehabilitation serving LMI individuals in the Tampa MSA AA.

### **Community Development Services**

The bank established an adequate record regarding its CD services in the Tampa MSA AA. Adequate performances regarding the types of services and the availability of services support this conclusion.

### ***Types of Services***

The bank showed adequate performance regarding the types of services that primarily benefit LMI individuals in the Tampa MSA AA. As noted under the rated area level, since the previous evaluation, the bank provided 56 CD services in the Tampa MSA AA, which represents 67.5 percent of the bank's CD services in the State of Florida. The number of CD services equates to an average of 4.9 CD services, per office, per year since the prior evaluation, reflecting an adequate level. The following point highlights an example of the bank's CD services in the Tampa MSA AA.

- ***Community Services*** – Several bank officers and employees volunteer with a non-profit organization that teaches students about entrepreneurship, work readiness, and financial literacy. Volunteers use their financial expertise to provide financial education courses to students attending local elementary schools where a majority of the students are economically disadvantaged.

### ***Availability of Services***

The bank showed adequate performance regarding the availability of its services to LMI individuals and geographies in the Tampa MSA AA. The following table shows that in low-income census tracts in the Tampa MSA AA, the bank's lack of full-service offices and ATMs still lands within an adequate range of the population percentage. The bank's levels fall 5.8 percentage points lower, thereby reflecting an adequate distribution. The table further shows in moderate-income tracts, the bank's levels land 5.0 percentage points higher, also reflecting an adequate distribution.

<b>Branch and ATM Distribution by Geography Income Level Tampa MSA AA</b>								
<b>Tract Income Level</b>	<b>Census Tracts</b>		<b>Population</b>		<b>Branches</b>		<b>ATMs</b>	
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
Low	40	7.1	129,322	5.8	0	0.0	0	0.0
Moderate	114	20.1	447,059	20.0	1	25.0	1	25.0
Middle	207	36.5	852,748	38.2	1	25.0	1	25.0
Upper	191	33.7	794,752	35.6	2	50.0	2	50.0
NA	15	2.6	10,480	0.4	0	0.0	0	0.0
<b>Total</b>	<b>567</b>	<b>100.0</b>	<b>2,234,361</b>	<b>100.0</b>	<b>4</b>	<b>100.0</b>	<b>4</b>	<b>100.0</b>
<i>Source: 2015 ACS Data; Bank Data</i>								

In addition to its ATMs, the bank provides the same alternative banking services in this area that it does at the institution level, including online banking, mobile banking, which includes mobile deposit capture, 24-hour telephone banking, and free access to the Allpoint ATM network.

## **OTHER ASSESSMENT AREAS – Limited-Scope Review**

### **CONCLUSIONS ON PERFORMANCE CRITERIA IN THE LIMITED-SCOPE ASSESSMENT AREAS**

The following table identifies whether conclusions regarding the applicable tests for the noted AAs for which examiners performed a limited-scope review either exceed, are consistent with, or fall

below the performance for the State of Florida. Examiners made these determinations through a review of available facts and data, aggregate lending data comparisons, and demographic information. The conclusions from the limited-scope reviews contributed to the institution's overall performance rating for the State of Florida.

Assessment Area	Lending Test	Community Development Test
Naples MSA AA	Below	Below
North Port MSA AA	Below	Consistent
Orlando MSA AA	Consistent	Consistent

Facts and data supporting conclusions for each limited-scope assessment area follow, beginning with a summary of the institution's operations and activities, followed by geographic distribution and borrower profile performances. The Appendix includes demographic data for the limited-scope assessment areas.

### **Naples MSA AA**

The Naples MSA AA includes all of Collier County, which comprises the entire Naples-Marco Island, FL MSA. The bank operates one full-service office and ATM in this AA. The bank has not opened or closed any offices in this area since the previous evaluation. The bank originated and engaged in the following activities in this AA during the review period.

Activity	#	\$(000s)
Home Mortgage Loans	4	3,764
Small Business Loans	9	3,713
Community Development Loans	0	0
Qualified Investments	*	810
Community Development Services	1	-
<i>Source: 2019 HMDA Data; Bank Data</i>		
<i>*Includes dollar portion of a fund allocated to multiple AAs</i>		

### **North Port MSA AA**

The North Port MSA AA includes all of Sarasota County, which comprises only a portion of the North Port-Sarasota-Bradenton, FL MSA. The bank operates three full-service offices and ATMs in this area. The bank has not opened or closed any offices in this area since the previous evaluation. The bank originated and engaged in the following activities in this AA during the review period.

Activity	#	\$(000s)
Home Mortgage Loans	8	1,693
Small Business Loans	5	1,260
Community Development Loans	2	2,571
Qualified Investments	1*	474
Community Development Services	22	-
<i>Source: 2019 HMDA Data; Bank Data</i>		
<i>*Includes dollar portion of a fund allocated to multiple AAs</i>		

### Orlando MSA AA

The Orlando MSA AA includes all of Orange County, which comprises only a portion of the Orlando-Kissimmee-Sanford, FL MSA. The bank operates one full-service office and ATM in this area. Since the previous evaluation, one full-service office was converted to an LPO in the Orlando MSA AA. The bank originated and engaged in the following activities in this AA during the review period.

Activity	#	\$(000s)
Home Mortgage Loans	20	23,681
Small Business Loans	8	3,785
Community Development Loans	1	1,899
Qualified Investments	6*	1,999
Community Development Services	4	-
<i>Source: 2019 HMDA Data; Bank Data</i>		
<i>*Includes dollar portion of a fund allocated to multiple AAs</i>		

### Geographic Distribution and Borrower Profile

The following tables demonstrate the bank's geographic and borrower profile distribution performances for the limited-scope AAs in the State of Florida.

#### Geographic Distribution

##### *Home Mortgage Loans*

Geographic Distribution of Home Mortgage Loans Naples MSA AA						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	2.3	1.4	0	0.0	0	0.0
Moderate	16.3	15.6	0	0.0	0	0.0
Middle	41.3	42.4	2	50.0	779	20.7
Upper	40.1	40.6	2	50.0	2,985	79.3
Not Available	0.0	0.0	0	0.0	0	0.0
<b>Totals</b>	<b>100.0</b>	<b>100.0</b>	<b>4</b>	<b>100.0</b>	<b>3,764</b>	<b>100.0</b>
<i>Source: 2015 ACS Data; 2019 HMDA Aggregate Data; 2019 HMDA Data</i>						
<i>Due to rounding, totals may not equal 100.0 percent.</i>						



Geographic Distribution of Home Mortgage Loans North Port MSA AA						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	0.5	0.2	0	0.0	0	0.0
Moderate	16.1	13.4	0	0.0	0	0.0
Middle	55.9	54.4	3	37.5	508	30.0
Upper	27.6	32.0	5	62.5	1,185	70.0
Not Available	0.0	0.0	0	0.0	0	0.0
<b>Totals</b>	<b>100.0</b>	<b>100.0</b>	<b>8</b>	<b>100.0</b>	<b>1,693</b>	<b>100.0</b>
Source: 2015 ACS Data; 2019 HMDA Aggregate Data; 2019 HMDA Data Due to rounding, totals may not equal 100.0 percent.						

Geographic Distribution of Home Mortgage Loans Orlando MSA AA						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	1.5	1.3	1	5.0	53	0.2
Moderate	22.2	17.5	2	10.0	463	2.0
Middle	34.6	35.9	10	50.0	18,210	76.9
Upper	41.7	45.3	7	35.0	4,955	20.9
Not Available	0.0	0.0	0	0.0	0	0.0
<b>Totals</b>	<b>100.0</b>	<b>100.0</b>	<b>20</b>	<b>100.0</b>	<b>23,681</b>	<b>100.0</b>
Source: 2015 ACS Data; 2019 HMDA Aggregate Data; 2019 HMDA Data Due to rounding, totals may not equal 100.0 percent.						

## **Borrower Profile**

### ***Home Mortgage Loans***

Distribution of Home Mortgage Loans by Borrower Income Level Naples MSA AA						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	20.8	3.5	0	0.0	0	0.0
Moderate	17.7	13.9	0	0.0	0	0.0
Middle	19.3	18.5	1	25.0	173	4.6
Upper	42.2	51.4	3	75.0	3,591	95.4
Not Available	0.0	12.7	0	0.0	0	0.0
<b>Totals</b>	<b>100.0</b>	<b>100.0</b>	<b>4</b>	<b>100.0</b>	<b>3,764</b>	<b>100.0</b>
Source: 2015 ACS Data; 2019 HMDA Aggregate Data; 2019 HMDA Data Due to rounding, totals may not equal 100.0 percent.						

Distribution of Home Mortgage Loans by Borrower Income Level North Port MSA AA						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	17.5	5.3	1	12.5	147	8.7
Moderate	19.2	17.4	1	12.5	170	10.0
Middle	21.9	21.2	2	25.0	433	25.5
Upper	41.4	43.9	4	50.0	943	55.7
Not Available	0.0	12.1	0	0.0	0	0.0
<b>Totals</b>	<b>100.0</b>	<b>100.0</b>	<b>8</b>	<b>100.0</b>	<b>1,693</b>	<b>100.0</b>
Source: 2015 ACS Data; 2019 HMDA Aggregate Data; 2019 HMDA Data Due to rounding, totals may not equal 100.0 percent.						

Distribution of Home Mortgage Loans by Borrower Income Level Orlando MSA AA						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	23.1	3.2	0	0.0	0	0.0
Moderate	17.7	13.3	1	5.0	53	0.2
Middle	18.7	19.8	2	10.0	494	2.1
Upper	40.6	48.3	17	85.0	23,134	97.7
Not Available	0.0	15.4	0	0.0	0	0.0
<b>Totals</b>	<b>100.0</b>	<b>100.0</b>	<b>20</b>	<b>100.0</b>	<b>23,681</b>	<b>100.0</b>
Source: 2015 ACS Data; 2019 HMDA Aggregate Data; 2019 HMDA Data Due to rounding, totals may not equal 100.0 percent.						

## STATE OF TEXAS

### CRA RATING FOR STATE OF TEXAS: SATISFACTORY

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Satisfactory

### DESCRIPTION OF INSTITUTION'S OPERATIONS IN STATE OF TEXAS

AMB designated seven separate AAs in the State of Texas. All AAs, except the College Station MSA AA, are new since the previous evaluation. Subsequent to the CSB merger in January 2019, the bank expanded into the following AAs: Lubbock MSA AA, Midland MSA AA, Odessa MSA AA, and Texas Non-MSA AA (Andrews and Gaines Counties). Expansion into the San Antonio MSA AA as well as four additional counties in the Texas Non-MSA (Crane, Reagan, Upton, and Ward Counties) occurred following the SB merger in February 2020. All of the bank's AAs in the State of Texas conform to CRA regulatory requirements and are noted in the table below.

The bank operates 18 full-service offices and ATMs in this area, 15 of which were acquired following the aforementioned merger activity. One office and ATM are located in a moderate-income census tract in Ector County. One office acquired with the CSB merger, in the Midland MSA AA, closed in November 2020. AMB also consolidated two offices, one in the Midland MSA AA and one in the Odessa MSA AA, since the previous evaluation.

<b>Description of Texas Assessment Areas</b>			
<b>Assessment Area</b>	<b>Counties in Assessment Area</b>	<b># of CTs</b>	<b># of Branches</b>
College Station MSA AA	Brazos	42	3
Lubbock MSA AA	Lubbock	68	1
Midland MSA AA	Midland	27	2
Odessa MSA AA	Ector	28	4
San Antonio MSA AA	Bexar and Medina	374	2
Texas Non-MSA AA*	Andrews, Crane, Gaines, Reagan, Upton, Ward	14	6
<i>Source: Bank Data; 2015 ACS Data</i>			
<i>* Includes two non-contiguous AAs</i>			

## **SCOPE OF EVALUATION – STATE OF TEXAS**

Of the six Texas areas noted previously, examiners applied full-scope procedures to the College Station MSA AA since it generated the greatest volume of lending. The Midland MSA AA also received a full-scope review due to it not being reviewed at previous evaluations, having the second largest volume of lending, and a relatively large volume of deposits. Examiners did not assess AMB’s lending performance in the San Antonio MSA AA or the four newly acquired counties in the combined Texas Non-MSA AA or provide separate conclusions given the Lending Test’s focus on 2019 data and the bank’s limited duration of operations in such areas. Examiners applied limited-scope procedures to the remaining three Texas AAs being reviewed during the performance evaluation.

The following table shows that the College Station MSA AA generated the largest percentage of the bank’s loans in the State of Texas. Consequently, examiners weighed records in the College Station MSA AA heaviest when arriving at applicable conclusions and ratings. Examiners weighed performance in each reviewed area consistent with that area’s lending level as reflected in the following table.

Assessment Area Breakdown of Loans, Deposits, and Branches						
Assessment Area	Loans		Deposits		Branches	
	\$(000s)	%	\$(000s)	%	#	%
College Station MSA AA	58,136	36.5	405,392	27.2	3	25.0
Lubbock MSA AA	7,837	4.9	38,964	2.6	1	8.3
Midland MSA AA	42,748	26.8	423,294	28.4	2	16.7
Odessa MSA AA	32,727	20.5	452,147	30.4	4	33.3
Texas Non-MSA AA	17,821	11.2	169,685	11.4	2	16.7
<b>Total</b>	<b>159,269</b>	<b>100.0</b>	<b>1,489,482</b>	<b>100.0</b>	<b>12</b>	<b>100.0</b>
<i>Source: 2019 Bank Data; 2019 HMDA Data; FDIC Summary of Deposits (06/30/2020)</i> <i>Due to rounding, totals may not equal 100.0 percent.</i> <i>*Only includes areas reviewed under the Lending Test</i>						

Small business loans represent the majority of lending in the State of Texas' AAs. For calendar year 2019, the bank originated 633 small business loans totaling \$111.8 million in the State of Texas' AAs, of which examiners sampled 225 totaling \$41.4 million when reviewing the bank's Lending Test performance in the State of Texas.

In 2019, the bank originated 163 home mortgage loans totaling \$47.5 million inside the bank's Texas AAs, as reported according to the HMDA data collection reporting requirements. However, the College Station accounted for a significant majority, or 93.3 percent by number and 94.3 percent by dollar volume, of the home mortgage loans; therefore, examiners only considered home mortgage loans when reviewing the bank's performance in the College Station MSA AA. Given the low volume of home mortgage loans originated in the remaining Texas AAs, examiners did not review such loans as the analyses would not yield meaningful conclusions.

Inconsistent with the bank as a whole, small business loans represent the greatest volume of lending in the State of Texas. Consequently, examiners weighed small business lending performance heavier when arriving at applicable conclusions.

Regarding the Community Development Test, the scope for this rated area remains consistent with that of institution as a whole. Refer to the institution level Scope of Evaluation section for additional information. Any CD activities made in the San Antonio MSA AA or the four newly acquired counties in the Texas Non-MSA area are given consideration in the institution and statewide analyses.

## CONCLUSIONS ON PERFORMANCE CRITERIA IN STATE OF TEXAS

### LENDING TEST

AMB demonstrated a satisfactory Lending Test record in the State of Texas. Reasonable performance records regarding the geographic distribution of loans and borrower profile loan distribution support this conclusion. This conclusion for the State of Texas proves consistent with the Lending Test conclusions for the College Station MSA AA, Lubbock MSA AA, Midland MSA AA, Odessa MSA AA, and Texas Non-MSA AA.

### **Geographic Distribution**

The geographic distribution of loans reflects reasonable dispersion throughout the State of Texas. Reasonable performances in the College Station MSA AA, Lubbock MSA AA, Midland MSA AA, and Odessa MSA AA support this conclusion. The Texas Non-MSA AA does not include any LMI geographies; therefore, examiners did not evaluate the geographic distribution criterion for such assessment area.

### **Borrower Profile**

The distribution of borrowers reflects, given the demographics of the AAs, reasonable penetration among individuals of different income levels (including LMI) and businesses of different sizes in the State of Texas. Reasonable performances in the College Station MSA AA, Texas Non-MSA AA, and Lubbock MSA AA outweighed poor performances in the Midland MSA AA and the Odessa MSA AA to support this conclusion.

### **COMMUNITY DEVELOPMENT TEST**

AMB demonstrated a satisfactory Community Development Test record in the State of Texas. The institution's CD performance demonstrates adequate responsiveness to CD needs in the State of Texas through CD loans, QIs, and CD services, as appropriate, considering the institution's capacity and the need and availability of such opportunities for CD in the institution's AAs. This conclusion for the State of Texas proves consistent with the Community Development Test conclusions for the College Station MSA AA and Lubbock MSA AA and inconsistent with the conclusions for the Midland MSA AA, Odessa MSA AA, and Texas Non-MSA AA. Specifically, the CD performance in the Odessa MSA AA and Texas Non-MSA AA falls below the performance of that noted for the State of Texas. In addition, the Midland MSA AA's performance exceeds the performance of that noted for the State of Texas.

### **Community Development Loans**

The bank exhibited an adequate record regarding its CD loans in the State of Texas. An adequate level regarding the dollar volume of CD loans primarily supports this conclusion. The following table shows that since the prior evaluation, the bank originated 10 CD loans totaling over \$34.9 million in the State of Texas. These levels reflect substantial increases over the 1 CD loan totaling \$600,000 reported for Texas in the prior evaluation. The current dollar amount equates to 29.6 percent of the bank's overall excellent level of CD loans. As noted, this state contributed 67.3 percent of the dollar volume of reviewed loans.

Community Development Lending by Assessment Area State of Texas										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
College Station MSA AA	0	0	2	342	0	0	0	0	2	342
Lubbock MSA AA	0	0	0	0	0	0	0	0	0	0
Midland MSA AA	1	101	0	0	1	20,000	2	6,597	4	26,698
Odessa MSA AA	0	0	0	0	0	0	0	0	0	0
Texas Non-MSA AA	0	0	0	0	0	0	0	0	0	0
Statewide/Regional Activities	2	1,436	0	0	1	6,300	1	211	4	7,947
<b>Total</b>	<b>3</b>	<b>1,537</b>	<b>2</b>	<b>342</b>	<b>2</b>	<b>26,300</b>	<b>3</b>	<b>6,808</b>	<b>10</b>	<b>34,987</b>
<i>Source: Bank Data</i>										

The following provides an example of the bank's statewide/regional activities in the State of Texas.

- ***Economic Development*** – AMB extended a \$6.3 million loan to a start-up business in San Antonio, Texas to finance the purchase of land for a strip center. The strip center is adjacent to five moderate-income census tracts. The activity promotes economic development by providing permanent jobs to low- and moderate-income individuals.

### **Qualified Investments**

The bank exhibited an adequate record regarding its QIs in the State of Texas. An adequate level regarding the dollar volume of QIs primarily supports this conclusion. The following table shows that the bank made use of 63 QIs totaling over \$22.7 million in the State of Texas. These levels reflect significant increases over the 18 QIs totaling \$3.1 million reported in the prior evaluation. The current dollar amount represents 81.1 percent of the bank's overall adequate level of QIs. As noted, this state contributed 73.7 percent of the bank's total deposits.

Qualified Investments by Assessment Area State of Texas										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
College Station MSA AA	2*	3,848	33	111	0	0	0	0	35	3,959
Lubbock MSA AA	*	2,370	3	7	0	0	0	0	3	2,377
Midland MSA AA	1*	2,687	7	10	10	12,040	0	0	18	14,737
Odessa MSA AA	*	938	4	8	0	0	0	0	4	946
Texas Non-MSA AA	0	0	1	1	0	0	0	0	1	1
Statewide/Regional Activities	*	750	2	1	0	0	0	0	2	751
<b>Total</b>	<b>3</b>	<b>10,593</b>	<b>50</b>	<b>138</b>	<b>10</b>	<b>12,040</b>	<b>0</b>	<b>0</b>	<b>63</b>	<b>22,771</b>
<i>Source: Bank Data</i>										
<i>*Includes dollar portion of a fund allocated to multiple AAs</i>										

## **Community Development Services**

The bank established an adequate record regarding its CD services in the State of Texas. Adequate performance regarding the types of services outweighed the poor availability of services to support this conclusion.

### ***Types of Services***

The bank showed adequate performance regarding the types of services that primarily benefit LMI individuals in the State of Texas. The following table shows that the bank provided 105 CD services in this state since the last evaluation. This number equates to an average of 2.1 CD services, per office, per year, since the last evaluation, and to 2.9 CD services, per office, per year when adjusting the calculation for the months impacted by the reaction to COVID-19. The unadjusted figure reflects a decrease over the average of 17.9 CD services, per office, per year, indicated at the prior evaluation. Despite the decrease, the current level reflects adequate performance for the State of Texas.

<b>Community Development Services by Assessment Area State of Texas</b>					
<b>Assessment Area</b>	<b>Affordable Housing</b>	<b>Community Services</b>	<b>Economic Development</b>	<b>Revitalize or Stabilize</b>	<b>Totals</b>
	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>
College Station MSA AA	3	70	0	0	<b>73</b>
Lubbock MSA AA	0	3	0	0	<b>3</b>
Midland MSA AA	1	7	0	0	<b>8</b>
Odessa MSA AA	0	2	0	0	<b>2</b>
Texas Non-MSA AA	0	2	0	0	<b>2</b>
Statewide/Regional Activities	0	14	3	0	<b>17</b>
<b>Total</b>	<b>4</b>	<b>98</b>	<b>3</b>	<b>0</b>	<b>105</b>
<i>Source: Bank Data</i>					

The following provides an example of the bank's statewide/regional activities in the State of Texas.

- ***Economic Development*** – A bank officer used their financial expertise by serving as the treasurer of an economic development organization. Such organization promotes economic development by assisting in the provision of permanent jobs to low- and moderate-income individuals primarily in Upton County.

### ***Availability of Services***

The bank showed poor performance regarding the availability of its services to LMI individuals and geographies in the State of Texas. The following table shows that in low-income census tracts, the bank's lack of full-service offices and ATMs still lands within an adequate range of the population percentage, given the ratios' overall levels. The bank's levels fall 6.7 percentage points lower, thereby reflecting an adequate distribution. The table further shows that in moderate-income tracts, the bank's percentages of offices and ATMs land clearly below the population percentage, given the ratios' overall levels. The bank's levels fall 24.4 percentage points lower, typically reflecting a very poor distribution.

As discussed at the institution level, the bank consolidated two offices in moderate-income census tracts and closed one office in a middle-income census tract within the State of Texas. Considering the changes, the bank operated 14.3 percent of its full-service offices in moderate-income census tracts for a majority of the review period. The bank's adjusted level falls 15.7 percentage points lower, still reflecting very poor performance.

<b>Branch and ATM Distribution by Geography Income Level State of Texas</b>								
<b>Tract Income Level</b>	<b>Census Tracts</b>		<b>Population</b>		<b>Branches</b>		<b>ATMs</b>	
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
Low	46	8.3	182,054	6.7	0	0	0	0
Moderate	171	30.9	817,587	30.0	1	5.6	1	5.6
Middle	162	29.3	856,298	31.4	9	50.0	9	50.0
Upper	166	30.0	863,397	31.6	8	44.4	8	44.4
NA	8	1.5	9,107	0.3	0	0	0	0
<b>Total</b>	<b>553</b>	<b>100.0</b>	<b>2,728,443</b>	<b>100.0</b>	<b>18</b>	<b>100.0</b>	<b>18</b>	<b>100.0</b>
<i>Source: 2015 ACS Data; Bank Data</i>								

In addition to its ATMs, the bank provides the same alternative banking services in this area that it does at the institution level, including online banking, mobile banking, which includes mobile deposit capture, 24-hour telephone banking, and free access to the Allpoint ATM network. The bank's adequate alternative delivery systems slightly lifted the very poor branch distribution.

## **COLLEGE STATION MSA AA – Full-Scope Review**

### **DESCRIPTION OF INSTITUTION'S OPERATIONS IN COLLEGE STATION MSA AA**

The College Station MSA AA includes all of Brazos County, which comprises only a portion of the College Station-Bryan, TX MSA. The bank operates three full-service offices and ATMs in this area. The bank did not open or close any offices in this area since the previous evaluation.

#### **Economic and Demographic Data**

The AA's census tracts reflect the following income designations based on 2015 ACS data: 5 low-, 13 moderate-, 10 middle-, and 12 upper-income tracts, and 2 tracts with no income designation. The following table notes certain demographic data for the area.



Demographic Information of the Assessment Area College Station MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	42	11.9	30.9	23.8	28.6	4.8
Population by Geography	205,271	11.3	34.6	21.7	27.9	4.4
Housing Units by Geography	81,916	13.8	34.6	23.1	28.5	0.0
Owner-Occupied Units by Geography	33,078	2.3	27.6	23.6	46.6	0.0
Occupied Rental Units by Geography	40,780	22.3	39.7	22.9	15.1	0.0
Vacant Units by Geography	8,058	18.0	37.8	22.6	21.6	0.0
Businesses by Geography	13,296	8.0	26.7	25.8	39.2	0.4
Farms by Geography	458	4.1	20.5	26.0	49.3	0.0
Family Distribution by Income Level	40,474	24.5	15.8	16.9	42.8	0.0
Household Distribution by Income Level	73,858	27.8	14.5	15.0	42.7	0.0
Median Family Income – 17780 College Station-Bryan, TX MSA		\$60,756	Median Housing Value Median Gross Rent Families Below Poverty Level			\$152,330 \$881 14.2%
Source: 2015 ACS Data; 2019 D&B Data Due to rounding, totals may not equal 100.0 percent. *The NA category consists of geographies that have not been assigned an income classification.						

According to 2019 D&B data, the area included 13,296 businesses. The analysis of small business loans under the borrower profile criterion utilizes the distribution of businesses by GAR level. The following outlines GARs for these businesses.

- 82.2 percent have \$1 million or less,
- 4.5 percent have more than \$1 million, and
- 13.3 percent have unknown revenues.

Examiners used the applicable FFIEC estimated MFI to analyze home mortgage loans under the borrower profile criterion. The following table shows the calculated income ranges based on the 2019 FFIEC estimated MFI.

<b>Median Family Income Ranges</b>				
<b>Median Family Incomes</b>	<b>Low &lt;50%</b>	<b>Moderate 50% to &lt;80%</b>	<b>Middle 80% to &lt;120%</b>	<b>Upper ≥120%</b>
<b>College Station-Bryan, TX MSA Median Family Income (17780)</b>				
2019 (\$68,500)	<\$34,250	\$34,250 to <\$54,800	\$54,800 to <\$82,200	≥\$82,200
<i>Source: FFIEC</i>				

Service industries represent the largest portion of businesses at 42.1 percent, followed by non-classifiable establishments at 14.0 percent, and retail trade at 13.2 percent. Major employers in the AA include Texas A&M University System, Bryan ISD, College Station ISD, Texas A&M Health

Science Center, and Reynolds & Reynolds.<sup>2</sup> In addition, 63.8 percent of area businesses have 4 or fewer employees, and 86.4 percent operate from a single location.

The MSA's unemployment rate of 5.6 percent for November 2020 falls below the 7.2 percent rate for the State of Texas and the U.S. rate of 6.4 percent.

### **Competition**

The area contains a high level of competition from other chartered banks based on its population. According to the FDIC Deposit Market Share data as of June 30, 2020, there were 21 institutions operating from 56 offices within the bank's AA. Of these institutions, AMB ranked 8<sup>th</sup> with 6.9 percent of the deposit market share. Credit unions, mortgage companies, and finance companies also compete for loans in the area, thus heightening the competition level. Overall, the competition level allows for lending opportunities.

### **Community Contact**

As part of the evaluation process, examiners contact third parties active in the AA to assist in identifying the credit and CD needs. This information helps determine whether local financial institutions are responsive to these needs. It also shows what credit and CD opportunities are available. A representative of an economic development organization in the AA identified a need for small business and residential lending within Brazos County. The contact noted that banks' conservative lending practices limit lending opportunities to meet credit needs of small businesses. The contact also noted a need for credit counseling to assist first time homebuyers. Overall, the contact indicated that financial institutions have been responsive to the credit and CD needs.

### **Credit and Community Development Needs and Opportunities**

Consistent with other metropolitan areas, the College Station MSA AA creates varied loan demand and lending opportunities. Considering information from bank management, the community contact, and demographic and economic data, examiners determined that the area's primary credit needs include commercial and residential loans.

With respect to the area's CD needs, demographic data shows 40.3 percent of the area's families reported low- or moderate-incomes and 14.2 percent reported incomes below the poverty level. These levels suggest a high need for activities that benefit organizations or projects that provide community services to these families. Additionally, business demographics indicate 83.5 of farms and business have sales less than or equal to \$1 million, thus creating economic development opportunities by financing small businesses or farms.

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<sup>2</sup>Source: Moody's Analytics, Precis U.S. Metro, August 2019

## CONCLUSIONS ON PERFORMANCE CRITERIA IN COLLEGE STATION MSA AA

### LENDING TEST

AMB demonstrated a satisfactory record regarding the Lending Test in the College Station MSA AA. Reasonable geographic and borrower profile loan distribution records support this conclusion.

### Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the College Station MSA AA. Reasonable performances regarding small business and home mortgage lending support this conclusion.

#### *Small Business Loans*

The geographic distribution of small business loans reflects reasonable performance in the College Station MSA AA. The following table shows that the bank's lending in low-income census tracts falls below the D&B data by 5.2 percentage points, reflective of reasonable performance. The table further shows that in moderate-income census tracts the bank's lending level rises 3.9 percentage points above the D&B data, also reflecting reasonable performance.

Geographic Distribution of Small Business Loans College Station MSA AA					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low	8.0	1	2.8	13	0.1
Moderate	26.7	11	30.6	3,035	31.9
Middle	25.8	6	16.7	682	7.2
Upper	39.2	18	50.0	5,775	60.8
Not Available	0.4	0	0.0	0	0.0
<b>Total</b>	<b>100.0</b>	<b>36</b>	<b>100.0</b>	<b>9,505</b>	<b>100.0</b>
<i>Source: 2019 D&amp;B Data; 2019 Bank Data Due to rounding, totals may not equal 100.0 percent.</i>					

#### *Home Mortgage Loans*

The geographic distribution of home mortgage loans reflects reasonable dispersion throughout the College Station MSA AA. The following table shows that the bank's performance in low-income census tracts exceeds aggregate performance by 4.1 percentage points, reflecting reasonable performance. The table further shows that the bank's lending performance in moderate-income census tracts falls below aggregate data by 9.2 percentage points, reflective of poor performance. Considering the bank's performance and weighting applied to the income categories, the bank's overall record reflects reasonable performance.

Geographic Distribution of Home Mortgage Loans College Station MSA AA						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	2.3	4.5	13	8.6	3,415	7.6
Moderate	27.6	21.7	19	12.5	3,294	7.4
Middle	23.6	24.5	37	24.3	8,595	19.2
Upper	46.6	49.3	83	54.6	29,495	65.8
Not Available	0.0	0.0	0	0.0	0	0.0
<b>Totals</b>	<b>100.0</b>	<b>100.0</b>	<b>152</b>	<b>100.0</b>	<b>44,799</b>	<b>100.0</b>
Source: 2015 ACS Data; 2019 HMDA Aggregate Data; 2019 HMDA Data Due to rounding, totals may not equal 100.0 percent.						

### **Borrower Profile**

The distribution of borrowers reflects, given the demographics of the AA, reasonable penetration among individuals of different income levels (including LMI) and businesses of different sizes in the College Station MSA AA. Reasonable performances regarding small business and home mortgage lending support this conclusion.

### ***Small Business Loans***

The distribution of small business loans based on the borrowers' profiles reflects a reasonable record in the College Station MSA AA. The following table shows that the bank originated 63.9 percent of the sampled small business loans by number to businesses with GARs of \$1 million or less. While the bank's performance falls below D&B data by 18.3 percentage points, the bank's overall level reflects reasonable performance. Additionally, the table indicates that the bank extended nearly half of the reviewed loans to businesses in the smallest two revenue categories, further supporting reasonable performance.

Distribution of Small Business Loans by Gross Annual Revenue Category College Station MSA AA					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
< \$100,000	50.9	9	25.0	1,269	13.4
\$100,000 - \$249,999	21.4	6	16.7	1,671	17.6
\$250,000 - \$499,999	6.2	4	11.1	916	9.6
\$500,000 - \$1,000,000	3.7	4	11.1	520	5.5
<b>Subtotal ≤ \$1,000,000</b>	<b>82.2</b>	<b>23</b>	<b>63.9</b>	<b>4,376</b>	<b>46.0</b>
>\$1,000,000	4.5	12	33.3	5,117	53.8
Revenue Not Available	13.3	1	2.8	12	0.1
<b>Total</b>	<b>100.0</b>	<b>36</b>	<b>100.0</b>	<b>9,505</b>	<b>100.0</b>
Source: 2019 D&B Data; 2019 Bank Data Due to rounding, totals may not equal 100.0 percent.					

### ***Home Mortgage Loans***

The distribution of home mortgage loans to individuals of different income levels, including LMI borrowers, within the College Station MSA AA reflects reasonable performance. The following table shows that the bank's level of lending to low-income borrowers slightly trails aggregate data by 0.7 percentage points, reflecting reasonable performance. The table further shows that the bank's level of lending to moderate-income borrowers falls below aggregate data by 4.0 percentage points, also reflective of reasonable performance.

<b>Distribution of Home Mortgage Loans by Borrower Income Level College Station MSA AA</b>						
<b>Borrower Income Level</b>	<b>% of Families</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low	24.5	2.7	3	2.0	303	0.7
Moderate	15.8	10.6	10	6.6	1,608	3.6
Middle	16.9	19.4	14	9.2	2,551	5.7
Upper	42.8	53.9	116	76.3	37,515	83.7
Not Available	0.0	13.5	9	5.9	2,822	6.3
<b>Totals</b>	<b>100.0</b>	<b>100.0</b>	<b>152</b>	<b>100.0</b>	<b>44,799</b>	<b>100.0</b>
<i>Source: 2015 ACS Data; 2019 HMDA Aggregate Data; 2019 HMDA Data Due to rounding, totals may not equal 100.0 percent.</i>						

### **COMMUNITY DEVELOPMENT TEST**

The bank demonstrated a satisfactory record regarding the Community Development Test in the College Station MSA AA. The institution's CD performance demonstrates adequate responsiveness to CD needs in the College Station MSA AA through CD loans, QIs, and CD services, as appropriate, considering the institution's capacity and the need and availability of such opportunities for CD in the institution's AA.

#### **Community Development Loans**

The bank exhibited a poor record regarding its CD loans in the College Station MSA AA, although it did not simply ignore this activity. A poor level regarding the dollar volume of CD loans primarily supports this conclusion. As noted under the rated area level, AMB originated 2 CD loans totaling approximately \$342,000 in the College Station MSA AA. The dollar figure reflects a decrease over the 1 CD loan totaling \$600,000 reported for this area in the prior evaluation. This level equates to 1.0 percent of the bank's adequate level of CD loans by dollar volume in the State of Texas. As noted, the College Station MSA AA accounted for 36.5 percent of reviewed loans for this rated area. The following point highlights an example of the bank's CD loans in the College Station MSA AA.

- ***Community Services*** – AMB originated a \$150,000 loan to a local food bank to renovate its facilities. Such improvements allowed the non-profit organization to better assist LMI individuals with having regular access to basic food necessities. Thus, the activity benefits an organization or project that provides community services targeted to LMI individuals.

## **Qualified Investments**

The bank exhibited an adequate record regarding its QIs in the College Station MSA AA. An adequate level regarding the dollar volume of QIs primarily supports this conclusion. The table for the State of Texas shows that AMB made use of 35 QIs totaling over \$3.9 million in the College Station MSA AA. These figures reflect increases over the 1 QI totaling approximately \$3.0 million reported for this area in the prior evaluation. The current dollar amount equates to 17.4 percent of the bank's adequate level of QIs in the State of Texas. As noted, this area contributed 27.2 percent of the bank's deposits in this rated area. The following point highlights an example of the bank's QIs in the College Station MSA AA.

- ***Community Services*** – The bank made 33 donations totaling \$111,462 to various organizations or projects in the College Station MSA AA that provide a variety of community services, including educational, health, and social services, targeted to LMI individuals.

## **Community Development Services**

The bank established an adequate record regarding its CD services in the College Station MSA AA. Excellent performance regarding the types of services sufficiently hampered by poor performance regarding the availability of services primarily supports this conclusion.

### ***Types of Services***

The bank showed excellent performance regarding the types of services that primarily benefit LMI individuals in the College Station MSA AA. Since the previous evaluation, the bank provided 73 CD services in the College Station MSA AA, which represents 69.5 percent of the bank's CD services in the State of Texas. The number of CD services equates to an average of 8.6 CD services, per office, per year since the prior evaluation, reflecting an excellent level. The following point highlights an example of the bank's CD services in the College Station MSA AA.

- ***Community Services*** – Multiple bank officers serve as members of the Bank on Brazos Valley, in Bryan, Texas. The coalition targets families and individuals who may not be banked or are under-banked by developing relationships with them through one-on-one financial coaching, workshops, financial seminars, financial simulations, financial case management, and many other efforts. Thus, the activity benefits an organization or project that provides community services, in the form of education, targeted to LMI individuals.

### ***Availability of Services***

The bank showed poor performance regarding the availability of its services to LMI individuals and geographies in the College Station MSA AA. The following table shows that in low-income census tracts, the bank's levels of full-service offices and ATMs fall 11.3 percentage points below the population percentage, thereby reflecting a poor distribution. The table further shows that in moderate-income tracts, the bank's lack of full-service offices and ATMs lands clearly below the population percentage, given the ratios' overall levels. The bank's levels fall 34.6 percentage points lower, thereby reflecting a very poor distribution.

Examiners weighed performance in moderate-income tracts heavier than in low-income areas given the greater opportunities illustrated by the corresponding population percentages. Therefore, given the relative performances and weightings for the discussed income levels, the bank's branches and ATMs reflect a very poor distribution in the College Station MSA AA.

<b>Branch and ATM Distribution by Geography Income Level College Station MSA AA</b>								
<b>Tract Income Level</b>	<b>Census Tracts</b>		<b>Population</b>		<b>Branches</b>		<b>ATMs</b>	
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
Low	5	11.9	23,195	11.3	0	0.0	0	0.0
Moderate	13	30.9	71,103	34.6	0	0.0	0	0.0
Middle	10	23.8	44,569	21.7	1	33.3	1	33.3
Upper	12	28.6	57,345	27.9	2	66.7	2	66.7
NA	2	4.8	9,059	4.4	0	0.0	0	0.0
<b>Total</b>	<b>42</b>	<b>100.0</b>	<b>205,271</b>	<b>100.0</b>	<b>3</b>	<b>100.0</b>	<b>3</b>	<b>100.0</b>
<i>Source: 2015 ACS Data; Bank Data</i>								

In addition to its ATMs, the bank provides the same alternative banking services in this area that it does at the institution level, including online banking, mobile banking, which includes mobile deposit capture, 24-hour telephone banking, and free access to the Allpoint ATM network. The bank's adequate alternative delivery systems slightly lifted the very poor branch distribution.

## **MIDLAND MSA AA – Full-Scope Review**

### **DESCRIPTION OF INSTITUTION'S OPERATIONS IN MIDLAND MSA AA**

The Midland MSA AA includes all of Midland County, which comprises only a portion of the Midland, TX MSA. This AA is new since the previous evaluation, as bank officials added it in January 2019 at the time of the CSB merger. The bank operates two full-service offices and ATMs in this area. The bank acquired all of the offices in this AA in the aforementioned mergers. One office acquired with the CSB merger closed in November 2020 while another was consolidated.

#### **Economic and Demographic Data**

The AA's census tracts reflect the following income designations based on 2015 ACS data: 1 low-, 5 moderate-, 12 middle-, and 8 upper-income tracts, and 1 tract with no income designation. The following table notes certain demographic data for the area.

Demographic Information of the Assessment Area Midland MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	27	3.7	18.5	44.5	29.6	3.7
Population by Geography	151,290	3.1	17.3	45.1	34.5	0.0
Housing Units by Geography	56,735	2.7	14.3	45.7	37.3	0.0
Owner-Occupied Units by Geography	35,449	2.8	13.4	41.8	42.0	0.0
Occupied Rental Units by Geography	17,421	1.9	15.8	53.8	28.5	0.0
Vacant Units by Geography	3,865	5.5	15.7	44.8	34.0	0.0
Businesses by Geography	15,913	1.6	22.7	36.6	38.4	0.7
Farms by Geography	375	0.5	17.1	33.6	48.5	0.3
Family Distribution by Income Level	36,702	21.7	17.5	20.2	40.5	0.0
Household Distribution by Income Level	52,870	23.1	16.9	17.6	42.4	0.0
Median Family Income MSA – 33260 Midland, TX MSA		\$82,297	Median Housing Value Median Gross Rent Families Below Poverty Level			\$177,848 \$1,083 6.5%
Source: 2015 ACS Data; 2019 D&B Data Due to rounding, totals may not equal 100.0 percent. *The NA category consists of geographies that have not been assigned an income classification.						

According to 2019 D&B data, the area included 15,913 businesses. As previously noted, the analysis of small business loans under the borrower profile criterion utilizes the distribution of businesses by GAR level. The following outlines GARs for these businesses.

- 82.9 percent have \$1 million or less,
- 6.2 percent have more than \$1 million, and
- 10.9 percent have unknown revenues.

Service industries represent the largest portion of businesses at 33.8 percent, followed by non-classifiable establishments at 17.0 percent, and retail trade at 10.4 percent. Major employers in the AA include Pioneer Natural Resources, Midland Memorial Hospital, Dawson Geophysical, and Endeavor Energy Resources.<sup>3</sup> In addition, 64.0 percent of area businesses have 4 or fewer employees, and 88.6 percent operate from a single location.

The MSA's unemployment rate of 9.3 percent for November 2020 exceeds the 7.2 percent rate for the State of Texas and the U.S. rate of 6.4 percent.

## **Competition**

The area contains a high level of competition from other chartered banks based on its population. According to the FDIC Deposit Market Share data as of June 30, 2020, there were 17 institutions that operated 45 offices within the bank's AA. Of these institutions, AMB ranked 7<sup>th</sup> with 5.8 percent of the deposit market share. Credit unions, mortgage companies, and finance companies also compete for loans in the area, thus heightening the competition level. Overall, the competition level allows for lending opportunities.

<sup>3</sup>Source: Moody's Analytics, Precise U.S. Metro, August 2019



## **Credit and Community Development Needs and Opportunities**

Consistent with other metropolitan areas, the Midland MSA AA creates varied loan demand and lending opportunities. Considering information from bank management and demographic and economic data, examiners determined that the area's primary credit needs include commercial and residential loans.

With respect to the area's CD needs, demographic data shows 39.2 percent of the area's families reported low- or moderate- incomes and 6.5 percent reported incomes below the poverty level. These levels suggest a high need for activities that benefit organizations or projects that provide community services to these families. Additionally, a need exists to expand housing in LMI geographies, thus creating opportunities for affordable housing in LMI areas.

## **CONCLUSIONS ON PERFORMANCE CRITERIA IN MIDLAND MSA AA**

### **LENDING TEST**

AMB demonstrated a satisfactory record regarding the Lending Test in the Midland MSA AA. A reasonable geographic distribution outweighed a poor borrower profile distribution to support this conclusion.

### **Geographic Distribution**

The geographic distribution of loans reflects reasonable dispersion throughout the Midland MSA AA. Reasonable small business lending performance supports this conclusion.

#### ***Small Business Loans***

The geographic distribution of small business loans reflects reasonable performance in the Midland MSA AA. The following table shows that the bank did not originate any of the sampled small business loans in low-income tracts. However, considering the overall limited level of opportunities in these tracts, performance is considered reasonable. In moderate-income census tracts the bank's lending level falls 6.0 percentage points below the D&B data, reflecting reasonable performance. While this level of lending falls below D&B data, it remains within a reasonable range.

<b>Geographic Distribution of Small Business Loans Midland MSA AA</b>					
<b>Tract Income Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low	1.6	0	0.0	0	0.0
Moderate	22.7	9	16.7	688	4.9
Middle	36.6	26	48.1	8,138	58.4
Upper	38.4	18	33.3	4,358	31.3
Not Available	0.7	1	1.9	750	5.4
<b>Total</b>	<b>100.0</b>	<b>54</b>	<b>100.0</b>	<b>13,934</b>	<b>100.0</b>
<i>Source: 2019 D&amp;B Data; 2019 Bank Data Due to rounding, totals may not equal 100.0 percent.</i>					

## **Borrower Profile**

The distribution of borrowers reflects, given the demographics of the AA, poor penetration among individuals of different income levels (including LMI) and businesses of different sizes in the Midland MSA AA. Poor small business lending performance supports this conclusion.

### ***Small Business Loans***

The distribution of small business loans based on the borrowers' profiles reflects a poor record in the Midland MSA AA. The following table shows that the bank only originated a little over 4 out of every 10, or 46.3 percent, of the sampled small business loans, by number, to businesses with GARs of \$1 million or less. In addition to the bank's overall poor level, the bank's performance falls below demographic data by 36.6 percentage points, further reflective of poor performance.

<b>Distribution of Small Business Loans by Gross Annual Revenue Category Midland MSA AA</b>					
<b>Gross Revenue Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
< \$100,000	50.6	9	16.7	765	5.5
\$100,000 - \$249,999	21.9	5	9.3	555	4.0
\$250,000 - \$499,999	6.5	5	9.3	844	6.1
\$500,000 - \$1,000,000	4.0	6	11.1	1,077	7.7
<b>Subtotal ≤ \$1,000,000</b>	<b>82.9</b>	<b>25</b>	<b>46.3</b>	<b>3,241</b>	<b>23.3</b>
>\$1,000,000	6.2	27	50.0	10,180	73.1
Revenue Not Available	10.9	2	3.7	513	3.7
<b>Total</b>	<b>100.0</b>	<b>54</b>	<b>100.0</b>	<b>13,934</b>	<b>100.0</b>
<i>Source: 2019 D&amp;B Data; 2019 Bank Data Due to rounding, totals may not equal 100.0 percent.</i>					

## **COMMUNITY DEVELOPMENT TEST**

The bank demonstrated an outstanding record regarding the Community Development Test in the Midland MSA AA. The institution's CD performance demonstrates excellent responsiveness to CD needs in the Midland MSA AA through CD loans, QIs, and CD services, as appropriate considering the institution's capacity and the need and availability of such opportunities for CD in the institution's AA.

### **Community Development Loans**

The bank exhibited an excellent record regarding its CD loans in the Midland MSA AA. An excellent level regarding the dollar volume of CD loans primarily supports this conclusion. As noted under the rated area level, AMB originated 4 CD loans totaling approximately \$26.7 million in the Midland MSA AA. This level equates to 76.3 percent of the bank's adequate level of CD loans by dollar volume in the State of Texas. As noted, this area accounted for 26.8 percent of reviewed loans for the State of Texas. The following point highlights an example of the bank's CD loans in the Midland MSA AA.

- ***Economic Development*** – AMB extended a \$20.0 million line of credit to an entity that provides factoring services to small businesses for cash-flow solutions. The majority of clients are small businesses with annual revenues of less than \$1 million, including start-up companies and businesses with limited credit experience. The activity promotes economic development by financing small businesses.

### **Qualified Investments**

The bank exhibited an excellent record regarding its QIs in the Midland MSA AA. An excellent level regarding the dollar volume of QIs primarily supports this conclusion. The table for the State of Texas shows that AMB made use of 18 QIs totaling over \$14.7 million in the Midland MSA AA. The current dollar amount equates to 64.7 percent of the bank's adequate level of QIs in the State of Texas. As noted, this area contributed 28.4 percent of the bank's deposits in this state. The following point highlights an example of the bank's QIs in the Midland MSA AA.

- ***Economic Development*** – During the evaluation period, the bank invested \$12 million in a business that promotes economic development and primarily lends to businesses in LMI areas.

### **Community Development Services**

The bank established an adequate record regarding its CD services in the Midland MSA AA. Adequate performances regarding the types of services and the availability of services support this conclusion.

#### ***Types of Services***

The bank showed adequate performance regarding the types of services that primarily benefit LMI individuals in the Midland MSA AA. Since the previous evaluation, the bank provided 8 CD services in the Midland MSA AA, which represents 7.6 percent of the bank's CD services in the State of Texas. The number of CD services equates to an average of 1.5 CD services, per office, per year since the bank entered into the Midland MSA, reflecting an adequate level. The following point highlights an example of the bank's CD services in the Midland MSA AA.

- ***Affordable Housing*** – A bank employee served as a Board and Finance Committee member on a nonprofit organization whose mission is to provide housing for low-income families and first time home buyers.

#### ***Availability of Services***

The bank showed adequate performance regarding the availability of its services to LMI individuals and geographies in the Midland MSA AA. The following table shows that in low-income census tracts in the Midland MSA AA, the bank's lack of full-service offices and ATMs still lands within an adequate range of the population percentage, given the ratios' overall levels. The bank's levels fall 3.1 percentage points lower, thereby reflecting an adequate distribution. The table further shows that in moderate-income tracts, the bank's lack of full-service offices and ATMs lands clearly below the population percentage, given the ratios' overall levels. The bank's levels fall 17.3 percentage points lower, typically reflecting a very poor distribution.

However, as previously discussed, one of the two consolidated offices in a moderate-income census tract and the closed office in a middle-income census tract occurred in the Midland MSA AA. Considering the changes, the bank operated 25.0 percent of its full-service offices in moderate-income census tracts for a majority of the review period. The bank's adjusted level lands 7.7 percentage points higher than the demographic data, reflecting adequate performance.

<b>Branch and ATM Distribution by Geography Income Level Midland MSA AA</b>								
<b>Tract Income Level</b>	<b>Census Tracts</b>		<b>Population</b>		<b>Branches</b>		<b>ATMs</b>	
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
Low	1	3.7	4,741	3.1	0	0	0	0
Moderate	5	18.5	26,171	17.3	0	0	0	0
Middle	12	44.5	68,257	45.1	2	100.0	2	100.0
Upper	8	29.6	52,121	34.5	0	0	0	0
NA	1	3.7	0	0	0	0	0	0
<b>Total</b>	<b>27</b>	<b>100.0</b>	<b>151,290</b>	<b>100.0</b>	<b>2</b>	<b>100.0</b>	<b>2</b>	<b>100.0</b>
<i>Source: 2015 ACS Data; Bank Data</i>								

In addition to its ATMs, the bank provides the same alternative banking services in this area that it does at the institution level, including online banking, mobile banking, which includes mobile deposit capture, 24-hour telephone banking, and free access to the Allpoint ATM network.

## **OTHER ASSESSMENT AREAS – Limited-Scope Review**

### **CONCLUSIONS ON PERFORMANCE CRITERIA IN THE LIMITED-SCOPE ASSESSMENT AREAS**

The following table identifies whether conclusions regarding the applicable tests for the noted AAs for which examiners performed a limited-scope review either exceed, are consistent with, or fall below the performance for the State of Texas. Examiners made these determinations through a review of available facts and data, aggregate lending data comparisons, and demographic information. The conclusions from the limited-scope reviews contributed to the institution's overall performance rating for the State of Texas.

<b>Assessment Area</b>	<b>Lending Test</b>	<b>Community Development Test</b>
Lubbock MSA AA	Consistent	Consistent
Odessa MSA AA	Consistent	Below
Texas Non-MSA AA	Consistent	Below

Facts and data supporting conclusions for each limited-scope assessment area follow, beginning with a summary of the institution's operations and activities, followed by geographic distribution and borrower profile performances. The Appendix includes demographic data for the limited-scope assessment areas.

### **Lubbock MSA AA**

The Lubbock MSA AA includes all of Lubbock County, which comprises only a portion of the Lubbock, TX MSA. This AA is new since the previous evaluation, as bank officials added it in January 2019 at the time of the CSB merger. The bank operates one full-service office and ATM in this area, acquired the office as a result of the merger, and has not closed any offices in this AA since the previous evaluation. The following table provides details regarding this area's activities.

Activity	#	\$(000s)
Home Mortgage Loans	3	665
Small Business Loans	63	7,172
Community Development Loans	0	0
Qualified Investments	3*	2,377
Community Development Services	3	-
<i>Source: 2019 HMDA Data; Bank Data</i>		
<i>*Includes dollar portion of a fund allocated to multiple AAs</i>		

### **Odessa MSA AA**

The Odessa MSA AA includes all of Ector County, which comprises all of the Odessa, TX MSA. This AA is new since the previous evaluation, as bank officials added it in January 2019 at the time of the CSB merger. The bank operates four full-service offices and ATMs in this area, acquired the offices as a result of the mergers, and has not closed any offices in this AA since the previous evaluation; however, this area did experience one office consolidation. The following table provides details regarding this area's activities.

Activity	#	\$(000s)
Home Mortgage Loans	3	646
Small Business Loans	180	32,081
Community Development Loans	0	0
Qualified Investments	4*	946
Community Development Services	2	-
<i>Source: 2019 HMDA Data; Bank Data</i>		
<i>*Includes dollar portion of a fund allocated to multiple AAs</i>		

### **Texas Non-MSA AA**

The Texas Non-MSA AA includes all of contiguous Andrews and Gaines Counties, which comprise a portion of the Texas Non-MSA. This AA is new since the previous evaluation as bank officials added it in January 2019 at the time of the CSB merger. Additionally, as previously noted, expansion in four additional counties in the combined Texas Non-MSA AA (Crane, Reagan, Upton, and Ward Counties) occurred following the SB merger in February 2020; however, the demographic and lending analyses reflect information only for Andrews and Gaines Counties given the short duration of operations since the SB merger.

The bank operates two full-service offices and ATMs in this area, acquired the offices as a result of merger activity, and has not closed any offices in this AA since the previous evaluation. The following table provides details regarding this area's activities.

Activity	#	\$(000s)
Home Mortgage Loans	4	811
Small Business Loans	151	17,010
Community Development Loans	0	0
Qualified Investments	1	1
Community Development Services	2	-
<i>Source: 2019 HMDA Data; Bank Data</i>		

## Geographic Distribution and Borrower Profile

The following tables demonstrate the bank's geographic and borrower profile distribution performances for the limited-scope AAs in the State of Texas.

### Geographic Distribution

#### *Small Business Loans*

Geographic Distribution of Small Business Loans Lubbock MSA AA					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low	3.6	0	0.0	0	0.0
Moderate	15.8	4	11.1	1,217	29.6
Middle	36.1	7	19.4	281	6.8
Upper	44.4	25	69.4	2,607	63.5
Not Available	0.1	0	0.0	0	0.0
<b>Total</b>	<b>100.0</b>	<b>36</b>	<b>100.0</b>	<b>4,105</b>	<b>100.0</b>
<i>Source: 2019 D&amp;B Data; 2019 Bank Data</i>					
<i>Due to rounding, totals may not equal 100.0 percent.</i>					

Geographic Distribution of Small Business Loans Odessa MSA AA					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low	1.4	0	0.0	0	0.0
Moderate	22.0	9	18.8	958	11.5
Middle	33.3	23	47.9	4,408	52.9
Upper	43.3	16	33.3	2,967	35.6
Not Available	0.0	0	0.0	0	0.0
<b>Total</b>	<b>100.0</b>	<b>48</b>	<b>100.0</b>	<b>8,333</b>	<b>100.0</b>
<i>Source: 2019 D&amp;B Data; 2019 Bank Data</i>					
<i>Due to rounding, totals may not equal 100.0 percent.</i>					

## **Borrower Profile**

### ***Small Business Loans***

<b>Distribution of Small Business Loans by Gross Annual Revenue Category Lubbock MSA AA</b>					
<b>Gross Revenue Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
< \$100,000	46.8	12	33.3	1,348	32.8
\$100,000 - \$249,999	27.7	2	5.6	66	1.6
\$250,000 - \$499,999	7.1	5	13.9	363	8.8
\$500,000 - \$1,000,000	3.8	2	5.6	424	10.3
<b>Subtotal ≤ \$1,000,000</b>	<b>85.3</b>	<b>21</b>	<b>58.3</b>	<b>2,201</b>	<b>53.6</b>
>\$1,000,000	4.2	15	41.7	1,904	46.4
Revenue Not Available	10.5	0	0.0	0	0.0
<b>Total</b>	<b>100.0</b>	<b>36</b>	<b>100.0</b>	<b>4,105</b>	<b>100.0</b>
<i>Source: 2019 D&amp;B Data; 2019 Bank Data            Due to rounding, totals may not equal 100.0 percent.</i>					

<b>Distribution of Small Business Loans by Gross Annual Revenue Category Odessa MSA AA</b>					
<b>Gross Revenue Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
< \$100,000	48.6	6	12.5	1,282	15.4
\$100,000 - \$249,999	21.2	13	27.1	1,344	16.1
\$250,000 - \$499,999	6.6	3	6.3	121	1.5
\$500,000 - \$1,000,000	4.4	2	4.2	51	0.6
<b>Subtotal ≤ \$1,000,000</b>	<b>80.9</b>	<b>24</b>	<b>50.0</b>	<b>2,798</b>	<b>33.6</b>
>\$1,000,000	6.4	24	50.0	5,535	66.4
Revenue Not Available	12.7	0	0.0	0	0.0
<b>Total</b>	<b>100.0</b>	<b>48</b>	<b>100.0</b>	<b>8,333</b>	<b>100.0</b>
<i>Source: 2019 D&amp;B Data; 2019 Bank Data            Due to rounding, totals may not equal 100.0 percent.</i>					

<b>Distribution of Small Business Loans by Gross Annual Revenue Category</b> <b>Texas Non-MSA AA</b>					
<b>Gross Revenue Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
< \$100,000	43.1	6	11.8	225	4.1
\$100,000 - \$249,999	23.2	12	23.5	1,008	18.4
\$250,000 - \$499,999	8.6	8	15.7	419	7.6
\$500,000 - \$1,000,000	4.4	8	15.7	498	9.1
<b>Subtotal ≤ \$1,000,000</b>	<b>79.3</b>	<b>34</b>	<b>66.7</b>	<b>2,150</b>	<b>39.2</b>
>\$1,000,000	5.0	16	31.4	3,260	59.4
Revenue Not Available	15.7	1	2.0	78	1.4
<b>Total</b>	<b>100.0</b>	<b>51</b>	<b>100.0</b>	<b>5,488</b>	<b>100.0</b>
<i>Source: 2019 D&amp;B Data; 2019 Bank Data</i> <i>Due to rounding, totals may not equal 100.0 percent.</i>					



## **APPENDICES**

### **INTERMEDIATE SMALL BANK PERFORMANCE CRITERIA**

#### **Lending Test**

The Lending Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by considering the following criteria:

- 1) The bank's loan-to-deposit ratio, adjusted for seasonal variation, and, as appropriate, other lending-related activities, such as loan originations for sale to the secondary markets, community development loans, or qualified investments;
- 2) The percentage of loans, and as appropriate, other lending-related activities located in the bank's assessment area(s);
- 3) The geographic distribution of the bank's loans;
- 4) The bank's record of lending to and, as appropriate, engaging in other lending-related activities for borrowers of different income levels and businesses and farms of different sizes; and
- 5) The bank's record of taking action, if warranted, in response to written complaints about its performance in helping to meet credit needs in its assessment area(s).

#### **Community Development Test**

The Community Development Test considers the following criteria:

- 1) The number and amount of community development loans;
- 2) The number and amount of qualified investments;
- 3) The extent to which the bank provides community development services; and
- 4) The bank's responsiveness through such activities to community development lending, investment, and service needs.

## SUMMARY OF RATINGS FOR RATED AREAS

<b>Rated Area</b>	<b>Lending Test</b>	<b>Community Development Test</b>	<b>Rating</b>
State of Florida	Satisfactory	Satisfactory	Satisfactory
State of Texas	Satisfactory	Satisfactory	Satisfactory

## DESCRIPTION OF LIMITED-SCOPE ASSESSMENT AREAS

### State of Florida

#### Naples MSA AA

The Naples MSA AA includes all of Collier County, which comprises the entire Naples-Marco Island, FL MSA. The AA's census tracts reflect the following income designations based on 2015 ACS data: 6 low-, 15 moderate-, 26 middle-, and 26 upper-income tracts, and 1 tract with no income designation. The following table notes certain demographic data for the area.

Demographic Information of the Assessment Area Naples MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	74	8.1	20.3	35.1	35.1	1.4
Population by Geography	341,091	7.2	23.5	38.0	31.3	0.0
Housing Units by Geography	201,582	3.6	18.3	38.0	40.0	0.0
Owner-Occupied Units by Geography	93,733	2.3	16.3	41.3	40.1	0.0
Occupied Rental Units by Geography	36,155	9.5	28.3	37.8	24.5	0.0
Vacant Units by Geography	71,694	2.4	15.9	33.8	47.8	0.0
Businesses by Geography	55,264	2.7	13.5	39.0	44.8	0.0
Farms by Geography	1,442	4.9	20.3	43.4	31.3	0.0
Family Distribution by Income Level	87,665	20.8	17.7	19.3	42.2	0.0
Household Distribution by Income Level	129,888	22.3	17.1	18.4	42.2	0.0
Median Family Income – 34940 Naples-Marco Island, FL MSA		\$66,264	Median Housing Value Median Gross Rent Families Below Poverty Level			\$347,465 \$1,087 9.1%
Source: 2015 ACS Data; 2019 D&B Data Due to rounding, totals may not equal 100.0 percent. *The NA category consists of geographies that have not been assigned an income classification.						

On August 30, 2019, FEMA declared Collier County a major disaster area due to Hurricane Dorian. Additionally, on May 13, 2020, FEMA declared Collier County a major disaster area due to the 36<sup>th</sup> Avenue Fire.

The AA's median housing value is \$347,465 and the MFI is \$66,264, which makes housing affordability a challenge in this AA. In addition, discussions with bank management revealed that the area largely reflects a community of high net worth retirees. Such individuals generally have more limited banking credit needs, decreasing loan demand.

The MSA's unemployment rate of 4.9 percent for November 2020 falls below the 6.1 percent rate for the State of Florida and the U.S. rate of 6.4 percent. The AA's largest employers include Publix Supermarkets, Naples Community Hospital, Wal-mart Stores, Chico's FAS Inc., Arthrex Manufacturing, and Lipman Family Farms.<sup>4</sup> Service industries represent the largest portion of businesses at 42.2 percent; followed by non-classifiable establishments at 19.1 percent; and finance,

<sup>4</sup>Source: Moody's Analytics, Precis U.S. Metro, August 2019

insurance, and real estate at 11.0 percent. In addition, 66.7 percent of area businesses have 4 or fewer employees, and 95.1 percent operate from a single location.

The AA is competitive in the financial services market. According to the FDIC Deposit Market Share data as of June 30, 2020, 33 institutions operated 140 offices within this AA. Of these institutions, AMB ranked 19<sup>th</sup> with 1.0 percent deposit market share. The top 5 financial institutions account for 54.3 percent of the total deposit market share.

As previously noted, as part of the evaluation process, examiners contact third parties active in the AA to assist in identifying the credit and CD needs. A representative of an economic development organization in the AA identified a need for residential lending within Collier County. The contact noted that the inventory for affordable housing is low due to the high demand. The contact also stated that there is strong demand for single family homes for first-time buyers. In addition, the contact stated that there is also a strong demand for higher-end homes due to the robust retirement community, and home prices are increasing. Overall, the contact indicated that financial institutions have been responsive to the credit and CD needs.

#### North Port MSA AA

The North Port MSA AA includes all of Sarasota County, which comprises only a portion of the North Port-Sarasota-Bradenton, FL MSA. The AA's census tracts reflect the following income designations based on 2015 ACS data: 1 low-, 20 moderate-, 48 middle-, and 25 upper-income tracts, and 1 tract with no income designation. The following table notes certain demographic data for the area.

Demographic Information of the Assessment Area North Port MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	95	1.1	21.1	50.5	26.3	1.1
Population by Geography	392,038	1.0	20.2	54.9	23.9	0.0
Housing Units by Geography	230,150	0.8	18.7	51.2	29.3	0.0
Owner-Occupied Units by Geography	127,964	0.5	16.1	55.9	27.6	0.0
Occupied Rental Units by Geography	47,221	2.3	28.7	49.6	19.4	0.0
Vacant Units by Geography	54,965	0.3	16.4	41.8	41.5	0.0
Businesses by Geography	62,570	0.5	19.2	46.7	33.6	0.0
Farms by Geography	1,693	0.6	18.5	53.2	27.7	0.0
Family Distribution by Income Level	106,472	17.5	19.2	21.9	41.4	0.0
Household Distribution by Income Level	175,185	21.9	17.0	18.7	42.4	0.0
Median Family Income – 35840 North Port-Sarasota-Bradenton, FL MSA		\$62,814	Median Housing Value Median Gross Rent Families Below Poverty Level			\$234,066 \$1,040 7.0%
Source: 2015 ACS Data; 2019 D&B Data Due to rounding, totals may not equal 100.0 percent. (* The NA category consists of geographies that have not been assigned an income classification.						

On August 30, 2019, FEMA declared Sarasota County a major disaster area due to Hurricane Dorian.

The AA's median housing value is \$234,066 and the MFI is \$62,814, which makes housing affordability a challenge in this AA. In addition, discussions with bank management revealed that the area largely reflects a community of high net worth retirees. Such individuals generally have more limited banking credit needs, decreasing loan demand.

The MSA's unemployment rate of 5.2 percent for November 2020 falls below the 6.1 percent rate for the State of Florida and the U.S. rate of 6.4 percent. The AA's largest employers include Sarasota Memorial Health Care System, Publix Supermarkets, PGT Industries, Bealls Inc., Bon Secours Venice Hospital, and Wal-mart Stores.<sup>5</sup> Service industries represent the largest portion of businesses at 43.1 percent, followed by non-classifiable establishments at 18.1 percent, and retail trade at 10.1 percent. In addition, 68.1 percent of area businesses have 4 or fewer employees, and 94.8 percent operate from a single location.

The AA is competitive in the financial services market. According to the FDIC Deposit Market Share data as of June 30, 2020, 35 institutions operated 155 offices within this AA. Of these institutions, AMB ranked 27<sup>th</sup> with 0.4 percent deposit market share. The top 5 financial institutions account for 57.7 percent of the total deposit market share.

### Orlando MSA AA

The Orlando MSA AA includes all of Orange County, which comprises only a portion of the Orlando-Kissimmee-Sanford, FL MSA. The AA's census tracts reflect the following income designations based on 2015 ACS data: 11 low, 68 moderate-, 64 middle-, and 63 upper-income tracts, and 1 tract with no income designation. The following table notes certain demographic data for the area.

Demographic Information of the Assessment Area Orlando MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	207	5.3	32.9	30.9	30.4	0.5
Population by Geography	1,229,039	3.6	31.0	32.8	32.6	0.0
Housing Units by Geography	501,513	3.9	31.0	33.0	32.2	0.0
Owner-Occupied Units by Geography	238,900	1.5	22.2	34.6	41.7	0.0
Occupied Rental Units by Geography	195,419	6.5	40.8	31.3	21.4	0.0
Vacant Units by Geography	67,194	4.6	33.4	32.4	29.6	0.0
Businesses by Geography	176,040	1.7	27.2	31.2	39.8	0.0
Farms by Geography	3,173	1.7	25.5	36.0	36.8	0.0
Family Distribution by Income Level	279,898	23.1	17.7	18.7	40.6	0.0
Household Distribution by Income Level	434,319	24.0	16.9	18.1	41.0	0.0
Median Family Income – 36740 Orlando-Kissimmee-Sanford, FL MSA		\$57,304	Median Housing Value Median Gross Rent Families Below Poverty Level			\$170,085 \$1,055 13.6%
Source: 2015 ACS Data; 2019 D&B Data Due to rounding, totals may not equal 100.0 percent. (* ) The NA category consists of geographies that have not been assigned an income classification.						

<sup>5</sup>Source: Moody's Analytics, Precis U.S. Metro, August 2019

On August 30, 2019, FEMA declared Orange County a major disaster area due to Hurricane Dorian. Additionally, on August 1, 2020, FEMA declared Orange County a major disaster area due to Hurricane Isaias.

The MSA's unemployment rate of 7.7 percent for November 2020 rises above the 6.1 percent rate for the State of Florida and the U.S. rate of 6.4 percent. The AA's largest employers include Walt Disney World Resort, Advent Health, Universal Orlando, Orlando International Airport, Orlando Health, and University of Central Florida.<sup>6</sup> Service industries represent the largest portion of businesses at 40.9 percent, followed by non-classifiable establishments at 20.9 percent, and retail trade at 10.1 percent. In addition, 64.9 percent of area businesses have 4 or fewer employees, and 93.5 percent operate from a single location.

The AA is competitive in the financial services market. According to the FDIC Deposit Market Share data as of June 30, 2020, 36 institutions operated 277 offices within this AA. Of these institutions, AMB ranked 27<sup>th</sup> with a 0.2 percent deposit market share. The top 4 financial institutions account for 69.9 percent of the total deposit market share.

## State of Texas

### Lubbock MSA AA

The Lubbock MSA AA includes all of Lubbock County, which comprises only a portion of the Lubbock, TX MSA. The AA's census tracts reflect the following income designations based on 2015 ACS data: 6 low-, 15 moderate-, 24 middle-, 22 upper-income tracts, and 1 tract with no income designation. The following table notes certain demographic data for the area.

Demographic Information of the Assessment Area Lubbock MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	68	8.8	22.1	35.3	32.4	1.5
Population by Geography	290,782	5.6	22.0	39.9	32.5	0.0
Housing Units by Geography	119,565	6.5	21.9	38.1	33.5	0.0
Owner-Occupied Units by Geography	61,164	2.5	16.4	38.1	42.9	0.0
Occupied Rental Units by Geography	46,376	10.6	27.9	38.5	23.0	0.0
Vacant Units by Geography	12,025	10.7	26.6	36.5	26.2	0.0
Businesses by Geography	25,168	3.6	15.8	36.1	44.4	0.1
Farms by Geography	1,159	1.5	8.5	34.6	55.5	0.0
Family Distribution by Income Level	66,941	22.1	16.4	19.5	41.9	0.0
Household Distribution by Income Level	107,540	24.4	16.0	17.7	41.9	0.0
Median Family Income – 31180 Lubbock, TX MSA		\$57,914	Median Housing Value Median Gross Rent Families Below Poverty Level			\$110,016 \$827 12.5%
Source: 2015 ACS Data; 2019 D&B Data Due to rounding, totals may not equal 100.0 percent. *The NA category consists of geographies that have not been assigned an income classification.						

<sup>6</sup>Source: Moody's Analytics, Precis U.S. Metro, August 2019

The MSA's unemployment rate of 6.2 percent for November 2020 falls below the 7.2 percent rate for the State of Texas and the U.S. rate of 6.4 percent. The AA's largest employers include Texas Tech University, Covenant Healthcare System, United Supermarkets, University Medical Center, and Texas Tech Health Sciences Center.<sup>7</sup> Service industries represent the largest portion of businesses at 40.7 percent, followed by non-classifiable establishments at 13.5 percent, and retail trade at 13.0 percent. In addition, 65.6 percent of area businesses have 4 or fewer employees, and 89.5 percent operate from a single location.

The AA is competitive in the financial services market. According to the FDIC Deposit Market Share data as of June 30, 2020, 24 institutions operated 106 offices within this AA. Of these institutions, AMB ranked 22<sup>nd</sup> with 0.4 percent deposit market share.

### Odessa MSA AA

The Odessa MSA AA includes all of Ector County, which comprises all of the Odessa, TX MSA. The AA's census tracts reflect the following income designations based on 2015 ACS data: 1 low-, 6 moderate-, 12 middle, and 9 upper-income tracts. The following table notes certain demographic data for the area.

Demographic Information of the Assessment Area Odessa MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	28	3.6	21.4	42.9	32.1	0.0
Population by Geography	149,557	2.2	22.3	40.7	34.8	0.0
Housing Units by Geography	55,357	2.3	22.3	39.1	36.3	0.0
Owner-Occupied Units by Geography	33,733	1.6	21.4	42.7	34.3	0.0
Occupied Rental Units by Geography	17,135	3.5	23.5	31.8	41.1	0.0
Vacant Units by Geography	4,489	3.0	24.8	39.7	32.5	0.0
Businesses by Geography	10,236	1.4	22.0	33.3	43.3	0.0
Farms by Geography	143	2.1	8.4	28.7	60.8	0.0
Family Distribution by Income Level	36,204	21.8	17.3	20.5	40.4	0.0
Household Distribution by Income Level	50,868	24.1	16.3	17.5	42.0	0.0
Median Family Income – 36220 Odessa, TX MSA		\$64,450	Median Housing Value Median Gross Rent Families Below Poverty Level			\$112,941 \$901 11.0%
Source: 2015 ACS Data; 2019 D&B Data Due to rounding, totals may not equal 100.0 percent. *The NA category consists of geographies that have not been assigned an income classification.						

The MSA's unemployment rate of 13.1 percent for November 2020 is significantly higher than the 7.2 percent rate for the State of Texas and the U.S. rate of 6.4 percent. The AA's largest employers include Halliburton, Saulsbury Industries, Medical Center Health System, NexTier, and Walmart.<sup>8</sup> Service industries represent the largest portion of businesses at 34.8 percent, followed by non-classifiable establishments at 14.4 percent, and retail trade at 13.3 percent. In addition, 63.4 percent of area businesses have 4 or fewer employees, and 85.7 percent operate from a single location.

<sup>7</sup>Source: Moody's Analytics, Precise U.S. Metro, August 2019

<sup>8</sup>Source: Moody's Analytics, Precise U.S. Metro, August 2019

The AA is competitive in the financial services market. According to the FDIC Deposit Market Share data as of June 30, 2020, 16 institutions operated 37 offices within this AA. Of these institutions, AMB ranked 2<sup>nd</sup> with 11.8 percent deposit market share.

### Texas Non-MSA AA

The Texas Non-MSA AA includes all of contiguous Andrews and Gaines Counties, which comprise a portion of the Texas Non-MSA. The AA's census tracts reflect the following income designations based on 2015 ACS data: 3 middle- and 4 upper-income tracts. The following table notes certain demographic data for the area.

Demographic Information of the Assessment Area Texas Non-MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	7	0.0	0.0	42.9	57.1	0.0
Population by Geography	35,691	0.0	0.0	40.3	59.7	0.0
Housing Units by Geography	12,353	0.0	0.0	41.5	58.5	0.0
Owner-Occupied Units by Geography	8,410	0.0	0.0	37.3	62.7	0.0
Occupied Rental Units by Geography	2,681	0.0	0.0	49.5	50.5	0.0
Vacant Units by Geography	1,262	0.0	0.0	52.3	47.7	0.0
Businesses by Geography	2,073	0.0	0.0	44.1	55.9	0.0
Farms by Geography	162	0.0	0.0	42.6	57.4	0.0
Family Distribution by Income Level	8,626	15.2	13.3	15.3	56.2	0.0
Household Distribution by Income Level	11,091	15.2	11.5	14.0	59.3	0.0
Median Family Income – Texas Non-MSAs		\$52,198	Median Housing Value Median Gross Rent Families Below Poverty Level			\$109,476 \$855 9.3%
Source: 2015 ACS Data; 2019 D&B Data Due to rounding, totals may not equal 100.0 percent. *The NA category consists of geographies that have not been assigned an income classification.						

Andrews and Gaines Counties reported November 2020 unemployment rates of 8.8 and 7.2 percent, respectively. The rate for Gaines County is consistent with the 7.2 percent rate for the State of Texas, while the rate for Andrews County rises higher than the state's rate. The rates for both counties land higher than the U.S. rate of 6.4 percent. Service industries represent the largest portion of businesses at 31.2 percent, followed by retail trade at 13.7 percent, and non-classifiable establishments at 13.4 percent. In addition, 63.4 percent of area businesses have 4 or fewer employees, and 84.4 percent operate from a single location.

The AA is competitive in the financial services market. According to the FDIC Deposit Market Share data as of June 30, 2020, 4 institutions operated 8 offices within this AA. Of these institutions, AMB ranked 3<sup>rd</sup> with 21.8 percent deposit market share.



## GLOSSARY

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

**American Community Survey (ACS):** A nationwide United States Census survey that produces demographic, social, housing, and economic estimates in the form of five year estimates based on population thresholds.

**Area Median Income:** The median family income for the MSA, if a person or geography is located in an MSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

**Assessment Area:** A geographic area delineated by the bank under the requirements of the Community Reinvestment Act.

**Census Tract:** A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

**Combined Statistical Area (CSA):** A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

**Community Development:** For loans, investments, and services to qualify as community development activities, their primary purpose must:

- (1) Support affordable housing for low- and moderate-income individuals;
- (2) Target community services toward low- and moderate-income individuals;
- (3) Promote economic development by financing small businesses or farms; or
- (4) Provide activities that revitalize or stabilize low- and moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies.

**Community Development Corporation (CDC):** A CDC allows banks and holding companies to make equity type of investments in community development projects. Bank CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community. Bank CDCs are also tailored to their financial and marketing needs. A CDC may purchase, own, rehabilitate, construct, manage, and sell real property. Also, it may make equity or debt investments in development projects and in local businesses. The CDC activities are expected to directly benefit low- and moderate-income groups, and the investment dollars should not represent an undue risk on the banking organization.

**Community Development Financial Institutions (CDFIs):** CDFIs are private intermediaries (either for profit or nonprofit) with community development as their primary mission. A CDFI facilitates the flow of lending and investment capital into distressed communities and to individuals who have been unable to take advantage of the services offered by traditional financial institutions. Some basic types of CDFIs include community development banks, community development loan funds, community development credit unions, micro enterprise funds, and community development venture capital funds.

A certified CDFI must meet eligibility requirements. These requirements include the following:

- Having a primary mission of promoting community development;
- Serving an investment area or target population;
- Providing development services;
- Maintaining accountability to residents of its investment area or targeted population through representation on its governing board of directors, or by other means;
- Not constituting an agency or instrumentality of the United States, of any state or political subdivision of a state.

**Community Development Loan:** A loan that:

- (1) Has as its primary purpose community development; and
- (2) Except in the case of a wholesale or limited purpose bank:
  - (i) Has not been reported or collected by the bank or an affiliate for consideration in the bank's assessment area as a home mortgage, small business, small farm, or consumer loan, unless it is a multifamily dwelling loan (as described in Appendix A to Part 203 of this title); and
  - (ii) Benefits the bank's assessment area(s) or a broader statewide or regional area including the bank's assessment area(s).

**Community Development Service:** A service that:

- (1) Has as its primary purpose community development;
- (2) Is related to the provision of financial services; and
- (3) Has not been considered in the evaluation of the bank's retail banking services under § 345.24(d).

**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, home equity loans, other secured consumer loans, and other unsecured consumer loans.

**Core Based Statistical Area (CBSA):** The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

**Distressed Middle-Income Nonmetropolitan Geographies:** A nonmetropolitan middle-income geography will be designated as distressed if it is in a county that meets one or more of the following triggers:

- (1) An unemployment rate of at least 1.5 times the national average;
- (2) A poverty rate of 20 percent or more; or
- (3) A population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

**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. Other family 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).

**FFIEC-Estimated Income Data:** The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

**Full-Scope Review:** A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower profile, 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 do 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; and the disposition of the application (approved, denied, and withdrawn).

**Home Mortgage Loans:** Includes closed-end mortgage loans or open-end line of credits as defined in the HMDA regulation that are not an excluded transaction per the HMDA regulation.

**Housing Unit:** Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

**Limited-Scope Review:** A limited-scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area.

Performance under applicable tests is often analyzed using only quantitative factors (e.g., geographic distribution, borrower profile, 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.

**Low Income Housing Tax Credit:** The Low-Income Housing Tax Credit Program is a housing program contained within the Internal Revenue Code of 1986, as amended. It is administered by the U.S. Department of the Treasury and the Internal Revenue Service. The U.S. Treasury Department distributes low-income housing tax credits to housing credit agencies through the Internal Revenue Service. The housing agencies allocate tax credits on a competitive basis.

Developers who acquire, rehabilitate, or construct low-income rental housing may keep their tax credits. Or, they may sell them to corporations or investor groups, who, as owners of these properties, will be able to reduce their own federal tax payments. The credit can be claimed annually for ten consecutive years. For a project to be eligible, the developer must set aside a specific percentage of units for occupancy by low-income residents. The set-aside requirement remains throughout the compliance period, usually 30 years.

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

**Median Income:** The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

**Metropolitan Division (MD):** A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

**Metropolitan Statistical Area (MSA):** CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities 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 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 and less than 80 percent in the case of a geography.

**Multi-family:** Refers to a residential structure that contains five or more units.

**Nonmetropolitan Area** (also known as **non-MSA**): All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

**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 lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

**Rated Area:** A rated area is a state or multistate 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 multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

**Rural Area:** Territories, populations, and housing units that are not classified as urban.

**Small Business Investment Company (SBIC):** SBICs are privately-owned investment companies which are licensed and regulated by the Small Business Administration (SBA). SBICs provide long-term loans and/or venture capital to small firms. Because money for venture or risk investments is difficult for small firms to obtain, SBA provides assistance to SBICs to stimulate and supplement the flow of private equity and long-term loan funds to small companies. Venture capitalists participate in the SBIC program to supplement their own private capital with funds borrowed at favorable rates through SBA's guarantee of SBIC debentures. These SBIC debentures are then sold to private investors. An SBIC's success is linked to the growth and profitability of the companies that it finances. Therefore, some SBICs primarily assist businesses with significant growth potential, such as new firms in innovative industries. SBICs finance small firms by providing straight loans and/or equity-type investments. This kind of financing gives them partial ownership of those businesses and the possibility of sharing in the companies' profits as they grow and prosper.

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

**Small Farm Loan:** 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, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

**Underserved Middle-Income Nonmetropolitan Geographies:** A nonmetropolitan middle-income geography will be designated as underserved if it meets criteria for population size, density, and dispersion indicating the area's population is sufficiently small, thin, and distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

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

**Urban Area:** All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, "urban" consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

"Urban" excludes the rural portions of "extended cities"; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.