

# *Proud to be American*

## 2023 Annual Report





# Letter to Shareholders

The theme of our Annual Report this year is “Proud to be American.” These words are not at all new to us at American bank, nor are they unique to how we feel about being a part of American Bank in the year 2023. Rather, our proud history has brought us to a high-water mark that reflects 53 years of teamwork and devotion to our clients.

We are especially proud that American Bank delivered a successful outcome in 2023, with record operating earnings of \$32 million, up from a record the previous year. In addition, we surpassed the highest total assets in the history of the bank, reaching nearly \$2.5 billion.

All this was accomplished while maintaining historically outstanding asset quality, successfully integrating TexStar National Bank, and reaching both our production and financial goals for the year. That this could be achieved in a highly challenging interest rate environment and a period of economic instability is a credit to our entire team. We are growing in a healthy, profitable way, and 2023 is a year we can all be proud of at American Bank!

The past year has seen American Bank expand its footprint in Texas, onboard new employees, support many nonprofit organizations throughout our markets, enhance our wealth management and private banking teams, and expand our treasury management business. We are proud to be able to say that we are now serving more clients, with more bankers, in more markets, with a larger balance sheet, and higher earnings than at any time in our history.

We are so grateful to our Board, our clients, our employees, and our shareholders for their ongoing support and commitment to American Bank. The year ahead promises to be challenging as persistently high inflation, coupled with the effects of a recent period of dramatic increases in interest rates, casts a cloud over the banking industry. We feel extremely fortunate to report these results and be in such a strong position entering 2024, when many banks are struggling and policymakers are facing difficult decisions in the months ahead.

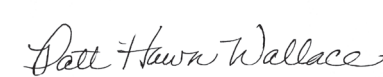
Thankfully, our strong balance sheet, deep client relationships, hard-working employees, and experienced leadership team have put American Bank in a position to respond to any challenges in a way that best serves our clients and shareholders.

Our vision of becoming a leading Texas regional bank and our commitment to community banking has not changed. We believe results will follow if we remain focused on client relationships and the credo of our founder, George Hawn, to “always do the right thing.” That is the American Bank way. That is who we are. That is why we are **Proud to be American.**




**Ben B. Wallace**

Chairman of the Board,  
American Bank



**Patt Hawn Wallace**

Chair of the Board, American  
Bank Holding Corporation



**Stephen C. Raffaele, CFA**

Chief Executive Officer and  
President, American Bank



# Proud of our Purpose

At American Bank, our clients come first. And our super-community bank business model combined with a focus on delivering exceptional service has helped us build meaningful client relationships since 1970. Our mission is to make dreams come true for commercial businesses, professionals, and individuals across the Coastal Bend and South and Central Texas.

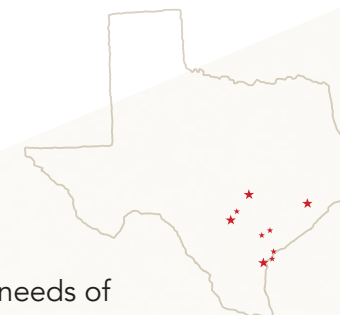
From our beginnings in Corpus Christi and throughout our years of expansion across Texas, we've been a trusted advisor helping our clients achieve their financial dreams, providing financial solutions for generations of families, and helping countless business owners see their hopes for the future become a reality. Over the years, we also have seen many of our dreams for American Bank come true. And we proudly retain our independent, community bank spirit and the healthy culture that makes it all possible.

As a community bank, we are dedicated to our American Bank family, the communities we call home, and the clients who call us *their bank*. Our priority is to see our clients succeed and build their own family and community legacy, just as we are at American Bank. We are proud of our mission, we find meaning in our purpose, and we gain a great deal of satisfaction in our service. And we want our clients to be proud that they are a part of American Bank.

Ida Gonzales  
Branch Manager,  
Rockport

Chris Murray  
Market President,  
Rockport

# Proud to Serve



## Commercial Banking

Full suite of banking products and solutions focused on the needs of businesses, delivered by experienced bankers with deep local knowledge

## Wealth Management

Private banking, investment management, trust, and financial planning

## Treasury Management

Powered by a comprehensive suite of technology-enabled services

## Personal Banking

A full range of personal deposit products, mobile banking services, personal loans, home mortgages, and construction loans

Member FDIC. Equal Housing Lender. Wealth Services: Not a deposit. Not FDIC insured. No bank guarantee. May lose value.

Wendy Moore  
Market President,  
Port Aransas



# Proud of our Leadership



**Donette Stubblefield**  
Chief Banking Executive,  
Commercial and Wealth

**Stephen Raffaele, CFA**  
Chief Executive Officer  
and President

**Todd Lee**  
Chief Information Officer

**Tom Adams**  
Chief Financial Officer

**John Wessman**  
Executive Vice President  
of Consumer Banking  
and Marketing

**Suzelle Tinnell**  
Chief of Staff

**Rob Childers**  
President, American Bank  
Equipment Finance

**Eric Vigil**  
Chief Compliance  
Officer

**David Doherty**  
Chief Credit Officer



# Proud of our Success

The entire banking industry was challenged in 2023. Bank failures, in total dollar amount of assets, were the largest since the Great Recession. While this was caused by only a few banks with highly unusual or unique business models that were not representative of community banks, these failures stoked consumer fears, impacted bank valuations, put additional pressure on deposits, and created market instability. In addition, in 2023 banks were facing higher interest rates, lower margins, rampant cybersecurity threats, and a long anticipated but unrealized fear of another recession.

For American Bank, 2023 was a unique year of opportunity. We continued to focus on our long-term client relationships and had many opportunities to develop new ones. As some banks struggled, we also had opportunities to invite experienced bankers to join us – a healthy, profitable, and growing bank with a long-term focus and a healthy culture. As a result, **we are proud to report that 2023 was the most successful year in our 53-year history.**

## \$32 million highest annual operating earnings ever\*

### Completed successful integration of TexStar National Bank employees and clients

### Best year ever for Wealth Management, Treasury Management, and Equipment Finance

**Norma Sanchez**  
Senior Deposit  
Administration Officer



2023

Presented the first  
**George S. Hawn  
Award of Excellence**  
to Cindy Dreier in  
Client Services



Welcomed new Regional  
Board in Houston

Implemented new bank-wide  
telecommunications system

Expanded and renovated  
multiple facilities across  
our footprint

Upgraded the bank's ATM  
system and expanded  
the number of available  
ATMs to 55,000+

\* Pre-provision net income, excluding discontinued operations and one-time, acquisition-related costs.

\*\* GAAP Equity, excluding impact of AOCI (unrealized bond portfolio gains or losses).

Loan growth increased by **\$180 million** or **12%** and set new record at **\$1.7 billion**

**17% growth** in reported net income of **\$27 million**

**Outstanding asset quality**

New bank record at nearly  
**\$2.5 billion**  
total assets

Total adjusted equity grew to more than **\$205 million\*\***

**\$1.5 million** in fraud prevention on behalf of bank clients



# Success by the Numbers

One year ago, we reported that American Bank achieved historic financial results. In 2023, we once again set new records for financial performance. It was our best year ever as we set a new record for **annual operating earnings at \$32 million**. We realized the highest annual loan growth in bank history, surpassing \$180 million, which brought our total loans to \$1.7 billion. And we reached the highest total assets in the history of the bank at nearly \$2.5 billion.

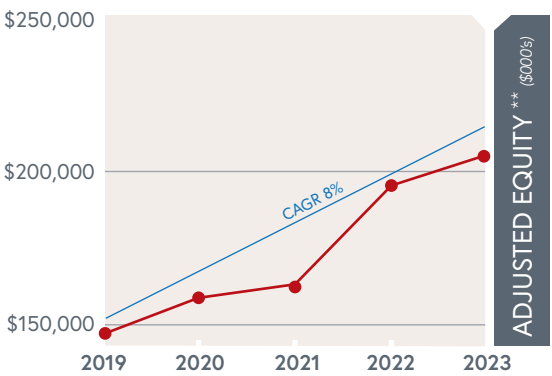
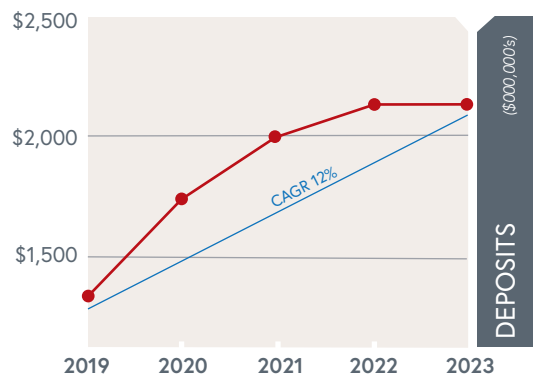
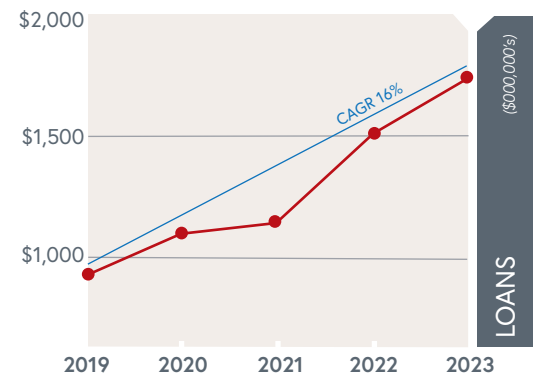
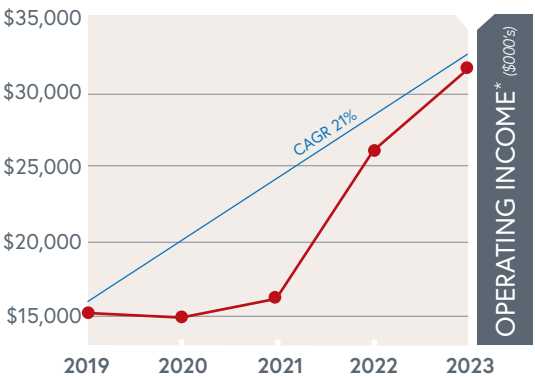
We are extremely proud of the progress we're making on our strategic plan. We are growing in the right way.



## Proud to be American

“Working at American Bank gives me the opportunity to help people enhance their business. Every day is a fresh chance to challenge the status quo and be a driving force for financial empowerment. It makes me proud to see recommendations turn into results and dreams become realities.”

— Monique Williams, Treasury Management Specialist



## Statement of Condition

December 31, 2023 (\$000's)

Assets	
Cash & Due from Banks	\$ 142,740
Securities	478,910
Loans, Net	1,694,528
Other Assets	148,450
Total Assets	\$ 2,464,628
Liabilities	
Deposits	\$ 2,124,227
Borrowings	158,466
Other Liabilities	35,620
Total Liabilities	\$ 2,318,363
Equity***	\$ 146,265
Total Liabilities & Equity	\$ 2,464,628

\* Pre-provision net income, excluding discontinued operations and one-time, acquisition-related costs.

\*\* GAAP Equity, excluding impact of AOCI (unrealized bond portfolio gains or losses).

\*\*\* GAAP Equity, which includes impact of AOCI (unrealized bond portfolio gains or losses).



# Proud of our Expansion

American Bank is growing, and we are fulfilling our long-term strategic vision. In 2022, we announced our plans to acquire TexStar National Bank in San Antonio. We completed the full conversion and integration of TexStar's six branches in 2023, bringing our total number of American Bank locations to 19. We also welcomed former TexStar employees and clients into the American Bank family. The similar cultures and strong leadership of both organizations made for a smooth integration process and a great first year.

That was only part of our San Antonio expansion in 2023. We also added an experienced Private Banking team to work alongside our established Wealth Management group. The combined forces of these teams expands American Bank's ability to deliver a white-glove experience to our private banking, wealth, and trust clients across our entire footprint.



L to R — Jeff Hawthorn, Senior Private Banker; Diana Cervantes, Loan Administrative Assistant - Private Banking; Anthony Perez, Private Banker; Candace Tottenham, Senior Fiduciary & Compliance Officer; Jerry Daniel, Senior Private Banker; Susan Wiesner, Managing Director, Fiduciary Services

American Bank acquired ACG Equipment Finance in 2021, which rebranded to American Bank Equipment Finance this year. Now, as a fully functioning part of the American Bank family, the Equipment Finance team has been able to leverage the resources of the bank, expand their team, and continue to grow. This resulted in their best year ever.

In the Houston market, American Bank welcomed a new Regional Advisory Board. The eight members of this advisory board will lend their business acumen to the bank and help bolster the market's business development efforts. American Bank now has regional advisory boards in Austin and Houston, with plans to add similar business development-focused boards in our South Texas and San Antonio markets.

We're proud of all we accomplished in 2023 and we are excited about the future. It's a great time to be part of American Bank.

## Proud to be American

“ One of my favorite things about American Bank is our culture. We are here to build real and lasting relationships with our clients. Once you're a part of American Bank, you understand and recognize what makes our bank unique.” ”

— Marie Aguirre, Branch Manager, Padre Island







Nicole Noto, Treasury Analyst

## Looking to the Future

The future is exciting for American Bank. Despite the anticipated headwinds that 2024 may bring, we do not focus on any one year. We recognize 2023 and 2024 are just points in time. This is a hallmark of American Bank. We are fixated on the long term and what the next 50 years will look like for our clients and our bank.

American Bank is in an enviable position. We have a strong client base, a strong team, and strong financials. We are built to endure.

While challenges will arise and earnings may dip, we will stride onward with a confidence that is bolstered by our culture. Culture matters and we know that we are here to make a positive difference for our clients and shareholders. We believe in that.

As we go forward, we will continue to invest in our bank. We will continue to innovate. We will continue to serve our communities. We will continue to hire the best bankers in Texas. And we will continue to grow. At American Bank, we maintain a long-term view.

At the end of the day, relationships matter. We've spent more than 53 years building meaningful client relationships based on trust, communication, and performance. Our future is filled with promise and opportunity. It's a great time to be at American Bank!

## Proud to be American

**“** I'm immensely proud to represent American Bank.

We are about building relationships with our clients and making a real difference in their lives every single day.

I often highlight our unwavering commitment to doing what's right. That's what sets us apart.

We are genuinely dedicated to serving the people and businesses of our communities with integrity and care. **”**

— Dillon McVay, Commercial Lending Officer





# Proud of our Communities

Our roots run deep in our communities. Beyond just our clients, the identity of American Bank is vitally connected to the well-being of the communities in which we live and serve. A tangible commitment to community has been an essential part of American Bank since our founding more than 53 years ago.

We actively invest in the future of our clients and our communities. And this goes well beyond dollars. The American Bank team spends thousands of hours volunteering at local organizations to support our community partners.

Each year we contribute our time, offer our resources, and provide significant assistance to the communities in which we live and work. It's a blessing for our bank and our employees to be able to give back. And we are proud to do so.



## Proud to be American

“American Bank understands community banking. As a second-generation American Banker, I’ve seen the difference we can make in people’s lives by being a community partner. Every day I get to work with people who enjoy serving and it makes me proud to represent such an organization.”

— Allison Webster, Employee Engagement Officer







Syeda Gilani, Digital Marketing Manager

American Bank  
Board of Directors

- Ben B. Wallace**  
*Chairman*

**Richard Scanio**  
*Vice Chairman*

**Stephen C. Raffaele, CFA**  
*Chief Executive Officer and President*
- Ralph Abendshein**  
*Oakum Holdings, LLC*

**Bibiana Dykema**  
*Levy Dykema Architects*

**Douglas (Kit) Fox, MD**  
*NeuroTexas, PLLC*

**Clayton J. Hoover, Jr.**  
*CHH Interests, Ltd.*

**Mark Nini**  
*GN Ventures, Ltd.*

**Ted Oakley**  
*Oxbow Advisors*

**Jorge Rangel**  
*Rangel Law Firm*

**Hil Stroup**  
*Key Title Group*

**Gary Valdez**  
*Focus Strategies, LLC*

**John Wallace**  
*Republic Ranches, LLC*

**Patt Hawn Wallace**  
*Hawn/Wallace Investments*

**Robert Webster, MD**  
*Third Coast Health*

**Brad Wheelless**  
*Business Advisor and Consultant*

American Bank Holding Corporation  
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- Patt Hawn Wallace**  
*Chair*

**Ben B. Wallace**  
*Vice Chairman*

**Stephen C. Raffaele, CFA**  
*President*
- Clayton J. Hoover, Jr.**  
*CHH Interests, Ltd.*

**Al Jones**  
*Retired*

**Ted Oakley**  
*Oxbow Advisors*

**Richard Scanio**  
*Scanio Investments*



**“** *At American Bank, we’re blessed to have a strong culture and a team of caring employees. That gives us a true advantage when it comes to delivering a great client experience.* **”**

— **Stephen C. Raffaele, CFA**, Chief Executive Officer and President, American Bank







**“** *I’m excited about the future of American Bank. Despite the headwinds of 2023, our results and performance have set the stage for new opportunities and continued growth. We are accomplishing our strategic initiatives, our board is aligned, our team is experienced and committed, and our investments in technology and elsewhere will continue to bear fruit. It’s an exciting time to be at American Bank and to think about what the future holds for our valued clients, long-term shareholders, and dedicated employees.* **”**

— **Stephen C. Raffaele, CFA**

*Chief Executive Officer and President, American Bank*