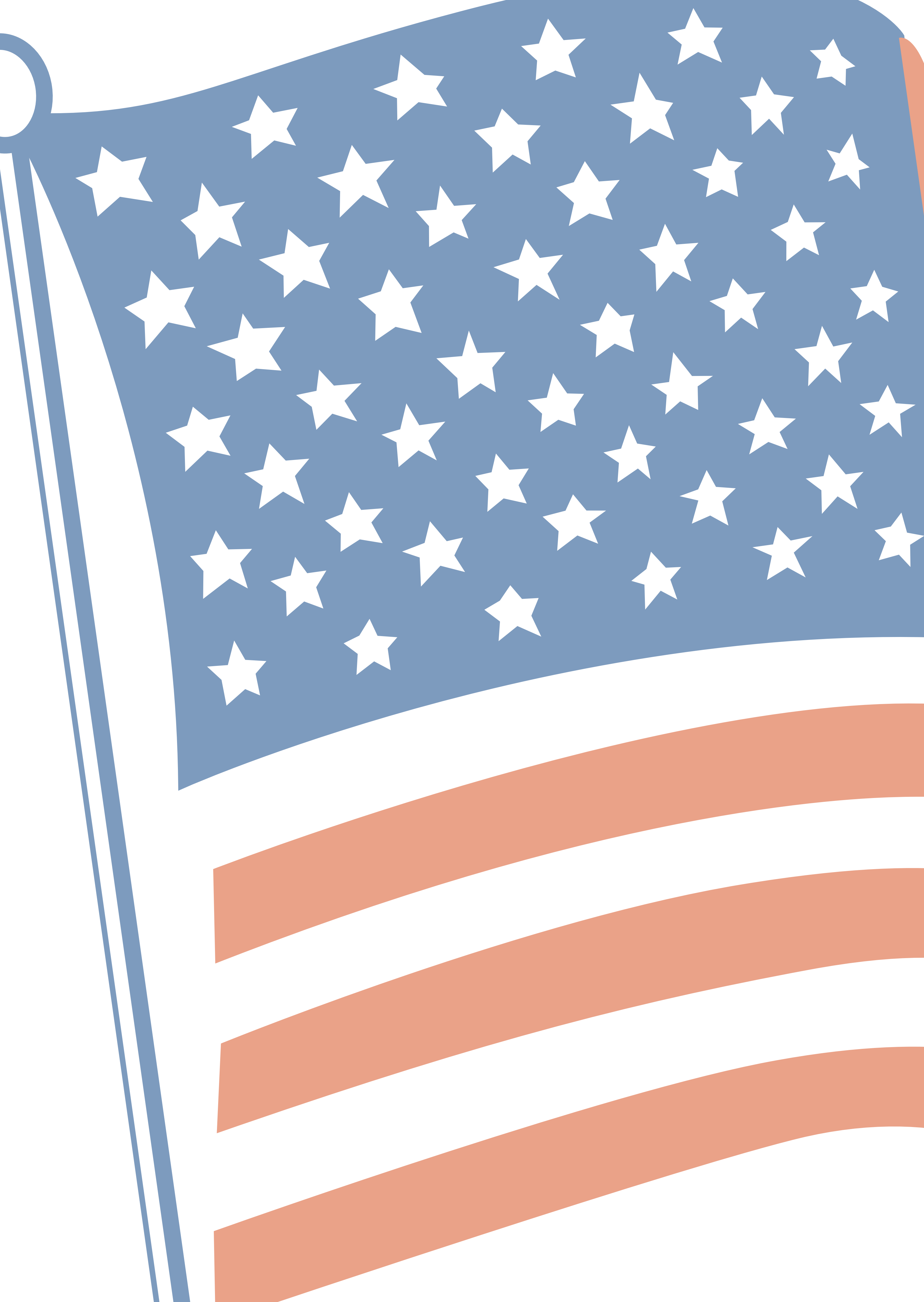
THE AMERICAN WAY

NATIONAL PRIDE.
COMMUNITY HEART.

AmeriBancShares, Inc.
2001 Annual Report



John B. "Bo" Stahler
President and CEO

November 29, 2001, marked the 25th Anniversary of American National Bank. As I present my letter to you, our shareholders, for the 25th time, I thought it might be interesting to show you a group of numbers, much like *Sports Illustrated* does in their monthly magazine, and see if you can guess the significance of each to the Bank over the past quarter of a century. The numbers are:

1 – 4 – 12 – 15 – 25
103 – 475 – 8,572,669 – 234,328,856

Who will ever forget that "Terrible Tuesday" in 1979 when a tornado ripped through Wichita Falls with such devastation that it took years for our community to recover. While the Bank was not in the path of the destruction, some of our employees and many of our customers were not as fortunate. Thankfully, though, that was the **1** and only tornado we have had to endure.

There have been **4** major renovations of the main Bank since we moved into our present location in 1980. If all goes well, the most recent expansion should be near completion by the time you receive this annual report.

A total of **12** Officers and employees originally opened the Bank.

The number **15** is significant in that it represents the number of consecutive years dividends to you, our shareholders, have been increased.

Of course **25** stands for the number of years the Bank has been open, but just as important, it also represents the number of years American National Bank's name has remained the same.

A total of **103** dedicated Officers and employees are now employed by the Bank.

475 is the total number of basis points the prime rate dropped during the year, from a high of 9.50% to the current rate of 4.75%, the largest percentage drop on record.

8,572,669 represents the total dollars paid in dividends since our inception.

And lastly, **$232,378,856** were the total footings of the Bank exactly 25 years to the day after we opened for business.

Over time, we have tried to move the Bank in the direction necessary to maximize shareholder value, being certain not to take on too much too fast. The downtown branch was our first effort to better meet our customers needs, specifically those in the downtown area. What a successful venture that turned out to be, as I doubt there are many branches anywhere as profitable.

Next we ventured into the mortgage loan business. The numbers pretty well speak for themselves. In the 12 years since we opened it, this Department has closed nearly $500MM in single family mortgages and generated approximately $9MM in pre-tax income.

In 1995 we opened a Loan Production Office in Lewisville, a suburb of Dallas, to further expand our mortgage operation, and the same year we opened a Trust Department in the main Bank facility in Wichita Falls. Two years later, the Loan Production Office was incorporated into a full service branch in Flower Mound. As of December 31, 2001, Flower Mound's loans and deposits each totaled in excess of $14MM. In fewer than three years, American National Bank's Trust assets grew to approximately $125MM. We then negotiated to purchase the local Trust assets of Bank of America, which increased their totals to $630MM. While the stock market decline of late has reduced the

Trust assets to slightly less than $600MM, the Department nevertheless continues to provide significant fee income to the bottomline.

American National Leasing Company was opened as a subsidiary of the Bank in late 1998. Our timing could not have been better, as many individuals and businesses are finding leasing preferable to ownership, and we are confident that the leasing operation will continue to grow and prosper.

And last, but not least, we opened our third branch in Iowa Park in early 2000. While it has yet to make a profit, we estimate that the branch will reach breakeven by the end of 2002.

It has been a wonderful 25 years, and while there have been a few bumps in the road along the way, the successes of the Bank far exceed any difficulties. Three events that occurred during 2001, unfortunately, each had a negative impact on the Bank, two of which our nation as a whole will be dealing with for many years to come. I am referring, of course, to the terrorist attacks of September 11, and the recent collapse of Enron, one of the largest corporations in America. Both of these events seem almost beyond comprehension. The third event was the huge drop in interest rates during the year, as Alan Greenspan and the Federal Reserve attempted to keep the economy in check. What it did, in fact, was create a great deal of uncertainty in the marketplace and made it almost impossible for financial institutions to maintain decent interest margins. In our case, the lower margins negatively impacted our net interest income approximately $2MM. Thanks to the tremendous growth in our loan totals during the year, along with a record year in terms of mortgage loan and Trust fee income, much of the lost interest income was offset, so the impact on earnings in comparison with the previous year was less than $400M.

The uncertainty on Wall Street did have a positive impact on our deposit totals, as many people moved out of the stock market, although not before experiencing a substantial drop in their net worth. The increased deposits could not have come at a better time, as they were needed to help fund the Bank's tremendous loan demand.

With the uncertainty in the economy, further complicated by the terrorist attacks and the collapse of Enron, we must be mindful that times are currently not as good as they have been in the past and credit quality may suffer. As a precaution, at the Bank we added $560M to the Allowance for Loan Losses, although the actual net charge-offs for the year amounted to fewer than $40M, and we are anticipating adding substantially to the Reserve in 2002 as well.

I wish I had a crystal ball to show us what to expect over the next 25 years. One thing I am quite certain of, however, is that the banking industry will continue to evolve into a provider of a vast array of financial services, thanks to the recent passage of the Gramm-Leach-Bliley Financial Modernization bill. The possibilities are endless. I assure you we will consider every opportunity to expand our products and services, in hopes of adding to shareholder value, but the safety and soundness of your investment will always remain a priority as well.

Since September 11, love of country has taken on added meaning. Americans everywhere proudly show their patriotism in the form of lapel pins, car decals and other patriotic gestures. We are proud that our name and colors symbolize the freedom we hold dear. Thanks to each of you for your support and God bless America. It's the American Way.

Bo Stahler

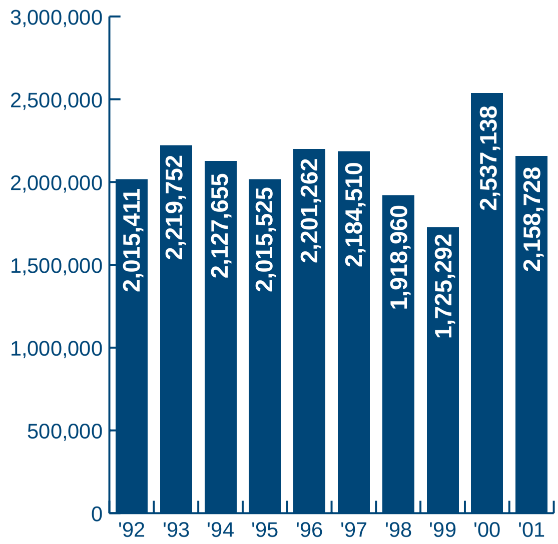
John B. "Bo" Stahler
President and CEO

	Year Ended December 31, 2001	2000	% Change	
Earnings				
Net Interest Income	7,211,472	8,132,652	-	20.2
Provision For Loan Losses	719,061	365,000	+	97.0
Non-Interest Income	6,345,926	5,327,997	+	19.1
Non-Interest Expense	10,051,264	9,277,415	+	8.3
Net Income	2,158,728	2,537,138	-	14.9
Share Data				
Net Income	1.10	1.28	-	14.1
Dividends Paid	.52	.48	+	8.3
Book Value	10.53	9.88	+	6.6
Returns				
Return on Average Assets	.93	1.24	-	25.0
Return on Average Equity	10.63	13.52	-	21.4
Financial Position at Year End				
Total Assets	244,745,235	219,183,828	+	11.7
Loans (Net)	158,114,954	137,964,983	+	14.6
Reserve for Loan Losses	1,916,590	1,418,538	+	35.1
Deposits	217,338,949	194,620,236	+	11.7
Equity	20,716,863	19,436,298	+	6.6

Year End Statistics

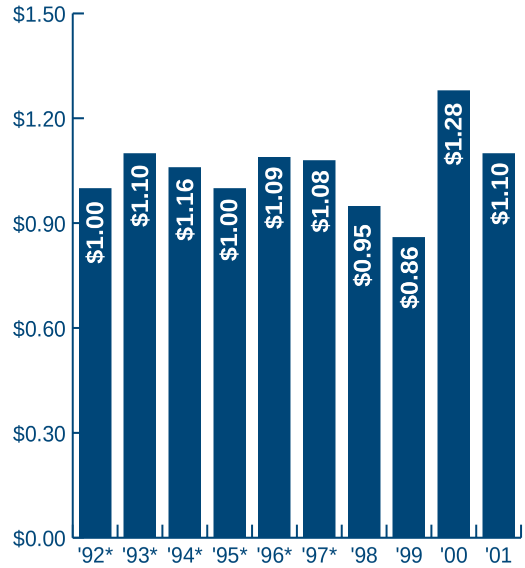
AmeriBancShares, Inc.

Consolidated Net Income

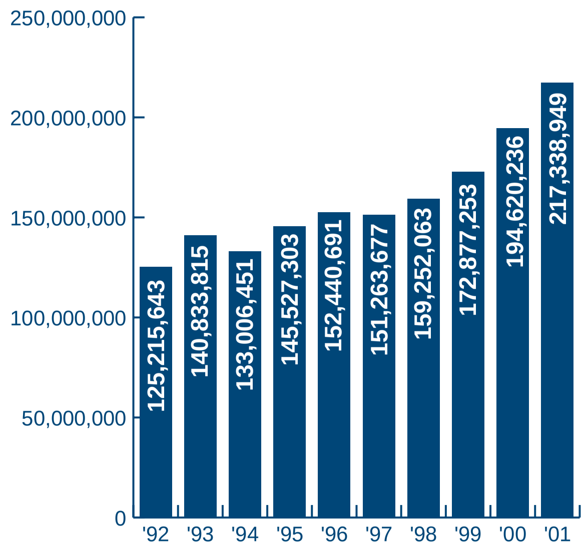


Earnings Per Share

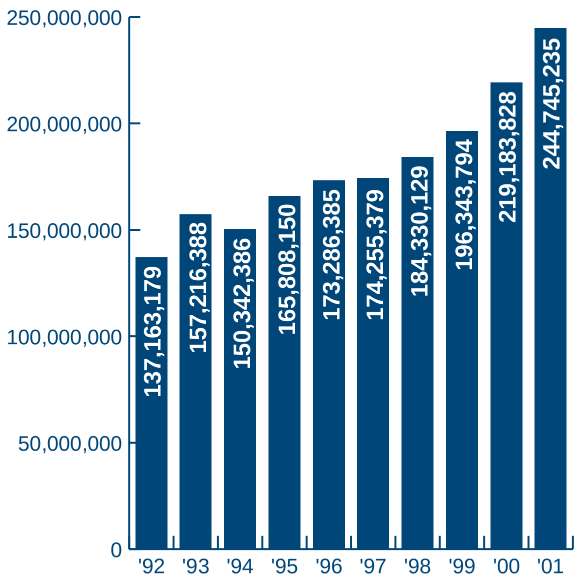
** adjusted to reflect AmeriBancShares, Inc. stock outstanding*



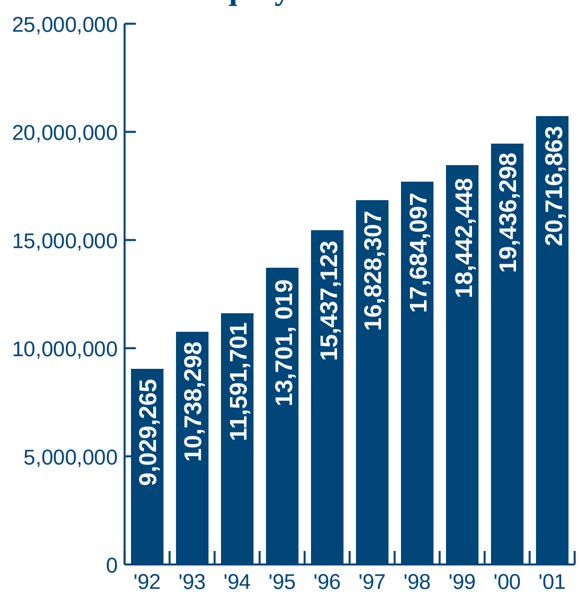
Year End Deposits



Year End Assets



Stockholders' Equity



To the Board of Directors and Stockholders
of AmeriBancShares, Inc. and Subsidiaries

We have audited the accompanying consolidated balance sheet of **AmeriBancShares, Inc. and Subsidiaries** as of December 31, 2001, and the related consolidated statements of income, changes in stockholders' equity, and cash flows for the year then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. The financial statements of **AmeriBancShares, Inc. and Subsidiaries** as of December 31, 2000, were auditied by other auditors whose report dated February 14, 2001, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the 2001 consolidated financial statements referred to above present fairly, in all material respects, the financial position of **AmeriBancShares, Inc. and Subsidiaries** as of December 31, 2001, and the results of their operations and their cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The consolidating schedules presented following the Notes to Consolidated Financial Statements are presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, and cash flows of the individual companies. Such information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements, and in our opinion, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

McGladrey & Pullen, LLP

McGladrey & Pullen, LLP

Wichita Falls, Texas
February 8, 2002

Consolidated Balance Sheets

December 31, 2001 and 2000

ASSETS	2001	2000
Cash and due from banks, noninterest bearing	$ 11,194,371	$ 18,961,558
Federal funds sold	16,775,000	5,790,000
Total cash and cash equivalents	27,969,371	24,751,558
Securities available for sale	26,853,205	25,338,358
Securities to be held to maturity (approximate market value of $2,646,765 in 2001 and $5,156,886 in 2000)	2,574,441	5,096,616
Other securities (approximate market value of $895,650 in 2001 and $858,650 in 2000)	895,650	858,650
Total investment securities	30,323,296	31,293,624
Mortgage loans held for sale	1,915,949	817,389
Loans	161,266,296	140,808,774
Less: Unearned discount	(1,234,752)	(1,425,253)
Allowance for loan losses	(1,916,590)	(1,418,538)
Loans, net	158,114,954	137,964,983
Premises and equipment, net	13,567,357	12,214,671
Accrued interest receivable	1,253,917	1,625,281
Other assets	11,600,391	10,516,322
Total assets	$ 244,745,235	$ 219,183,828

LIABILITIES AND STOCKHOLDERS' EQUITY		
Deposits:		
Demand deposits	$ 45,789,871	$ 37,872,039
Savings deposits	5,378,236	4,683,490
Money market and NOW accounts	53,255,134	58,272,561
Time certificates of deposit	110,915,708	92,792,146
Other time deposits	2,000,000	1,000,000
Total deposits	217,338,949	194,620,236
Federal funds purchased	3,320,000	1,618,000
Federal Home Loan Bank advances	473,871	524,764
Accrued interest payable	455,471	492,493
Other liabilities	2,440,081	2,492,037
Total liabilities	224,028,372	199,747,530
Commitments and contingencies		
Stockholders' equity:		
Common stock (par value $2.50; 5,000,000 shares authorized, 2,016,000 issued and 1,967,000 outstanding)	5,040,000	5,040,000
Surplus	10,878,386	10,878,386
Undivided profits and capital reserves	5,448,101	4,312,213
Treasury stock at cost (49,000 shares)	(882,000)	(882,000)
Accumulated other comprehensive income:		
Net unrealized appreciation on securities available for sale, net of tax of $119,709 in 2001 and $45,178 in 2000	232,376	87,699
Total stockholders' equity	20,716,863	19,436,298
Total liabilities and stockholders' equity	$ 244,745,235	$ 219,183,828

The accompanying Notes are an integral part of these financial statements.

Consolidated Statements of Income

For the Years Ended December 31, 2001 and 2000

	2001	2000
Interest income:		
Interest and fees on loans	$ 12,672,385	$ 12,539,885
Interest on investment securities	1,716,081	2,354,165
Interest on federal funds sold	563,158	291,849
Total interest income	14,951,624	15,185,899
Interest expense:		
Interest on deposits:		
Savings	87,561	106,991
Money market and NOW accounts	1,190,146	1,689,861
Time	6,338,591	4,895,190
Total interest on deposits	7,616,298	6,692,042
Interest on federal funds purchased	94,260	319,887
Interest on Federal Home Loan Bank advances	29,594	41,318
Total interest expense	7,740,152	7,053,247
Net interest income	7,211,472	8,132,652
Provision for loan losses	719,061	365,000
Net interest income after provision for loan losses	6,492,411	7,767,652
Other operating income:		
Service charges on deposit accounts	697,329	583,857
Trust fee income	2,925,134	2,474,064
Gain on sale of mortgage loans	601,686	377,414
Rent income	1,618,106	1,445,386
Other, net	503,671	447,276
Total other operating income	6,345,926	5,327,997
Other operating expenses:		
Salaries and bonuses	3,747,240	3,353,141
Employee benefits	1,306,621	1,337,893
Premises and equipment	2,359,451	2,213,305
Advertising	222,398	220,871
Data processing expense	308,021	278,127
Printing, stationery and supplies	167,267	155,008
Professional fees	122,066	115,087
Other operating expenses	1,818,200	1,603,983
Total other operating expenses	10,051,264	9,277,415
Income before income taxes	2,787,073	3,818,234
Provision for income taxes	628,345	1,281,096
Net income	$ 2,158,728	$ 2,537,138
Net income per share of common stock	$ 1.10	$ 1.28

The accompanying Notes are an integral part of these financial statements.

Consolidated Statements of Changes in Stockholders' Equity

For the Years Ended December 31, 2001 and 2000

	Common Stock Number of Shares	Amount	Surplus	Undivided Profits and Capital Reserves	Treasury Stock	Accumulated Other Comprehensive Income	Total Stockholders' Equity
Balance, January 1, 2000	2,016,000	$ 5,040,000	$ 10,878,386	$ 2,723,995	$ 0	($ 199,933)	$ 18,442,448
Comprehensive income:							
Net income				2,537,138			2,537,138
Other comprehensive income:							
Net change in unrealized appreciation (depreciation) on securities available for sale, net of taxes of $148,174						287,632	287,632
Total comprehensive income							2,824,770
Purchase of treasury stock					(882,000)		(882,000)
Cash dividends, $.48 per common share				(948,920)			(948,920)
Balance, December 31, 2000	2,016,000	5,040,000	10,878,386	4,312,213	(882,000)	87,699	19,436,298
Comprehensive income:							
Net income				2,158,728			2,158,728
Other comprehensive income:							
Net change in unrealized appreciation (depreciation) on securities available for sale, net of taxes of $74,531						144,677	144,677
Total comprehensive income							2,303,405
Cash dividends, $.52 per common share				(1,022,840)			(1,022,840)
Balance, December 31, 2001	2,016,000	$ 5,040,000	$ 10,878,386	$ 5,448,101	($ 882,000)	$ 232,376	$ 20,716,863

The accompanying Notes are an integral part of these financial statements.

Consolidated Statements of Cash Flows

For the Years Ended December 31, 2001 and 2000

	2001	2000
Cash flows from operating activities:		
Net income	$ 2,158,728	$ 2,537,138
Adjustments to reconcile net income to net cash provided by operations:		
Depreciation	1,697,158	1,576,068
Amortization of intangibles	311,040	178,845
Provision for loan losses	719,061	365,000
Provision for losses on other real estate owned	10,000	
Provision for (benefit from) deferred taxes	(189,898)	143,569
Gain on sale of mortgage loans	(601,686)	(377,414)
Gain on disposal of premises and equipment	(2,045)	(17,118)
Amortization of premium on investment securities	68,297	77,252
Accretion of discount on investment securities	(16,314)	(7,827)
Proceeds from sales of mortgage loans	40,821,566	25,367,517
Mortgage loans funded	(41,309,670)	(24,912,903)
(Increase) decrease in:		
Prepaid expenses	25,386	(149,573)
Accrued interest receivable	361,961	(240,193)
Income taxes receivable	(94,204)	88,375
Miscellaneous other assets	(383,194)	(543,765)
Increase (decrease) in:		
Accrued interest payable	(27,619)	104,478
Income taxes payable	(59,190)	59,190
Other taxes payable	36,602	34,140
Other accrued expenses	92,677	387,259
Net cash provided by operating activities	3,618,656	4,670,038
Cash flows from investing activities:		
Proceeds from maturities of securities available for sale	18,862,760	3,547,454
Proceeds from maturities of securities held to maturity	2,516,207	3,296,782
Purchase of securities available for sale	(20,204,416)	(1,621,120)
Purchase of other securities	(37,000)	(53,700)
Purchase of cash value life insurance	(424,956)	(1,500,000)
Net increase in loans	(21,580,631)	(22,997,485)
Purchase of trust business		(4,604,320)
Purchase of premises and equipment	(4,378,822)	(4,323,731)
Proceeds from sale of premises and equipment	1,499,035	987,890
Net cash used in investing activities	(23,747,823)	(27,268,230)
Cash flows from financing activities:		
Net increase in deposits	22,718,713	21,742,982
Net increase (decrease) in federal funds purchased	1,702,000	(497,000)
Net decrease in Federal Home Loan Bank advances	(50,893)	(47,984)
Purchase of treasury stock		(882,000)
Dividends paid	(1,022,840)	(948,920)
Net cash provided by financing activities	23,346,980	19,367,078
Net increase (decrease) in cash and cash equivalents	3,217,813	(3,231,114)
Cash and cash equivalents at beginning of period	24,751,558	27,982,672
Cash and cash equivalents at end of period	$ 27,969,371	$ 24,751,558
Supplemental disclosures of cash flow information:		
Cash paid during the year for:		
Interest	$ 7,777,174	$ 6,948,769
Income taxes	935,485	989,962

The accompanying Notes are an integral part of these financial statements.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING AND REPORTING POLICIES

The accounting and reporting policies of **AmeriBancShares, Inc. and Subsidiaries** ("the Company") conform to generally accepted accounting principles and prevailing practices within the banking industry. The Company carries its assets and liabilities principally on the historical cost basis and follows the accrual method of accounting.

Nature of Operations

The Company provides a variety of financial services to individual and business customers through its locations in Wichita Falls, Iowa Park and Flower Mound, Texas. The Company's primary deposit products are demand deposits, savings deposits, and certificates of deposit, and the primary lending products are commercial, real estate mortgages, and installment loans. The Company also provides trust services and vehicle and equipment leasing services to individual and business customers through its locations in Wichita Falls, Texas.

Basis of Presentation

The accompanying consolidated financial statements include the accounts of AmeriBancShares, Inc. and its wholly-owned subsidiaries, ANB Realty Corp. and AmeriBancShares of Delaware, Inc. The financial statements also include American National Bank, which is a wholly-owned subsidiary of AmeriBancShares of Delaware, Inc. and American National Leasing Company, which is a wholly owned subsidiary of American National Bank. All significant intercompany transactions have been eliminated. The consolidated statements of income, changes in stockholders' equity, and cash flows include operations for the years ended December 31, 2001 and 2000.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The determination of the adequacy of the allowance for loan losses is based on estimates that are particularly susceptible to significant changes in the economic environment and market conditions. In connection with the determination of the estimated losses on loans, management obtains independent appraisals for significant collateral.

The Company's loans are generally secured by specific items of collateral including real property, consumer assets and business assets. Although the Company has a diversified loan portfolio, a substantial portion of its debtors' ability to honor their contracts is dependent on local economic conditions in the real estate industry.

While management uses available information to recognize losses on loans, further reductions in the carrying amounts of loans may be necessary based on changes in local economic conditions. In addition, regulatory agencies, as an integral part of their examination process, periodically review the estimated losses on loans. Such agencies may require the Company to recognize additional losses based on their judgments about information available to them at the time of their examination.

Cash and Due From Banks

Included in cash and due from banks are legal reserve requirements which must be maintained on an average basis in the form of cash and balances due from the Federal Reserve and other banks.

Securities

In accordance with Statement of Financial Accounting Standards No. 115, "Accounting for Certain Debt and Equity Securities" (SFAS 115), securities are classified into three categories: held-to-maturity (HTM), available-for-sale (AFS) and trading.

Securities classified as held-to-maturity, which are those the Company has the positive intent and ability to hold to maturity, are reported at amortized cost. Securities classified as available-for-sale may be sold in response to changes in interest rates, liquidity needs, and for other purposes. Available-for-sale securities are reported at fair value and include securities not classified as held-to-maturity or trading. Trading securities are those held principally for the purpose of selling in the near future and are carried at fair value. The Company currently has no trading securities.

Purchase premiums and discounts are recognized in interest income using the interest method over the terms of the securities. Unrealized holding gains and losses for available-for-sale securities are excluded from earnings and reported, net of any income tax effect, as a separate component of stockholders' equity. Realized gains and losses are reported in earnings based on the adjusted cost of the specific security sold.

Mortgage Loans Held for Sale

The mortgage loans held for sale are stated at the lower of cost or market. Such mortgage loans are aggregated by type for the purpose of valuation. Allowances which are necessary to reflect a reduction of the portfolio to the lower of cost or market are charged against income in the current period.

Loans and Allowance for Loan Losses

Loans are stated at the amount of unpaid principal, reduced by unearned discount and an allowance for loan losses. Unearned discount on installment loans is recognized as income over the terms of the loans by using the sum-of-the-months' digits method. Interest on other loans is calculated by using the simple interest method on daily balances of the principal amount outstanding. The allowance for loan losses is established through a provision for loan losses charged to expenses. Loans are charged against the allowance for loan losses when management believes that the collectibility of the principal is unlikely. The allowance for loan losses is an amount that management believes will be adequate to absorb probable losses on existing loans that may become uncollectible, based on evaluations of the collectibility of loans and prior loan loss experience. The evaluations take into consideration such factors as changes in the nature and volume of the loan portfolio, overall portfolio quality, review of specific problem loans, and current economic conditions that may affect the borrowers' ability to pay.

Impaired loans are generally placed on nonaccrual when a loan is specifically determined to be impaired or when principal or interest is delinquent for 90 days or more. Any unpaid interest previously accrued on those loans is reversed from income. Interest income generally is not recognized on specific impaired loans unless the likelihood of

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING AND REPORTING POLICIES (CONT'D)

further loss is remote. Interest payments received on such loans are applied as a reduction of the loan principal balance. Interest income on other impaired loans is recognized only to the extent of interest payments received.

Other Real Estate Owned

Other real estate owned consists of real property acquired through foreclosure or deed in lieu of foreclosure. The Company has adopted Statement of Position 92-3 entitled "Accounting for Foreclosed Assets." In accordance with this statement, other real estate owned, in the amount of $692,829 at December 31, 2001, is carried at the lower of fair value minus estimated selling costs or cost. There is no other real estate owned as of December 31, 2000. When property is acquired, the asset is recorded at its fair value and an allowance for estimated selling costs is provided. The allowance for other real estate owned is adjusted for increases or declines in the fair value of the assets; however, the allowance may not be reduced below zero.

Premises and Equipment, and Depreciation

Premises and equipment are recorded at cost. Expenditures for maintenance and repairs are expensed, while expenditures for significant renewals and betterments are capitalized. When property is disposed of, the cost of the property and the related accumulated depreciation are removed from the accounts. The Company has elected to provide for depreciation on the straight-line method for financial reporting purposes and accelerated method for tax purposes.

Income Taxes

The Company files a consolidated income tax return with its wholly-owned subsidiaries and their wholly-owned subsidiaries. Federal income tax expense or benefit has been allocated on a separate return basis.

Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due plus deferred taxes related primarily to differences between the basis of accumulated depreciation and the allowance for loan losses for financial and income tax reporting. The deferred tax assets and liabilities represent the future tax return consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled.

Intangible Assets

The excess cost over fair value of net assets of businesses acquired (goodwill) is amortized on a straight-line basis over periods generally not exceeding fifteen years. Intangible assets are included in other assets. All such intangible assets are periodically evaluated as to the recoverability of their carrying values.

Net Income Per Common Share

Net income per common share is based on the weighted average number of common shares outstanding during the period.

Reclassification

For comparability, certain amounts in the 2000 financial statements have been reclassified, where appropriate, to conform with the financial presentation used in 2001.

Cash and Cash Equivalents

For purposes of recording cash flows, cash and cash equivalents include cash on hand, amounts due from banks, interest-bearing deposits in banks and federal funds sold. Generally, federal funds are purchased and sold for one-day periods.

Recent Accounting Pronouncements

In July 2001, the Financial Accounting Standards Board issued SFAS 142, *Goodwill and Other Intangible Assets*, which will impact the Company's accounting for its reported goodwill. SFAS 142 eliminates the amortization of goodwill and other intangibles that are determined to have an indefinite life and requires, at a minimum, annual impairment tests for goodwill and other intangible assets. The standard is required to be implemented by the Company in its 2002 financial statements. At December 31, 2001, goodwill, net of accumulated amortization had a recorded value of approximately $4,156,000. Management has yet to fully determine the initial effects of adoption of this pronouncement.

Note 2 - INVESTMENT SECURITIES

The amortized cost and estimated market values of investments in debt securities are as follows:

	December 31, 2001			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Market Value
Securities Available For Sale				
United States				
Agency securities	$ 7,011,874	$180,229	($ 11,788)	$ 7,180,315
Obligations of states and				
political subdivisions	2,725,000	49,969	(33,702)	2,741,267
Mortgage-backed				
securities	10,264,247	167,680	(304)	10,431,623
Equity securities	6,500,000			6,500,000
Totals	26,501,121	397,878	(45,794)	26,853,205
Securities to be Held to Maturity				
Obligations of states and				
political subdivisions	329,484	6,297		335,781
Mortgage-backed				
securities	2,244,957	66,027		2,310,984
Totals	2,574,441	72,324		2,646,765
Other securities	895,650			895,650
Total investment securities	$29,971,212	$470,202	($ 45,794)	$30,395,620

Note 2 - INVESTMENT SECURITIES (CONT'D)

	December 31, 2000			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Market Value
Securities Available For Sale				
United States Agency securities	$15,013,184	$ 49,169	($ 9,851)	$15,052,502
Obligations of states and political subdivisions	1,275,000	20,690		1,295,690
Mortgage-backed securities	8,917,296	82,720	(9,850)	8,990,166
Totals	25,205,480	152,579	(19,701)	25,338,358
Securities to be Held to Maturity				
United States Agency securities	900,000	500		900,500
Obligations of states and political subdivisions	860,069	9,795		869,864
Mortgage-backed securities	3,336,547	51,102	(1,127)	3,386,522
Totals	5,096,616	61,397	(1,127)	5,156,886
Other securities	858,650			858,650
Total investment securities	$31,160,746	$213,976	($ 20,828)	$31,353,894

Other securities consist of common stock in the Federal Reserve Bank, Federal Home Loan Bank and Independent Bankers Financial Corporation and are carried at fair value.

The amortized cost and estimated market value of debt securities at December 31, 2001, by contractual maturity, are shown below. Expected maturities will differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

	Securities Available for Sale		Securities to be Held to Maturity	
	Amortized Cost	Estimated Market Value	Amortized Cost	Estimated Market Value
Due in one year or less	$ 100,000	$ 100,985	$ 210,118	$ 214,143
Due after one year through five years	5,593,362	5,745,983		
Due after five years through ten years	3,408,512	3,416,257	119,366	121,638
More than ten years	635,000	658,357		
	9,736,874	9,921,582	329,484	335,781
Mortgage-backed securities	10,264,247	10,431,623	2,244,957	2,310,984
Equity securities	6,500,000	6,500,000		
Totals	$ 26,501,121	$ 26,853,205	$ 2,574,441	$ 2,646,765

There were no sales of securities during 2001 or 2000.

Investment securities with a book value of approximately $23,267,480 and $22,545,051 at December 31, 2001 and 2000, respectively, were pledged to secure deposits and for other purposes as required by law.

Note 3 - LOANS AND ALLOWANCE FOR LOAN LOSSES

A summary of loan categories is as follows:

	December 31, 2001	December 31, 2000
Commercial and industrial	$ 31,372,367	$ 24,701,177
Real estate - other	91,097,586	84,392,154
Real estate - construction	20,183,709	15,742,817
Consumer - installment	18,599,715	15,919,766
Overdrafts	12,919	52,860
Total loans	$161,266,296	$140,808,774

The Company had no loans to borrowers engaged in similar activities which exceeded 5% of total assets at December 31, 2001 other than as disclosed above.

Mortgage loans serviced for others are not included in the accompanying consolidated balance sheets. The unpaid principal balances of mortgage loans serviced for others was $10,129,195 and $9,261,659 at December 31, 2001 and 2000, respectively. Custodial escrow balances maintained in connection with the foregoing loan servicing, and included in demand deposits, were approximately $42,469 and $38,386 at December 31, 2001 and 2000, respectively.

Impaired loans having carrying values of $1,258,477 and $410,815 at December 31, 2001 and 2000, respectively, have been recognized in conformity with SFAS 114 as amended by SFAS 118. The average recorded investment in impaired loans during 2001 and 2000 was $466,820 and $250,012, respectively. The total allowance for loan losses related to those loans was $485,288 and $45,145 on December 31, 2001 and 2000, respectively. No payments on these loans were recorded as interest income when received in 2001 or 2000. There were no material commitments to lend additional funds to debtors whose loans were classified as impaired as of December 31, 2001 or 2000.

Loan maturities and rate sensitivity of the loan portfolio at December 31, 2001 and 2000, including mortgage loans held for resale less loans on nonaccrual, are as follows:

	2001	2000
Fixed rate loans with a remaining maturity of:		
Three months or less	$ 8,432,777	$ 6,698,771
Over three months through twelve months	16,221,802	10,315,606
Over one year through five years	49,958,246	49,271,374
Over five years	15,778,740	15,866,599
Total fixed rate loans	$ 90,391,565	$ 82,152,350
Variable rate loans with a repricing frequency of:		
Quarterly or more frequently	$ 61,271,393	$ 49,081,079
Annually or more frequently, but less frequently than quarterly	6,225,747	5,803,554

Note 3 - LOANS AND ALLOWANCE FOR LOAN LOSSES (CONT'D)

	2001	2000
Every five years or more frequently, but less frequently than annually	3,818,063	3,743,114
Less frequently than every five years	217,000	435,251
Total variable rate loans	$ 71,532,203	$ 59,062,998

A summary of the changes in allowance for loan losses is as follows:

	2001	2000
Balance at beginning of year	$ 1,418,538	$ 1,293,987
Provision for loan losses	719,061	365,000
Loans charged off	(256,073)	(272,512)
Recoveries of loans previously charged off	35,064	32,063
Balance at end of year	$ 1,916,590	$ 1,418,538

The allowance for financial statement purposes exceeded the federal income tax allowance by $1,168,600 and $650,547 at December 31, 2001 and 2000, respectively.

Note 4 - PREMISES AND EQUIPMENT

A summary of premises, equipment and land improvements and related accumulated depreciation is as follows:

	Estimated Useful Lives	December 31, 2001	December 31, 2000
Land		$ 1,472,998	$ 1,272,998
Premises	5-40 years	7,001,188	5,540,942
Furniture, fixtures and equipment	3-10 years	4,542,694	4,227,773
Land improvements	5-20 years	481,446	461,347
Lease equipment	3 - 5 years	6,308,423	6,135,507
		19,806,749	17,638,567
Less accumulated depreciation		6,239,392	5,423,896
Totals		$13,567,357	$12,214,671

Depreciation expense amounted to $1,697,158 and $1,576,068 in 2001 and 2000, respectively.

Premises of $7,001,188 at December 31, 2001 includes $1,632,797 in construction costs related to an expansion of the Company's main facility. Estimated additional costs of the expansion to be completed during 2002 total $444,550.

Note 5 - DEPOSITS

Included in time deposits are certificates of deposit in amounts of $100,000 or more. The aggregate amount of short-term jumbo certificates of deposit, each with a minimum denomination of $100,000, was $45,091,184 and $26,886,615 at December 31, 2001 and 2000, respectively.

At December 31, 2001 and 2000, the scheduled maturities of certificates of deposit are as follows:

	December 31, 2001	December 31, 2000
Less than three months	$ 52,125,347	$ 20,625,391
Four to twelve months	31,151,781	34,175,995
One to five years	27,638,580	37,990,760
Totals	$110,915,708	$ 92,792,146

Note 6 - OTHER BORROWED FUNDS

Federal funds purchased are generally purchased on a daily basis. Other borrowed funds consist of Federal Home Loan Bank advances, secured by customer loans and mortgage-backed securities collateralized by one-to-four family residences. The Federal Home Loan Bank advance has a fixed interest rate of 5.90% and is to be repaid in ninety-six monthly installments with a balloon payment due March 1, 2002. The advance was used by the Company to fund fixed interest rate residential loans to its customers.

Note 7 - INCOME TAXES

The provision for income taxes consists of the following:

	December 31, 2001	December 31, 2000
Current income tax expense:		
Federal	$ 818,243	$ 1,137,527
Deferred income tax expense (benefit) arising from:		
Excess of tax over financial accounting depreciation	67,331	205,353
Accounting for bad debt expense	(176,138)	(18,547)
Writedown of other real estate owned	(3,400)	
Federal Home Loan Bank stock dividends	12,580	18,258
Deferred compensation benefits	(92,636)	(57,762)
Deferred loan fee income	(1,357)	(3,769)
Charitable contributions		(3,685)
Organization costs	3,722	3,721
	(189,898)	143,569
Total income tax expense	$ 628,345	$ 1,281,096

The difference between the consolidated financial statement income tax expense and amounts computed by applying the statutory federal income tax rate of 34% to consolidated income before taxes is primarily attributable to investments in tax-exempt securities, tax-exempt increases in cash surrender value of life insurance, and certain other transactions.

As of December 31, 2001 and 2000, there are no unused net operating losses or tax credits available for carryover to future periods for either financial reporting or tax reporting purposes.

Net deferred federal income tax liabilities of $120,171 and $235,538 are included in other liabilities as of December 31, 2001 and 2000, respectively. The accumulated tax effects of each type of income and expense item that gave rise to deferred taxes are as follows:

Note 7 - INCOME TAXES (CONT'D)

	December 31, 2001	December 31, 2000
Deferred tax assets:		
Excess of tax cost over financial cost for fixed assets	$ 278,035	$ 1,062
Allowance for loan losses	397,324	221,186
Writedowns of other real estate owned	3,400	
Deferred compensation benefits	512,150	419,514
Deferred loan fee income	35,585	34,228
Organization costs	1,241	4,963
Total deferred tax assets	1,227,735	680,953
Deferred tax liabilities:		
Depreciation	(1,128,008)	(783,650)
Federal Home Loan Bank stock dividends	(99,756)	(87,176)
Amortization	(433)	(487)
Net unrealized appreciation on securities available for sale	(119,709)	(45,178)
Total deferred tax liablilities	(1,347,906)	(916,491)
Total net deferred tax assets (liabilities)	($ 120,171)	($ 235,538)

Federal income taxes currently receivable of $94,204 at December 31, 2001, are included in other assets. Federal income taxes currently payable of $59,190 at December 31, 2000 are included in other liabilities.

The Company was not liable for state income taxes in 2001 or 2000.

Note 8 - PENSION PLAN

The Company maintains a leveraged employee stock ownership 401(k) plan ("KSOP"). The KSOP periodically borrows from unrelated lenders to acquire stock for future allocation to KSOP participants. The KSOP provides for voluntary employee salary reduction contributions, voluntary employee after-tax contributions, discretionary employer salary reduction matching contributions, and additional discretionary employer contributions which the Company uses to pay interest on KSOP debt and KSOP debt principal reductions as the Company desires to release unallocated KSOP shares to the KSOP participants.

As shares are released from collateral, the Company reports compensation expense equal to the current market price of the shares. KSOP expense for 2001 and 2000 was $190,363 and $300,000, respectively. Employee salary reduction contributions of $235,438 and $192,564 were made in 2001 and 2000, respectively.

Note 9 - DEFERRED COMPENSATION PLANS

The Company maintains individually designed supplemental income plan agreements ("agreements") with certain designated employees and directors. The agreements provide a deferred compensation benefit payable at retirement or death.

The liability under the agreements is recorded based upon the present value of the deferred compensation benefits. At December 31, 2001 and 2000, the Company's accrued liability under the agreements was $1,506,324 and $1,233,864, respectively.

In connection with the funding of the agreements, the Company has purchased life insurance policies that it believes will fund the benefits payable pursuant to the agreements. The Company is owner and beneficiary of the life insurance policies. Other assets at December 31, 2001 and 2000, respectively, include $4,298,509 and $3,648,350 in cash value of these life insurance policies.

Note 10 - RELATED-PARTY TRANSACTIONS

At December 31, 2001 and 2000, certain officers and directors, and companies in which they have a 10 percent or more beneficial ownership, were indebted to the Company in the aggregate amount of approximately $5,692,280 and $5,536,632, respectively. During 2001, $2,257,125 of new loans were originated and repayments totaled $2,101,477. All such loans were made in the ordinary course of business. All loans included in such transactions were made on substantially the same terms, including interest rates and collateral requirements, as those prevailing at the time for comparable transactions with other persons and did not involve more than the normal risk of loss or present other unfavorable features.

Note 11 - COMMITMENTS AND CONTINGENT LIABILITIES

The Company's financial statements do not reflect various commitments and contingent liabilities which arise in the normal course of business and which involve elements of credit risk, interest rate risk and liquidity risk. These commitments and contingent liabilities are commitments to extend credit and standby letters of credit. A summary of the Company's commitments and contingent liabilities at December 31, 2001 and 2000, are as follows:

	December 31, 2001	December 31, 2000
Commitments to extend credit	$ 26,398,421	$ 22,304,945
Standby letters of credit	1,277,353	969,020
Total	$ 27,675,774	$ 23,273,965

Commitments to extend credit, and standby letters of credit all include exposure to some credit loss in the event of nonperformance of the customer. The Company evaluates each customer's creditworthiness on a case-by-case basis. The amount of collateral obtained if deemed necessary by the Company upon extension of credit is based on management's credit evaluation. Collateral held varies but may include accounts receivable, inventory, property, plant and equipment, and income-producing commercial properties. Because these instruments have fixed maturity dates, and because many of them expire without being drawn upon, they do not generally present any significant liquidity risk to the Company. The Company has not incurred any significant losses on its commitments in either 2001 or 2000.

The Company is a party to litigation and claims arising in the normal course of business. Management, after consultation with legal counsel, believes that the liabilities, if any, arising from such litigation and claims will not be material to the Company's financial position.

Note 12 - CONCENTRATIONS OF CREDIT

Substantially all of the Company's loans, commitments, credit card arrangements and standby letters of credit have been granted to customers in the Company's market area. Most customers are depositors of the Company. Investments in state and municipal securities also involve governmental entities within the Company's market area. The concentrations of credit by type of loan are set forth

Note 12 - CONCENTRATIONS OF CREDIT (CONT'D)

in Note 3. The distribution of commitments to extend credit approximates the distribution of loans outstanding. Commercial and standby letters of credit were granted primarily to commercial borrowers. As a matter of policy, the Company does not extend credit to any single borrower or group of related borrowers in excess of $2,635,626.

The Company occasionally maintains deposits and federal funds sold in excess of federally insured limits. Statement of Financial Accounting Standards No. 105 identifies these items as a concentration of credit risk requiring disclosure, regardless of the degree of risk. The risk is managed by maintaining all deposits in high quality financial institutions.

Note 13 - FAIR VALUE OF FINANCIAL INSTRUMENTS

The following methods and assumptions were used to estimate the fair value of each class of financial instruments as disclosed herein. The values are for disclosure purposes only and have not affected the carrying values of the assets and liabilities on the balance sheet.

Cash and Short-Term Investments

For those short-term investments, the carrying amount is a reasonable estimate of fair value.

Investment Securities

For debt securities held as investments, fair value equals quoted market price, if available. If a quoted market price is not available, fair value is estimated using quoted market prices for similar securities.

Loan Receivables

For certain homogeneous categories of loans, such as some residential mortgages, credit card receivables, and other consumer loans, fair value is estimated using the quoted market prices for securities backed by similar loans, adjusted for differences in loan characteristics. The fair value of other types of loans is estimated by discounting the future cash flows using the current rates at which similar loans would be made to borrowers with similar credit ratings and for the same remaining maturities.

Deposit Liabilities

The fair value of demand deposits, savings accounts, and certain money market deposits is the amount payable on demand at the reporting date. The fair value of fixed maturity certificates of deposit is estimated using the rates currently offered for deposits of similar remaining maturities.

Other Borrowed Funds

The fair value of federal funds purchased is the amount payable upon demand at the reporting date. The fair value of the Federal Home Loan Bank advance is estimated by discounting the future cash flows using the current rates at which similar advances would be made to banks with similar credit ratings for the same remaining maturities.

Commitments to Extend Credit, Standby Letters of Credit and Financial Guarantees Written

The fair value of commitments is estimated using the fees currently charged to enter into similar agreements, taking into account the remaining terms of the agreements and the present creditworthiness of the counterparties. For fixed-rate loan commitments, fair value also considers the difference between the current levels of interest rates and the committed rates. The fair value of guarantees and letters of credit is based on fees currently charged for similar agreements or on the estimated cost to terminate them or otherwise settle the obligations with the counterparties at the reporting date.

The estimated fair values of the Company's financial instruments at December 31, 2001 and 2000, are as follows:

	December 31, 2001		December 31, 2000	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets:				
Cash and short-term investments	$ 11,194,371	$ 11,194,371	$ 18,961,558	$ 18,961,558
Federal funds sold	16,775,000	16,775,000	5,790,000	5,790,000
Investment securities	30,323,296	30,395,620	31,293,624	31,353,894
Mortgage loans held for sale	1,915,949	1,915,949	817,389	817,389
Loans, net of unearned discount	160,031,544	162,994,408	139,383,521	136,065,099
Less allowance for loan losses	(1,916,590)	(1,916,590)	(1,418,538)	(1,418,538)
Loans, net of allowance	158,114,954	161,077,818	137,964,983	134,646,561
Financial liabilities:				
Deposits	217,338,949	220,207,000	194,620,236	194,833,000
Federal funds purchased	3,320,000	3,320,000	1,618,000	1,618,000
Federal Home Loan Bank advances	473,871	473,871	524,764	524,764
Unrecognized financial instruments:				
Commitments to extend credit	0	0	0	0
Standby letters of credit	0	0	0	0

Note 14 - REGULATORY MATTERS

The Bank is subject to the dividend restrictions set forth by the Comptroller of the Currency. Under such restrictions, the Bank may not, without the prior approval of the Comptroller of the Currency, declare dividends in excess of the lesser of the current and prior two years' undistributed earnings or the amount by which total capital exceeds the minimum allowable capital. The dividends, as of December 31, 2001 that the Bank could declare without the approval of the Comptroller of the Currency amounted to approximately $2,526,368.

The Company and Bank are subject to various regulatory capital requirements administered by the federal banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory, and possibly additional discretionary, actions by regulators that, if undertaken, could have a direct material effect on the consolidated financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Company and Bank must meet specific capital guidelines that involve quantitative measures of their assets, liabilities, and certain off-balance-sheet

Note 14 - REGULATORY MATTERS (CONT'D)

items as calculated under regulatory accounting practices. The Company's and Bank's capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk weightings and other factors.

Quantitative measures established by regulation to ensure capital adequacy require the Company and Bank to maintain minimum amounts and ratios (set forth in the table below) of total and Tier I capital (as defined in the regulations) to risk-weighted assets (as defined), and of Tier I capital (as defined) to average assets (as defined). Management believes, as of December 31, 2001 and 2000, that the Company and Bank meet all capital adequacy requirements to which it is subject.

As of December 31, 2001, the most recent notification from the Office of the Comptroller of the Currency categorized the Bank as well capitalized under the regulatory framework for prompt corrective action. To be categorized as well capitalized, the Company and Bank must maintain minimum total risk-based, Tier I risk-based, and Tier I leverage ratios as set forth in the table. There are no conditions or events since that notification that management believes have changed the institution's category.

The Company's and Bank's actual capital amounts and ratios are also presented in the table.

	Actual		For Capital Adequacy Purposes		To Be Well Capitalized Under Prompt Corrective Action Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
As of December 31, 2001:						
Total capital						
(to risk-weighted assets)						
Consolidated	$ 18,245,317	10.6%	≥ $ 13,774,480	≥ 8.0%	≥ $ 17,218,100	≥ 10.0%
American National Bank	$ 17,620,839	10.3%	≥ $ 13,723,280	≥ 8.0%	≥ $ 17,154,100	≥ 10.0%
Tier I capital						
(to risk-weighted assets)						
Consolidated	16,328,727	9.5%	≥ 6,887,240	≥ 4.0%	≥ 10,330,860	≥ 6.0%
American National Bank	15,704,248	9.2%	≥ 6,861,640	≥ 4.0%	≥ 10,292,460	≥ 6.0%
Tier I capital						
(to average assets)						
Consolidated	16,328,727	7.1%	≥ 9,256,970	≥ 4.0%	≥ 11,571,212	≥ 5.0%
American National Bank	15,704,248	6.8%	≥ 9,231,252	≥ 4.0%	≥ 11,539,065	≥ 5.0%
As of December 31, 2000:						
Total capital						
(to risk-weighted assets)						
Consolidated	$ 16,300,335	10.5%	≥ $ 12,422,320	≥ 8.0%	≥ $ 15,527,900	≥ 10.0%
American National Bank	$ 15,660,957	10.1%	≥ $ 12,369,600	≥ 8.0%	≥ $ 15,462,000	≥ 10.0%
Tier I capital						
(to risk-weighted assets)						
Consolidated	14,881,798	9.6%	≥ 6,211,160	≥ 4.0%	≥ 9,316,740	≥ 6.0%
American National Bank	14,242,419	9.2%	≥ 6,184,800	≥ 4.0%	≥ 9,277,200	≥ 6.0%
Tier I capital						
(to average assets)						
Consolidated	14,881,798	9.6%	≥ 8,220,880	≥ 4.0%	≥ 10,276,100	≥ 5.0%
American National Bank	14,242,419	7.0%	≥ 8,195,400	≥ 4.0%	≥ 10,244,250	≥ 5.0%

Note 15 - MULTI-TIERED BANK HOLDING COMPANY STRUCTURE

On February 19, 1997, an application was filed with the Federal Reserve Bank to authorize the formation of a multi-tiered bank holding company structure consisting of a Texas based parent company, AmeriBancShares, Inc. and a Delaware based intermediate holding company, AmeriBancShares of Delaware, Inc. Upon receipt of proper authorization of the holding company structure from the Federal Reserve Bank, the stock of American National Bank ("the Bank") was transferred to AmeriBancShares of Delaware, Inc. with the stockholders of the Bank receiving three shares of AmeriBancShares, Inc. common stock in exchange for each share of Bank common stock. The transfer was effective May 1, 1997 and was accomplished by the formation of a new bank subsidiary by AmeriBancShares of Delaware, Inc., with an initial capitalization of $240,000. The new bank subsidiary was merged with the Bank and the surviving entity retained the name of the Bank. On May 1, 1997, AmeriBancShares, Inc. formed an additional subsidiary, ANB Realty Corp., to acquire and develop real estate in Flower Mound, Texas.

Consolidating Balance Sheet

AmeriBancShares, Inc. and Subsidiaries, December 31, 2001

ASSETS	American National Leasing Co.	American National Bank
Cash and due from banks, noninterest bearing	$ 57,243	$ 11,192,477
Federal funds sold		16,775,000
Total cash and cash equivalents	57,243	27,967,477
Securities available for sale		26,853,205
Securities to be held to maturity		2,574,441
Other securities		895,650
Total investment securities		30,323,296
Mortgage loans held for sale		1,915,949
Loans	1,492,985	164,695,015
Less: Unearned discount	(236,925)	(997,827)
Allowance for loan losses	(50,000)	(1,866,590)
Loans, net	1,206,060	161,830,598
Premises and equipment, net	4,842,044	8,085,285
Accrued interest receivable		2,168,577
Other assets	270,854	11,256,629
Total assets	$ 6,376,201	$ 243,547,811
LIABILITIES AND STOCKHOLDERS' EQUITY		
Deposits:		
Demand deposits	$	$ 45,863,872
Savings deposits		5,378,236
Money market and NOW accounts		53,255,134
Time certificates of deposit		110,915,708
Other time deposits		2,000,000
Total deposits		217,412,950
Federal funds purchased		3,320,000
Notes Payable	4,921,704	
Federal Home Loan Bank advances		473,871
Accrued interest payable	905,258	448,574
Other liabilities	503,798	1,800,032
Total liabilities	6,330,760	223,455,427
Commitments and contingencies		
Stockholders' equity:		
Common stock	1,000	1,680,000
Surplus		2,090,826
Undivided profits and capital reserves	44,441	16,089,182
Treasury stock at cost		
Accumulated other comprehensive income:		
Net unrealized appreciation on securities available for sale		232,376
Total stockholders' equity	45,441	20,092,384
Total liabilities and stockholders' equity	$ 6,376,201	$ 243,547,811

AmeriBancShares of Delaware, Inc.	ANB Realty Corp.	AmeriBancShares, Inc.	Reclassification and Elimination Entries	Consolidated
$ 1,894	$ 7,657	$ 9,101	($ 74,001)	$ 11,194,371
				16,775,000
1,894	7,657	9,101	(74,001)	27,969,371
				26,853,205
				2,574,441
20,092,384		20,718,959	(40,811,343)	895,650
20,092,384		20,718,959	(40,811,343)	30,323,296
				1,915,949
			(4,921,704)	161,266,296
				(1,234,752)
				(1,916,590)
			(4,921,704)	158,114,954
	640,028			13,567,357
			(914,660)	1,253,917
1,580		5,102	66,226	11,600,391
$ 20,095,858	$ 647,685	$ 20,733,162	($ 46,655,482)	$ 244,745,235

$	$	$	($ 74,001)	$ 45,789,871
				5,378,236
				53,255,134
				110,915,708
				2,000,000
			(74,001)	217,338,949
				3,320,000
			(4,921,704)	
				473,871
		16,299	(914,660)	455,471
4,000	20,584		111,667	2,440,081
4,000	20,584	16,299	(5,798,698)	224,028,372
7,500	1,000	5,040,000	(1,689,500)	5,040,000
15,910,885	803,658	10,878,386	(18,805,369)	10,878,386
3,941,097	(177,557)	5,448,101	(19,897,163)	5,448,101
		(882,000)		(882,000)
232,376		232,376	(464,752)	232,376
20,091,858	627,101	20,716,863	(40,856,784)	20,716,863
$ 20,095,858	$ 647,685	$ 20,733,162	($ 46,655,482)	$ 244,745,235

Consolidating Statement of Income

AmeriBancShares, Inc. and Subsidiaries, December 31, 2001

	American National Leasing Co.	American National Bank
Interest income:		
Interest and fees on loans	$ 99,561	$ 12,853,182
Interest on investment securities		1,716,081
Interest on federal funds sold		563,158
Total interest income	99,561	15,132,421
Interest expense:		
Interest on deposits:		
Savings		87,561
Money market and NOW accounts		1,190,146
Time		6,338,591
Total interest on deposits		7,616,298
Interest on federal funds purchased		94,260
Interest on Federal Home Loan Bank advances		29,594
Interest on notes payable	280,358	
Total interest expense	280,358	7,740,152
Net interest income	(180,797)	7,392,269
Provision for loan losses	159,061	560,000
Net interest income after provision for loan losses	(339,858)	6,832,269
Other operating income:		
Service charges on deposit accounts		697,329
Trust fee income		2,925,134
Gain on sale of mortgage loans		601,686
Rent income	1,618,106	
Earnings from subsidiary		203,956
Other, net	119,301	394,998
Total other operating income	1,737,407	4,823,103
Other operating expenses:		
Salaries and bonuses	138,228	3,609,012
Employee benefits	32,367	1,274,254
Premises and equipment	1,141,417	1,197,456
Advertising		222,398
Data processing expense		308,021
Printing, stationery and supplies	4,433	162,834
Professional fees		122,066
Other operating expenses	113,269	1,710,131
Total other operating expenses	1,429,714	8,606,172
Income before income taxes	(32,165)	3,049,200
Provision for income taxes	(236,121)	875,571
Net income	$ 203,956	$ 2,173,629

AmeriBancShares of Delaware, Inc.	ANB Realty Corp.	AmeriBancShares, Inc.	Reclassification and Elimination Entries	Consolidated
$	$	$	($ 280,358)	$ 12,672,385
				1,716,081
				563,158
			(280,358)	14,951,624
				87,561
				1,190,146
				6,338,591
				7,616,298
				94,260
				29,594
			(280,358)	
			(280,358)	7,740,152
				7,211,472
				719,061
				6,492,411
				697,329
				2,925,134
				601,686
				1,618,106
2,173,629		2,155,449	(4,533,034)	
			(10,628)	503,671
2,173,629		2,155,449	(4,543,662)	6,345,926
				3,747,240
				1,306,621
	20,578			2,359,451
				222,398
				308,021
				167,267
				122,066
5,153	150	125	(10,628)	1,818,200
5,153	20,728	125	(10,628)	10,051,264
2,168,476	(20,728)	2,155,324	(4,533,034)	2,787,073
(619)	(7,082)	(3,404)		628,345
$ 2,169,095	($ 13,646)	$ 2,158,728	($ 4,533,034)	$ 2,158,728

Consolidating Statement of Cash Flows

AmeriBancShares, Inc. and Subsidiaries, December 31, 2001

	American National Leasing Co.	American National Bank
Cash flows from operating activities:		
Net income	$ 203,956	$ 2,173,629
Adjustments to reconcile net income to net cash provided by operations:		
Depreciation	1,118,419	578,739
Amortization of intangibles		311,040
Provision for loan losses	159,061	560,000
Provision for losses on other real estate owned		10,000
Provision (benefit from) for deferred taxes	38,828	(232,448)
Gain on sale of mortgage loans		(601,686)
Gain on disposal of premises and equipment	(2,045)	
Amortization of premium on investment securities		68,297
Accretion of discount on investment securities		(16,314)
Proceeds from sales of mortgage loans		40,821,566
Mortgage loans funded		(41,309,670)
Unconsolidated earnings from subsidiaries		(203,956)
(Increase) decrease in:		
Prepaid expenses	(14,321)	39,707
Accrued interest receivable		81,603
Income taxes receivable		(88,788)
Miscellaneous other assets	(37,564)	(341,630)
Increase (decrease) in:		
Accrued interest payable	280,358	(27,619)
Income taxes payable	(60,908)	
Other taxes payable		36,602
Other accrued expenses	(124,383)	213,060
Net cash provided by (used in) operating activities	1,561,401	2,072,132
Cash flows from investing activities:		
Proceeds from maturities of securities available for sale		18,862,760
Proceeds from maturities of securities held to maturity		2,516,207
Purchase of securities available for sale		(20,204,416)
Purchase of other securities		(37,000)
Purchase of cash value life insurance		(424,956)
Cash paid to subsidiaries		
Dividends received from subsidiaries		
Net increase in loans	(722,929)	(20,929,702)
Purchase of premises and equipment	(2,345,567)	(2,020,578)
Proceeds from sale of premises and equipment	1,489,262	9,733
Net cash provided by (used in) investing activities	(1,579,234)	(22,227,912)
Cash flows from financing activities:		
Net increase in deposits		22,745,853
Net increase in federal funds purchased		1,702,000
Net decrease in Federal Home Loan Bank advances		(50,893)
Net increase in other borrowed funds	72,000	
Cash received from parent company		
Dividends paid		(1,022,840)
Net cash provided by (used in) financing activities	72,000	23,374,120
Net increase (decrease) in cash and cash equivalents	54,167	3,218,340
Cash and cash equivalents at beginning of period	3,076	24,749,137
Cash and cash equivalents at end of period	$ 57,243	$ 27,967,477

AmeriBancShares of Delaware, Inc.	ANB Realty Corp.	AmeriBancShares, Inc.	Reclassification and Elimination Entries	Consolidated
$ 2,169,095	($ 13,646)	$ 2,158,728	($ 4,533,034)	$ 2,158,728
				1,697,158
				311,040
				719,061
				10,000
340	35	3,347		(189,898)
				(601,686)
				(2,045)
				68,297
				(16,314)
				40,821,566
				(41,309,670)
(2,173,629)		(2,155,449)	4,533,034	
				25,386
			280,358	361,961
(333)	1,963		(7,046)	(94,204)
		(4,000)		(383,194)
			(280,358)	(27,619)
		(5,328)	7,046	(59,190)
				36,602
4,000				92,677
(527)	(11,648)	(2,702)		3,618,656
				18,862,760
				2,516,207
				(20,204,416)
				(37,000)
				(424,956)
		(25,600)	25,600	
1,022,840		1,022,840	(2,045,680)	
			72,000	(21,580,631)
	(12,677)			(4,378,822)
				1,499,035
1,022,840	(12,677)	997,240	(1,948,080)	(23,747,823)
			(27,140)	22,718,713
				1,702,000
				(50,893)
			(72,000)	
	25,600		(25,600)	
(1,022,840)		(1,022,840)	2,045,680	(1,022,840)
(1,022,840)	25,600	(1,022,840)	1,920,940	23,346,980
(527)	1,275	(28,302)	(27,140)	3,217,813
2,421	6,382	37,403	(43,785)	24,751,558
$ 1,894	$ 7,657	$ 9,101	($ 70,925)	$ 27,969,371

Officers and Directors

Of American National Bank

OFFICERS

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Debbie Toby
Banking Officer

Loan Department

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Don Whatley
Senior Vice President

Vicki Nason
Assistant Vice President/Credit and Collateral

Doris McGregor Steinberger
Assistant Vice President/Compliance Officer

Linda Musgrave
Banking Officer

Peggy Carr
Banking Officer

Trust and Investment Services

Timothy G. Connolly
Senior Vice President / Senior Trust Officer

Sharon L. Moore
Vice President/Trust Officer

Randy Martin
Vice President/Trust Officer

Linda Wilson
Vice President/Trust Officer

Kelly J. Smith
Vice President/Trust Officer

Jeff Schultz
Vice President/Trust & Investments

Michael Boyle
Assistant Vice President/Compliance

Brad Davidson
Assistant Vice President/Employee Benefits

Kevin Goldstein
Assistant Vice President/Security Sales/Primevest

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Senior Vice President

Cathy Patterson
Assistant Vice President

Donna Vaughn
Mortgage Loan Officer

Maggie Harney
Funding Officer

Support Personnel

Roy T. Olsen, Jr.
Senior Vice President/Operations

Blake Andrews
Vice President/Controller

Nancy Vannucci
Vice President/Internal Auditor

Susan Cast
Vice President/Teller Operations

June Streight
Vice President/Cashier

Kenneth L. Haney
Assistant Vice President/Calling Officer

Nancy Davis
Banking Officer

Downtown Office

Johnny Clark
Senior Vice President/Manager

John W. Kable
Senior Vice President/Loans

Gail Natale
Marketing Director

William Patty
Assistant Vice President/Loans

Marva Pieratt
Banking Officer

Flower Mound Office

Sam Wilson
Vice President/Manager

Kristin Feeback
Loan Officer

Iowa Park Office

Randall R. Gibson
Vice President/Manager

American National Leasing Company

Don McKinney
Vice President/Manager

James H. Wright
Leasing Officer

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Chairman of the Board

John B. "Bo" Stahler
President and CEO

Dwight L. Berry

Johnny Clark*

Timothy G. Connolly*

W.O. Franklin*

Frank Gibson

Juliana Hanes

Harold Haynes

Milburn Nutt

Dr. George Ritchie

Bill Rowland

Stanley P. Rugeley

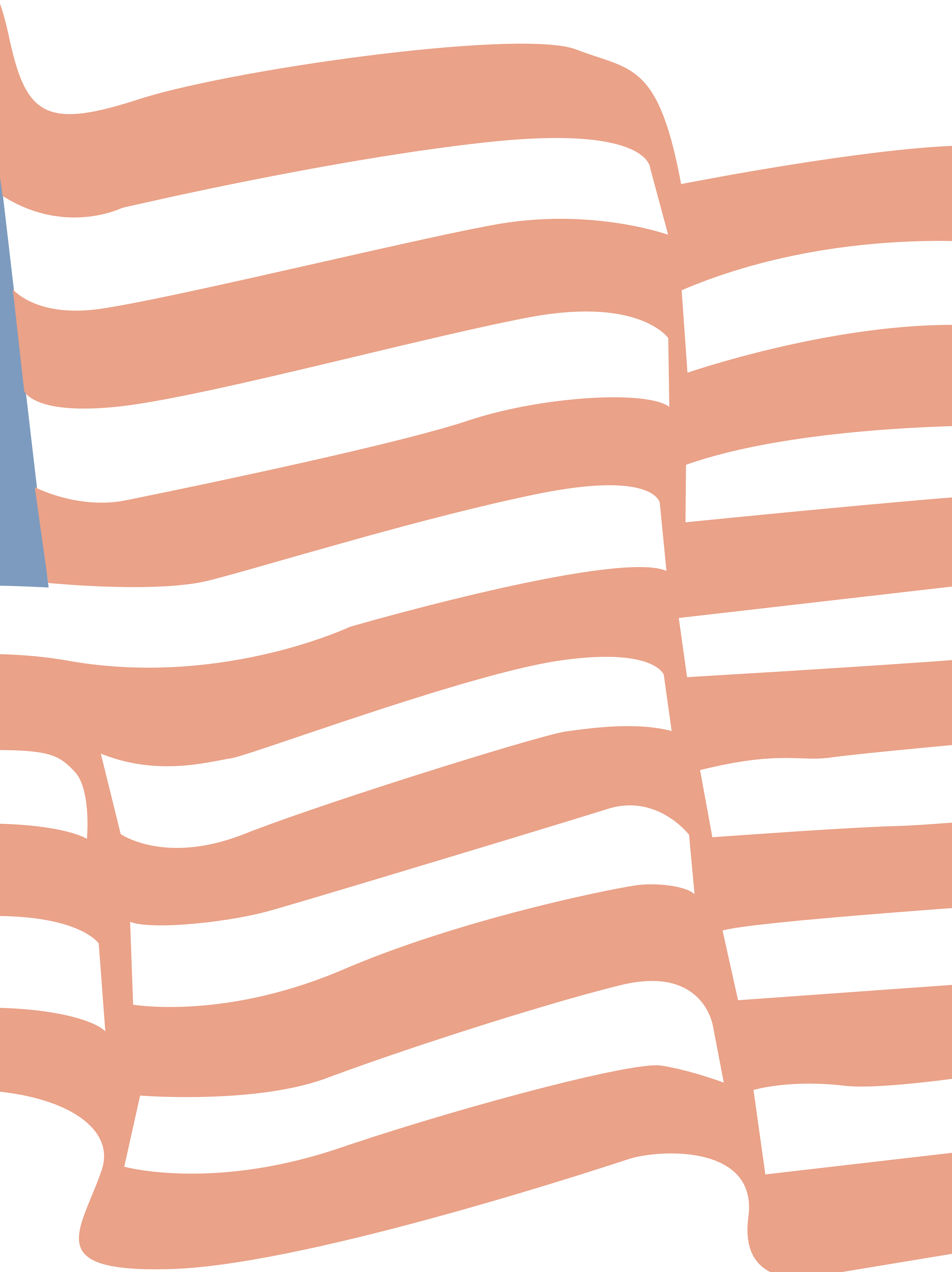
Robert Scott

Don Whatley*

Peggie Woodruff

Ben D. Woody

**Advisory Director*



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