



**SMALL BANK**

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Comptroller of the Currency  
Administrator of National Banks

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## **PUBLIC DISCLOSURE**

**July 07, 2003**

### **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

**American Bank National Association  
Charter Number 16320**

**2707 W. Northwest Highway  
Dallas, TX 75220**

**Comptroller of the Currency  
ADC-Dallas South  
500 North Akard Street, Suite 1600  
Dallas, TX 75201-3342**

**NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods consistent with safe and sound operation of the institution. This evaluation is not, 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'S CRA RATING

This institution is rated **Satisfactory**.

The following factors support this overall rating:

- The bank's average loan-to-deposit ratio of 68% during the examination period is reasonable and shows much improvement compared to the prior CRA performance evaluation.
- Lending performance reflects a reasonable penetration among borrowers of all income levels and segments of the community.
- A majority of loans are within the bank's assessment area (AA).

## DESCRIPTION OF INSTITUTION

American Bank, N.A. (American) is a \$27 million institution located in northwest Dallas, Texas. ABNA Holdings, Inc., a Texas holding company, owns 98% of the bank. There are no legal or financial factors impeding the bank's ability to meet community credit needs. The bank offers basic banking services and maintains one on-site automated teller machine. Their bank has no branches. The primary business focus is consumer lending. As of March 31, 2003, loans represent 60% of total assets. The following table details the composition of the loan portfolio.

<b>Loan Category</b>	<b>\$ (000)</b>	<b>%</b>
Consumer Loans	13,595	84.33%
Commercial Loans	1,806	11.20%
Residential Real Estate Loans	720	4.47%
<b>Total</b>	<b>16,121</b>	<b>100.00%</b>

American's last CRA Performance Evaluation, April 19, 1999, was rated **Satisfactory**. The bank does not originate government guaranteed loan programs for housing or small businesses. American is not required to maintain and report Home Mortgage Disclosure Act data due to the size of the institution.

## DESCRIPTION OF THE CITY OF DALLAS

American has defined its AA as the city of Dallas and is part of the Dallas Metropolitan Statistical Area (MSA). The AA includes 246 contiguous census tracts located primarily in Dallas County but with small portions in Collin and Denton Counties. The AA meets regulatory guidelines by including whole geographies and does not arbitrarily exclude any low- to moderate-income areas. The 1990 Census Bureau's weighted average median family income for MSA/Non-MSA's was used to determine the income categories for census tracts in the AA. The

2003 estimated Housing and Urban Development metropolitan family income of \$65,000 determined the income categories of borrowers. Based on the 2000 census, the population of Dallas is approximately 1.2 million. The following table depicts the demographics of the AA.

<b>DEMOGRAPHIC AND ECONOMIC CHARACTERISTICS OF AA</b>	
<i>Population</i>	
Number of Families	<b>228,860</b>
Number of Households	<b>379,469</b>
<i>Geographies</i>	
Number of Census Tracts/BNA	<b>246</b>
% Low-Income Census Tracts/BNA	<b>22%</b>
% Moderate-Income Census Tracts/BNA	<b>35%</b>
% Middle-Income Census Tracts/BNA	<b>20%</b>
% Upper-Income Census Tracts/BNA	<b>22%</b>
<i>Median Family Income (MFI)</i>	
1990 MFI for AA	<b>\$36,340</b>
2000 Weighted Avg MSA/Non-MSA MFI	<b>\$55,854</b>
2003 Estimated HUD-Adjusted MFI	<b>\$65,000</b>
<i>Economic Indicators</i>	
Unemployment Rate	<b>7%</b>
2002 Median Housing Value	<b>\$89,751</b>
% of Households Below Poverty Level	<b>15%</b>

The May 2003 unemployment rate for the Dallas MSA increased to 7.0%, which compares less favorably to both the state and national figures of 6.8% and 6.1%, respectively. Higher MSA unemployment figures have been fueled by recent layoffs in telecommunications and airline industries. According to the U.S. Bureau of Labor Statistics, the four top employment sectors in the Dallas MSA are services (30.2%), wholesale/retail trade (24.6%), manufacturing (13.0%), and government (11.9%). Future economic growth for the region is expected to continue in these general categories. Specifically, technologies, medical services, financial products and defense contracting should experience the most expansion.

There are 24 census tracts surrounding American that comprise the immediate trade area. The bank's location is in a low-income tract, and nine other census tracts within a four miles radius are either low- or moderate-income areas. Hispanic residents represent a majority of the bank's immediate marketplace. Consequently, most of the bank's employees are bilingual. Local businesses are primarily small retail and light industrial.

## **CONCLUSIONS ABOUT PERFORMANCE CRITERIA**

American has satisfactory lending performance. The bank continues to make consumer and small business loans throughout the AA. Geographic distribution of loans is reasonable. Lending to individuals in low- to moderate-income income areas is very good. The following tables support these conclusions. The evaluation of the bank's performance covers the period from April 20, 1999 to July 7, 2003.

One community contact interview during the review confirmed the bank's satisfactory involvement in the community. The person interviewed represented an active neighborhood

organization whose focus is the area immediate surrounding American.

### Loan-to-Deposit Ratio

Institution	Assets (as of 03/31/03)	Average LTD Ratio
Peer Group per UBPR 176 Banks, \$25-50 Million	Aver Assets 26,354	68.58%
American Bank, NA	26,724	63.90%

Loan-to-deposit ratio data is derived from the Uniform Bank Performance Report as of March 31, 2003 with historical information back through 2000. The bank's peer group comparison includes a total of 176 institutions with total assets ranging from \$25 to \$50 million. American's loan-to-deposit ratio has improved significantly since the prior performance evaluation by moving from 36% to 64%.

### Lending in Assessment Area

TOTAL LOANS REVIEWED (Evaluation Period)								
	IN ASSESSMENT AREA				OUT OF ASSESSMENT AREA			
LOAN TYPE	#	%	\$ (000s)	%	#	%	\$ (000s)	%
Consumer	781	52.91%	7,407	53.35%	695	47.09%	6,476	46.65%
Commercial	22	37.29%	1,704	55.69%	37	62.71%	1,356	44.31%
<b>Total Sample</b>	<b>803</b>	<b>52.31%</b>	<b>9,111</b>	<b>53.77%</b>	<b>732</b>	<b>47.69%</b>	<b>7,832</b>	<b>46.23%</b>

American made a majority of both consumer and business loans within the AA. Number and dollar volume demonstrate satisfactory performance. Data used for this table includes the entire portfolio of outstanding loans as of May 31, 2003.

### Lending to Borrowers of Different Incomes and to Businesses of Different Sizes

CONSUMER (Evaluation Period)								
Borrower Income Level	LOW		MODERATE		MIDDLE		UPPER	
% of AA Households	22%		35%		20%		22%	
LOANS BY PRODUCT	% of Number	% of Amount	% of Number	% of Amount	% of Number	% of Amount	% of Number	% of Amount
<b>Consumer</b>	<b>44.00</b>	<b>36.22</b>	<b>44.00</b>	<b>49.46</b>	<b>8.00</b>	<b>5.23</b>	<b>4.00</b>	<b>9.09</b>

A random sample of 25 consumer loans within the AA was used to determine lending to individuals based on different income levels. Consumer lending is American's primary product line. American demonstrates strong performance for loans to borrowers in low- and moderate-income categories.

BORROWER DISTRIBUTION OF SMALL LOANS TO BUSINESSES (Evaluation Period)		
Business Revenues	≤\$1,000,000	>\$1,000,000
% of AA Businesses	<b>89.66</b>	<b>10.34</b>
% of Bank Loans in AA #	<b>55.00</b>	<b>45.00</b>
% of Bank Loans in AA \$	<b>77.43</b>	<b>22.57</b>

Demographics of the AA reflect a large majority of businesses have annual revenues less than \$1 million. Commercial credits represent a small portion of American's total loans. Therefore, our sample included almost the entire business portfolio outstanding on May 31, 2003 and located in the AA. The majority of the number and dollar volume are loans to small businesses.

### Geographic Distribution of Loans

CONSUMER (Evaluation Period)								
Census Tract Income Level	LOW		MODERATE		MIDDLE		UPPER	
% of AA Households	<b>22%</b>		<b>35%</b>		<b>20%</b>		<b>22%</b>	
LOANS BY PRODUCT	% of Number	% of Amount	% of Number	% of Amount	% of Number	% of Amount	% of Number	% of Amount
<b>Consumer</b>	<b>8.00%</b>	<b>9.66%</b>	<b>64.00%</b>	<b>68.99%</b>	<b>24.00%</b>	<b>20.70%</b>	<b>4.00%</b>	<b>0.65%</b>

BUSINESS LOANS (Evaluation Period)								
Census Tract Income Level	LOW		MODERATE		MIDDLE		UPPER	
% of AA Businesses	<b>10%</b>		<b>39%</b>		<b>23%</b>		<b>28%</b>	
LOANS BY PRODUCT	% of Number	% of Amount	% of Number	% of Amount	% of Number	% of Amount	% of Number	% of Amount
<b>Commercial</b>	<b>21.05</b>	<b>13.16</b>	<b>42.11</b>	<b>38.57</b>	<b>10.53</b>	<b>7.80</b>	<b>26.32</b>	<b>40.47</b>

Both consumer and business loan samples reflect satisfactory performance by number and dollar volume for borrowers located in low- and moderate-income census tracts.

### Responses to Complaints

American received no complaints during the evaluation period related to CRA issues or performance.

### Fair Lending Review

An analysis of 2000-2002 public comments and consumer complaint information was performed according to the OCC's risk based fair lending approach. Based on its analysis of the information, the OCC decided that a comprehensive fair lending examination would not need to be conducted in connection with the CRA evaluation this year. The latest comprehensive fair lending exam was performed in 1999.