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Comptroller of the Currency

**SMALL**

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Administrator of National Banks

BANK

## **PUBLIC DISCLOSURE**

September 7, 1999

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

**American Bank of Ruston, N.A.  
Charter Number 17928**

**400 North Vienna  
Ruston, Louisiana 71270**

**Office of the Comptroller of the Currency  
Longview Field Office  
1800 West Loop 281  
Suite 306  
Longview, Texas 75604**

**NOTE: 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.**



## GENERAL INFORMATION

*The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority when examining financial institutions subject to its supervision, to assess the 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. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.*

*This document is an evaluation of the Community Reinvestment Act (CRA) performance of **American Bank of Ruston, N.A.** prepared by the **Office of the Comptroller of the Currency** the institution's supervisory agency, as of **September 7, 1999**. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.*

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

American Bank of Ruston, N.A. has a satisfactory record of meeting community credit needs. This rating is based on the following:

- < The bank's loan-to-deposit ratio is more than reasonable when compared to other area banks.
- < A substantial majority of the bank's loans are extended within its assessment area.
- < Credit activity is reasonably distributed to borrowers of different income levels.
- < The geographic distribution of loans reflects a reasonable dispersion throughout the assessment area.

**DESCRIPTION OF INSTITUTION:**

American Bank of Ruston, N.A. is a \$63 million financial institution with one full service location, one drive-through branch facility, and an Automatic Teller Machine (ATM). The bank's main office and ATM are located at 400 North Vienna, Ruston, Louisiana. The drive-through branch is located at 206 East Reynolds Drive, Ruston, Louisiana. The bank is consumer, commercial, and residential real estate loan oriented and offers a wide range of deposit and loan products. The loan portfolio consists of the following: 38.59% consumer related; 32.41% commercial and commercial real estate; 28.99% residential real estate; and 0.01% agricultural. As of June 30, 1999, loans totaled \$36 million and represented 57% of the bank's total assets. The bank is a wholly owned subsidiary of American National Bancshares, Inc., a one bank holding company. The holding company is \$61 million in assets. There are no legal or other impediments which limit the bank's ability to help meet the community's credit needs. The bank was rated Satisfactory during the prior CRA Examination dated July 26, 1996.

**DESCRIPTION OF LINCOLN PARISH:**

The Board of Directors has designated Lincoln Parish, Louisiana as the bank's assessment area. Lincoln Parish includes the communities of Ruston, the parish seat, Grambling, Simsboro, Dubach, Downsville, Vienna, and Choudrant. The assessment area meets the requirements of the CRA and does not exclude any low- or moderate-income geographies. The assessment area consists of three moderate Block Numbering Areas (BNA), 1 middle BNA, and 6 upper BNAs. There are no low-income geographies in Lincoln Parish. The population of this assessment area totals 41,745. The percentage of families within each income category is as follows: low income - 21%; moderate income - 13%; middle income - 14%; and upper income - 52%. According to 1998 Department of Housing and Urban Development (HUD) information, the median family income for this area is \$29,500 with 28.76% of the households below poverty level. Housing units within the assessment area include 56% owner occupied units and a median housing value of \$55,234. Major employers in the area include Louisiana Tech University, Grambling State University, Ball Foster Glass Packaging Container Corporation, C.G.U., Davison Transport, Williamette Industries, Lincoln Parish School System, Lincoln General Hospital, North Louisiana Rehabilitation Hospital, and the City of Ruston. Competition within the assessment area includes two local banks, four branches of banks located outside the community, one building and loan, and four credit unions. The local economy is considered stable with an unemployment rate for Lincoln Parish of 2.6%.

This CRA assessment included a recent contact with a former quasi-governmental official. Our community contact indicated that there were no unmet credit needs within the community of Lincoln Parish. Our contact also indicated that all the financial institutions have been very responsive in meeting community credit needs.

**CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA:**

**LOAN TO DEPOSIT RATIO:**

The loan-to-deposit ratio of American Bank of Ruston, N.A. is more than reasonable given the bank's size, financial condition, and assessment area credit needs and exceeds the standards for satisfactory performance. The bank's average quarterly loan-to-deposit ratio was 74.75% since the prior CRA examination as of July 26, 1996. The average loan-to-deposit ratio of other local community banks for the same time period was 57.43%. The quarterly average loan-to-deposit ratio of these banks ranged from a low of 29.74% to a high of 74.41%.

**LENDING IN ASSESSMENT AREA:**

The bank's lending activity within the assessment area exceeds the standards for satisfactory performance. A substantial majority of the bank's lending activity is located within its assessment area. We reviewed a sample of 20 residential real estate loans, 20 consumer related loans, and 20 commercial loans originated since July 1996. This sample reflected approximately 91.67% of the number of loans and 97.28% of the dollar amount of loans in our sample were extended within the bank's assessment area. The breakdown by loan category in the Lincoln Parish Assessment Area is illustrated in the following tables:

<b>Consumer Loans</b>	<b>Number</b>	<b>Percent</b>	<b>\$ (000's)</b>	<b>Percent</b>
Inside Assessment Area	18	90.00%	117	99.13%
Outside Assessment Area	2	10.00%	1	0.87%

<b>Residential Real Estate Loans</b>	<b>Number</b>	<b>Percent</b>	<b>\$ (000's)</b>	<b>Percent</b>
Inside Assessment Area	19	95.00%	1,138	97.51%
Outside Assessment Area	1	5.00%	29	2.49%

<b>Business Loans</b>	<b>Number</b>	<b>Percent</b>	<b>\$ (000's)</b>	<b>Percent</b>
Inside Assessment Area	18	90.00%	4,863	97.18%
Outside Assessment Area	2	10.00%	141	2.82%

**LENDING TO BORROWERS OF DIFFERENT INCOME AND TO BUSINESSES OF DIFFERENT SIZES:**

The level of lending to borrowers of different income and to businesses of different sizes meets the standards for satisfactory performance. The distribution of loans within the assessment area reflects a reasonable penetration among borrowers of different income levels and businesses of different sizes. The bank's primary product lines are consumer loans, commercial and commercial real estate loans, and residential real estate loans.

The distribution of residential real estate and consumer loans generally approximates the income characteristics of the assessment area. The following tables detail the results of our borrower analysis.

<b>Lending to Borrowers of Different Income Levels Residential Real Estate Loans</b>					
<b>Borrower Income Category</b>	<b># of Loans</b>	<b>Percentage</b>	<b>\$ (000's)</b>	<b>Percentage</b>	<b>% of Families within each Income Category</b>
Low	2	10.53%	80	7.01%	21.28%
Moderate	4	21.05%	101	8.84%	12.97%
Middle	3	15.79%	77	6.79%	13.72%
Upper	10	52.63%	880	77.36%	52.03%
Total	19	100.00%	1,138	100.00%	100.00%

<b>Lending to Borrowers of Different Income Levels Consumer Loans</b>
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Borrower Income Category	# of Loans	Percentage	\$ (000's)	Percentage	% of Families within each Income Category
Low	4	22.22%	4	3.73%	21.28%
Moderate	1	5.56%	1	0.34%	12.97%
Middle	5	27.78%	35	29.90%	13.72%
Upper	8	44.44%	77	66.03%	52.03%
Total	18	100.00%	117	100.00%	100.00%

The distribution of business loans also reflects a reasonable penetration among businesses of different sizes. Based on U.S. Census information, there are 1,033 businesses in the assessment area with revenues less than \$1 million. This number represents 70.80% of all businesses within the assessment area. Based on our review, 83.33% of the business loans we sampled which originated within the Lincoln Parish Assessment Area were to small businesses with gross annual revenues of less than \$1 million. Refer to the following table for details:

<b>Distribution of Small Business Loan Originations Sample Within the Assessment Area by Business Revenues</b>				
<b>Business Annual Revenues</b>	<b># Loans</b>	<b>Percentage</b>	<b>\$(000's)</b>	<b>Percentage</b>
Less than \$100,000	4	22.22%	351	7.21%
\$100,000 to \$250,000	0	0%	0	0%
\$250,000 to \$1,000,000	11	61.11%	3,087	63.48%
Subtotal Small Businesses	15	83.33%	3,438	70.69%
Over \$1,000,000	3	16.67%	1,425	29.31%
Totals	18	100.00%	4,863	100.00%
Distribution of Businesses in the Assessment Area by Annual Revenues of the Business:			< 1 Million	70.80%
			> 1 Million	7.20%
			Unknown	22.00%

Source: Dun & Bradstreet Business Demographic Data

### **GEOGRAPHIC DISTRIBUTION OF LOANS:**

The geographic distribution of loans reflects a reasonable dispersion throughout the assessment area and meets the standards for satisfactory performance. The geographic



distribution of sampled loans also indicates the bank is making loans throughout its assessment area. The following tables reflect the geographic distribution of sampled loans.

<b>Geographic Distribution of Consumer Loans</b>						
Geography Designation	Population within each Geography Type	Percentage of Population within each Geography Type	Distribution of Consumer Loans by Geography Type			
			#	%	\$(000's)	%
Low Income	0	0%	0	0%	0	0%
Moderate Income	3,740	27%	5	27.78%	24	20.78%
Middle Income	1,238	9%	3	16.67%	8	6.72%
Upper Income	8,715	64%	10	55.55%	85	72.50%
<b>Total</b>	<b>13,693</b>	<b>100.00%</b>	<b>18</b>	<b>100.00%</b>	<b>117</b>	<b>100.00%</b>

<b>Geographic Distribution of Residential Real Estate Loans</b>						
Geography Designation	Population within each Geography Type	Percentage of Population within each Geography Type	Distribution of Residential Real Estate Loans by Geography Type			
			#	%	\$(000's)	%
Low Income	0	0%	0	0%	0	0%
Moderate Income	3,740	27%	4	21.06%	328	28.86%
Middle Income	1,238	9%	3	15.79%	85	7.40%
Upper Income	8,715	64%	12	63.15%	725	63.74%
<b>Total</b>	<b>13,693</b>	<b>100.00%</b>	<b>19</b>	<b>100.00%</b>	<b>1,138</b>	<b>100.00%</b>

<b>Geographic Distribution of Business Loans</b>						
Geography Designation	Number of Businesses within each Geography Type	Percentage of Businesses within each Geography Type	Distribution of Business Loans by Geography Designation			
			#	%	\$(000's)	%
Low Income	0	0%	0	0%	0	0%
Moderate Income	271	19%	3	16.67%	315	6.48%
Middle Income	50	4%	0	0%	0	0%
Upper Income	1,093	77%	15	83.33%	4,548	93.52%
Total	1,414	100.00%	18	100.00%	4,863	100.00%

**RESPONSE TO COMPLAINTS:**

Management has not received any written complaints related to CRA performance since the prior CRA Examination.

**RECORD OF COMPLIANCE WITH ANTIDISCRIMINATION LAWS:**

A Fair Lending Examination was performed in conjunction with this examination. We reviewed a sample of unsecured consumer loan approvals and denials to test for discrimination on the basis of gender. Based on the sample we reviewed, no discriminatory practices were noted. The bank is in compliance with the substantive provisions of antidiscrimination laws and regulations.