



SMALL BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

PUBLIC DISCLOSURE

July 30, 2008

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

American Bank, National Association
Charter Number 24116

975 Keller Parkway
Keller, TX 76244

Office of the Comptroller of the Currency
Dallas Field Office
17300 Dallas Parkway, Suite 2020
Dallas, TX 75248-1145

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.

INSTITUTION'S CRA RATING: This institution is rated Satisfactory

American Bank, N.A. (American) has a satisfactory record of meeting its community credit needs. The rating is based upon the following factors:

- American's average loan to deposit ratio of 55% meets the standards for satisfactory performance, and is commensurate with its size, competitive factors, and financial condition;
- American meets the standards for satisfactory performance in lending to borrowers within the assessment area. Our sample revealed that a majority of the number of originations (67%) were to borrowers residing in the assessment area.
- Lending to borrowers of different incomes and to businesses of different sizes reflect excellent performance, notably in the consumer lending sample which is one of American's primary lending products.
- Consumers filed no complaints regarding American's CRA performance during this evaluation period.

SCOPE OF EXAMINATION

This evaluation covers the period between June 30, 2004 and June 30, 2008. To perform this evaluation we used the Interagency Community Reinvestment Act procedures dated February 2006. We reviewed a random sample of 20 consumer loans, 30 commercial real estate, and 26 residential real estate loans originated during the review period. These products were selected as they represent the largest percentages of loans in American's portfolio.

DESCRIPTION OF INSTITUTION

American is a small community bank located in Keller, Texas, which is in Tarrant County. American operates one branch in Saginaw, Texas that opened July 2003. As of June 30, 2008, American reported total assets of \$62 million. American is 100% owned by Amcorp Financial, Inc., headquartered in Ardmore, Oklahoma. American offers basic banking services traditional for banks of similar size. Each banking office offers automated teller machines and drive-up facilities. Extended lobby and drive-up hours include Saturdays.

American's last CRA Performance Evaluation, dated March 8, 2004 was rated *Satisfactory*. American has no financial or legal obstacles hindering its ability to meet its community's credit needs.

The following table depicts the bank's loan mix as of June 30, 2008:

Loan Portfolio by Category		
Loan Category	\$ (000)	% of Total Loans
Commercial Real Estate	9,537	30.55
Consumer	7,302	23.39
Construction	6,610	21.17
Commercial	3,918	12.55
Residential	3,834	12.28
Farm Loans	3	0.01
Other Loans	18	0.05
Total	31,222	100.00

Source: bank records

DESCRIPTION OF ASSESSMENT AREA

American defined its assessment area (AA) as the cities of Keller, Saginaw, and the surrounding areas of both cities. The assessment area includes 17 upper-income and 11 middle-income contiguous census tracts. The 28 census tracts include cities of Southlake, Trophy Club, Roanoke, North Richland Hills, Watauga, Haslet, Fort Worth, Blue Mound, Eagle Mountain, and surrounding unincorporated areas. The assessment area meets regulatory guidelines by including whole geographies and does not arbitrarily exclude any low- or moderate-income areas.

Keller is strategically located in the northwestern sector of the Dallas/Fort Worth Metroplex. Dallas is 35 miles to the southeast, and Fort Worth is 18 miles to the southwest. Keller and Saginaw are experiencing rapid growth. Residential housing mixed with retail businesses makes the area attractive. Commuting to the major cities is convenient via major highways and rail transportation systems. The Dallas/Fort Worth International and Alliance Airports provide jobs for people living in the assessment area.

Economic conditions have not dramatically affected growth in the assessment area. The unemployment rate for the Fort Worth/Arlington MSA is 5% and closely mirrors the remainder of the state. Major employers in the area include AMR Corporation, Bell Helicopter, Sabre Holdings, Corning Cable Systems, Keller ISD, Burlington Northern Santa Fe, and Southstar Logistics.

The table below shows the demographics of the assessment area:

DEMOGRAPHIC AND ECONOMIC CHARACTERISTICS OF AA	
Population	
Number of Families	45,506
Number of Households	53,280
Geographies	
Number of Census Tracts	28
% Low-Income Census Tracts	0%
% Moderate-Income Census Tracts	0%
% Middle-Income Census Tracts	39.29%
% Upper-Income Census Tracts	60.71%
Median Family Income (MFI)	
2000 MFI for AA	81,289
2007 HUD-Adjusted MFI	60,693
2008 HUD-Adjusted MFI	64,500
Economic Indicators	
Unemployment Rate	5%
2007 Median Housing Value	\$144,864
% of Households Below Poverty Level	3.13%

Source: CRA Wiz

The most recent census data available (2000) shows the assessment area population at 162 thousand. The census population for Keller is 27 thousand and Saginaw 12 thousand. The Keller Chamber of Commerce estimates the current population in Keller has grown to 36 thousand. Keller and Saginaw experienced considerable growth in recent years.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Loan-to-Deposit Ratio

American's loan-to-deposit (LTD) ratio meets the requirements of satisfactory performance considering size, and competition within American's assessment area. Several community banks, credit unions, and major banking companies have branches in the assessment area. Management deems banks listed in the chart below, as comparable banks doing business in the assessment area. American's average LTD ratio is calculated from quarterly financial information reported since the last CRA examination in March 2004.

Average Loan-to-Deposit Ratios		
Institution	Assets (as of 06/30/2008)	Average LTD Ratio
First Financial Bank, N. A., Southlake	284,520	61.08
Star Bank of Texas, Lake Worth, Texas	79,378	71.85
First Bank, Azle, Texas	201,541	61.44
Hbank, Grapevine, Texas	108,521	56.50
American Bank, N. A.	61,909	55.15

Source: Uniform Bank Performance Reports

A community contact with the Keller Chamber of Commerce affirmed American’s satisfactory involvement in the community. The contact was not aware of unmet community credit needs in the Keller area.

Lending in Assessment Area

American meets the standards for satisfactory performance for lending within its assessment area. The majority of the number and dollar amount of American’s consumer, commercial real estate, and home mortgages are to borrowers residing within the assessment area. The table below shows the distribution of our sample.

Lending in Assessment Area										
Loan Type	Number of Loans					Dollars of Loans				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$ (000)	%	\$ (000)	%	
Consumer	14	70.00	6	30.00	20	134	60.09	89	39.91	223
Commercial RE	22	73.33	8	26.67	30	5,708	61.82	3,525	38.18	9,233
Residential Real Estate	15	58.00	11	42.00	26	1,127	60.56	734	39.44	1,861
Totals	51	67.11	25	32.89	76	6,969	61.58	4,348	38.42	11,317

Source: Random sampling of loans and HMDA data reported for 2006 and 2007.

The samples of consumer, commercial real estate, and residential real estate loans showed 67% of the number of loans originated within the assessment area.

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

American exceeds the standards for satisfactory performance when lending to borrowers of different incomes and to businesses of different sizes. The sample showed significant numbers and dollars of loans originated to low- and moderate-income borrowers and small businesses (annual revenues less than \$1 million). The charts below show the number of consumer and residential loans in the sample.

The following table illustrates the bank’s consumer lending to borrowers of different income levels:

Distribution by Income of Consumer Loans								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans
Consumer	7.8	14	9.5	50	16.5	14	66.0	22

Source: Data reported U.S. Census data and bank records.

The following table illustrates the bank’s residential lending to borrowers of different income levels:

Distribution by Income of Residential Loans								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Residential Real Estate	7.5	6.7	11.2	6.7	20.4	6.7	61.0	80.0

Source: Data reported U.S. Census data and bank records.

With the majority of the population reporting middle- and upper-income levels, the distribution of home loans in greater numbers to middle- and upper-income borrowers is reasonable.

Lending to Businesses of Different Sizes

American originated a substantial majority of loans by number and dollar volume to small businesses. The chart below illustrates the numbers and percentages revealed by the sample.

Distribution of Loans to Businesses based upon Income Levels				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Businesses	68.0	3.1	28.9	100%
% of Bank Loans in AA by #	83.3	16.7	0	100%
% of Bank Loans in AA by \$	87.1	12.9	0	100%

Source: Loan sample and 2000 U. S. Census Bureau

The sample reflected 25 loans or 83.3% originated to small businesses. The sample also reflected 87.1% of the total loan amounts were made to businesses with annual revenues of less than \$1 million.

Geographic Distribution of Loans

Since there are no low- or moderate-income census tracts within American's assessment area, an analysis of geographic distribution of loans would not be meaningful.

Responses to Complaints

Consumers filed no CRA based complaints since the previous examination.

Fair Lending or Other Illegal Credit Practices Review

We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.