



PUBLIC DISCLOSURE

August 26, 2013

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

American Bank National Association
Charter Number 16320

2707 West Northwest Highway
Dallas, TX 75354

Office of the Comptroller of the Currency

225 East John Carpenter Freeway
Suite 500
Irving, TX 75062

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."

The American Bank, National Association's (ABNA) lending performance is satisfactory given its size, financial condition, and known credit needs in its assessment area (AA).

- The bank's loan-to-deposit (LTD) ratio is reasonable and averaged 30.94% during the evaluation period.
- In 2012-2013 majority of ABNA's loans were inside of the Assessment Area.
- ABNA's loan portfolio reflects an overall reasonable distribution among individuals of various income levels within the AA based on number of loans extended.
- ABNA's consumer lending to individuals in low- to moderate-income (LMI) census tracts (CTs) in Dallas County did meet area demographics needs.
- ABNA has a reasonable penetration of consumer loans to individuals of different income (including low- and moderate-income) levels.

SCOPE OF EXAMINATION

This Performance Evaluation assesses ABNA's record of meeting the credit needs of the community in which it operates. We evaluated ABNA's performance under the small bank performance criterion, which includes five performance criteria: the loan-to-deposit ratio, lending within the AA, lending to borrowers of different incomes, geographic distribution of loans, and responses to CRA-related complaints. The loan sample consisted of 57 consumer loans originated between January 1, 2011 and June 30, 2013.

DESCRIPTION OF INSTITUTION

The ABNA is a single location national bank located in Dallas, Texas. As of June 30, 2013, total assets were \$47 million, Tier 1 capital was \$4.4 million, and the Tier 1 leverage ratio was 8.97 percent. The bank is wholly owned by ABNA Holdings, Inc., a one-bank holding company with consolidated assets of \$47.5 million. This bank is located in the Bachman Lake/Northwest Highway community of Dallas. The banking facility includes an external automated teller machine, night depository, drive-thru teller lanes, and multi-lingual staff. Current ownership acquired the bank in 1987, and the trade name changed from Pan American Bank to ABNA. American Bank, N.A. is a full-service bank offering a variety of deposit accounts and primarily consumer lending products to its community. The bank was rated "Satisfactory" during the prior Community Reinvestment Act examination dated January 9, 2008.

The business strategy includes originating purchase money automobile-secured loans to low- and moderate-income consumers who have little or no formal credit history. Over time, the bank has developed a niche in this type of lending and is well known in its community for providing the means to purchase an automobile. As of June 30, 2013, outstanding loan balances were approximately \$11 million (23 percent of total assets). Of this amount, approximately \$8 million (or 71 percent) were automobile-secured loans to consumers. Our examination conclusions indicate that the majority of these loans are extended to low- and moderate-income individuals. No legal or financial circumstances exist that impede the bank's ability to help meet the credit needs of its assessment area.

DESCRIPTION OF ASSESSMENT AREA(S)

The directors of ABNA have designated Dallas County as its assessment area. Dallas' census information for 2010 median household income was \$42,259. The city of Dallas is 42 percent Hispanic, 30 percent Anglo, 24 percent African-American, and 4 percent other. Twenty three percent of the population is below the poverty level.

Specific demographic data and economic data for Dallas County are listed below.

Demographic and Economic Characteristics of AA	
<i>Population</i>	
Number of Families	265,353
Number of Households	458,057
<i>Geographies</i>	
Number of Census Tracts/BNA	270
% Low-Income Census Tracts/BNA	28.6%
% Moderate Income Census Tracts/BNA	28.1%
% Middle-Income Census Tracts/BNA	25.4%
% Upper-Income Census Tracts/BNA	17.1%
<i>Median Family Income (MFI)</i>	
2009 Weighted Average HUD Updated MFI	\$64,625
2004-2009 Weighted Average HUD Updated MFI	\$65,805
2012 Estimate MFI	\$70,100
<i>Economic Indicators</i>	
Unemployment Rate	8.5%
2012 Median Housing Value	\$129,600
% of Households Below Poverty Level	23.0%

Source: 2010 Census data and HUD updated income data

The AA consists of whole geographies and does not arbitrarily exclude low- and moderate-income geographies. The AA is comprised of over 525 census tracts with census tract designations in low, moderate, middle and upper-income levels. The 2000 census data reflects that 15 percent of the households in the AA are below the poverty level. For the 2010 census data, households in the AA below the poverty level have increased slightly to 18 percent.

Based on 2000 Census data, the AA consisted of total population of 1.1 million that made up the low-and moderate-income tracts. There were 77,574 low-income tract housing units in the AA, of which 22 percent were owner-occupied, 68 percent were renter-occupied, and 10 percent were vacant. There were 184,905 moderate-income tract housing units in the AA, of which 42 percent were owner-occupied, 52 percent were renter-occupied, and 6 percent were vacant. Approximately 55 percent of families in the AA were considered low- and moderate income. Middle-and upper income families make up the remaining 45 percent.

According to the 2010 census data, the AA consisted of total population of 837,716 that made up the low-and moderate-income tracts. There were 153,877 low-income tract housing units in the AA, of which 25 percent were owner-occupied, 59 percent were renter-occupied, and 16 percent were vacant. There were 166,140 moderate-income tract housing units in the AA, of which 48 percent were owner-occupied, 40 percent were renter-occupied, and 12 percent were vacant. Approximately 57 percent of families in the AA were considered low- and moderate income. Middle-and upper income families make up the remaining 43 percent.

American Bank, N.A. is situated in a competitive AA that includes international, regional, national and state chartered community banks. This institution has developed a niche of originating automobile loans to low- and moderate income consumers that have little or no formal credit history.

A contact in the community was interviewed for the purpose of determining a community profile, identifying opportunities for participation by local financial institutions, and determining the performance of local financial institutions. The contact stated that local banks are responsive in meeting the needs of the local community.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

The bank's performance under the lending test is "*Satisfactory*". The evaluation period for this CRA examination is from January 2011 through June 2013. American Bank, N.A.'s overall performance is *Satisfactory*, and management has been successful in meeting the credit needs of the bank's AA. To evaluate ABNA's lending performance, we reviewed a random sample of 57 loans. Consumer auto loans were identified as a primary loan product for the bank based on the dollar volume of loans originated during this period.

Loan-to-Deposit Ratio

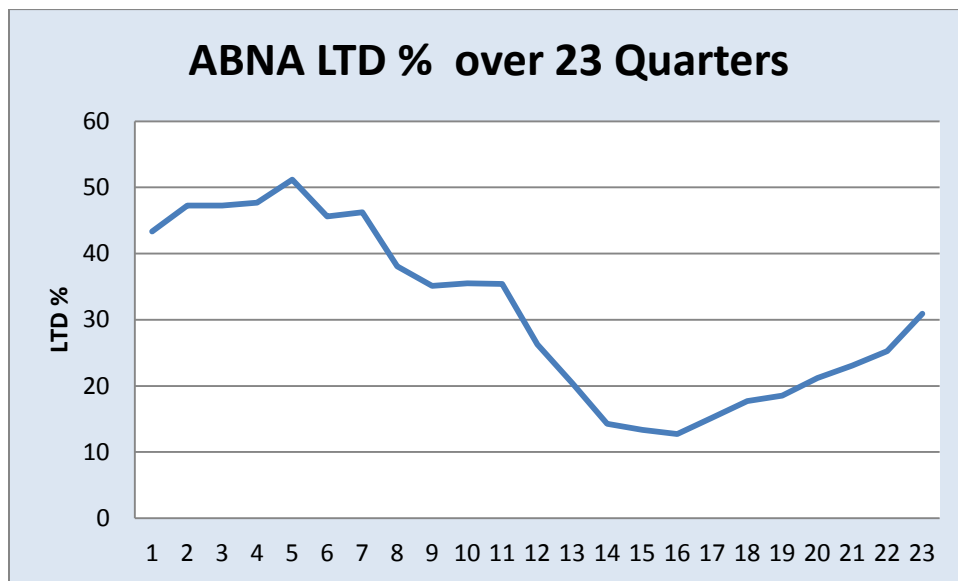
American Bank, N.A., has a quarterly average loan-to-deposit (LTD) ratio is 31 percent, which is calculated as the average for the twenty-two (22) quarters since the last CRA examination. The quarterly average LTD ratio is significantly lower than similar size banks in the AA; however, this is reasonable given the strategic changes that occurred during the evaluation period. Early in the evaluation period, ABNA's LTD ratio was impacted by an unsuccessful strategy to increase commercial lending and reduce reliance on automobile lending. In 2011, ABNA exited their commercial lending strategy and returned to their former niche of automobile lending. As a result, their LTD has increased over the past several quarters, and is expected to continue to increase. During the evaluation period, ABNA's LTD ratio has ranged from 13 percent to 47 percent. The bank does originate a large number of automobile loans, which are typically for low dollar amounts.

A summary of banks used in the LTD analysis is detailed below:

Institution	Assets as of 6/30/13 (\$000s)	Average LTD Ratio as of 6/30/13
One World Bank	\$83,495	85.16%
Pavilion Bank	\$80,218	88.62%
ABNA	\$46,731	30.94%

Source: Call Report Data

The following graph shows ABNA LTD ratio trends over the past 23 quarters.



Lending in Assessment Area

Overall, the lending in the AA reflects a majority of lending in the AA for 2011 through 2013. For the lending activity during 2011, ANBA’s lending pattern in the AA does not meet the standards for satisfactory performance. The dollar volume of loans originated to borrowers reflect a majority in the AA but *less than a majority* (<51%) of the number of loans originated to borrowers within the AA. We reviewed a sample of 20 consumer loans and 50 percent of loans by number originated in the AA. However, 55 percent of the dollar volume originated in the AA. The table on the following page reflects the distribution of loans originated in and out of the AA.

Table 1 - Lending in Dallas County 2011										
Loan Type	Number of Loans					Dollars of Loans				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Consumer Loans	10	50	10	50	20	204,384	55.21	165,815	44.79	370,200
Totals	10	50	10	50	20	204,384	55.21	165,815	44.79	370,200

American Bank, N.A.’s lending in its AA reflects satisfactory performance in 2012 and 2013. A majority of the bank’s loans were made within its AA. In order to assess the performance for this criterion, we reviewed 27 consumer loans that originated between January 2012 and June 2013. Eighty-two percent of the number and 70 percent of the dollar amount of loans originated in ANBA's AA. The breakdown by loan category is illustrated in the following table.

Table 1 - Lending in Dallas County 2012-2013										
Loan Type	Number of Loans					Dollars of Loans				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Consumer Loans	21	77.78	6	22.22	100	365,187	77.63	105,203	22.37	100
Totals	21	77.78	6	22.22	100	365,187	77.63	105,203	22.37	100

Lending to Borrowers of Different Incomes

Overall, the distribution of loans to borrowers of different income levels reflects reasonable penetration, given the demographics of the AA, for lending in 2011 through 2013. For 2011, we reviewed a sample of 20 consumer loans to assess lending to borrowers of different income levels. Our analysis reflects ABNA’s lending to low-income households is lower than the percentage of low-income households in the AA. However, based on 2000 United States Census data 15 percent of households in the AA are below the poverty level. As a result, many low-income households are unable to meet ABNA credit underwriting standards. Based on the “below the poverty rate”, ABNA has a *reasonable penetration* of consumer loans to low-income households in the AA. The bank’s lending reflects an *excellent penetration* of consumer loans to moderate-income households in the AA. The following table summarizes the distribution of consumer loans to borrowers with different income levels.

Table 2B - Borrower Distribution of Consumer Loans in the Dallas AA (2011)								
Borrower Income Level	Low		Moderate		Middle		Upper	
	% 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 Loans	24.42	10.59	19.60	55.19	19.81	18.81	36.17	15.41

For 2012 through 2013, we reviewed a sample of 20 consumer loans to assess lending to borrowers of different income levels. Our analysis reflects ABNA lending to low-income households is lower than the percentage of low-income households in the AA. However, based on United States 2010 Census data 18 percent of households in the AA are below the poverty level. As a result, many low-income households are unable to meet ABNA’s credit underwriting standards. Based on the below the poverty rate, ABNA has a *reasonable penetration* of consumer loans to low-income households in the AA. American Bank, N.A.’s lending reflects an *excellent penetration* of consumer loans to moderate-income households in the AA. The following table summarizes the distribution of consumer loans to borrowers with different income levels.

Table 2B - Borrower Distribution of Consumer Loans in Dallas AA (2012-2013)								
Borrower Income Level	Low		Moderate		Middle		Upper	
	% 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 Loans	33.57	10.00	19.81	55.00	16.64	25.00	14	10.00

Geographic Distribution of Loans

Overall, ABNA geographic loan distribution reflects a *reasonable dispersion* throughout the AA from 2011 through 2013. For 2011, we reviewed a sample of 20 consumer loans to assess ABNA geographic distribution of loans throughout the AA. Our analysis showed ABNA has an *adequate dispersion* of lending to the percentage of households located in low-income AA census tracts. However, ABNA has an *excellent dispersion* of lending to the percentage of households located in moderate-income AA census tracts. The following table summarizes the distribution of consumer loans by census tract income level.

Table 3B - Geographic Distribution of Consumer Loans in Dallas AA (2011)								
Census Tract Income Level	Low		Moderate		Middle		Upper	
	% 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 Loans	10.16	5.01	34.05	43.39	33.13	46.37	22.66	5.23

For 2012 through 2013, we reviewed a sample of 20 consumer loans to assess ABNA geographic distribution of loans throughout the AA. Our analysis showed ABNA has an *adequate dispersion* of lending to the percentage of households located in low-income AA census tracts. However, ABNA has an *excellent dispersion* of lending to the percentage of households located in moderate-income AA census tracts. The following table summarizes the distribution of consumer loans by census tract income levels.

Table 3B - Geographic Distribution of Consumer Loans in Dallas AA (2012-2013)								
Census Tract Income Level	Low		Moderate		Middle		Upper	
	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Household s	% of Number of Loans	% of AA Households	% of Number of Loans
Consumer Loans	28.44	10.00	32.35	55.00	18.64	25.00	20.56	10.00

Responses to Complaints

American Bank, N.A. received no complaints related to CRA issues or performance during the evaluation period.

Fair Lending or Other Illegal Credit Practices Review

In accordance to 12 C.F.R. 25.28, in determining a national bank’s Community Reinvestment Act (CRA) rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography of the bank, or in any assessment area by an affiliate whose loans have been considered as part of the bank’s lending performance.

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