

Bank

PUBLIC DISCLOSURE

April 19, 1999

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

American Bank, N.A.
Charter Number 16320

2707 W Northwest Highway
Dallas, Texas 75354

Office of the Comptroller of the Currency
Southwestern District
1600 Lincoln Plaza, 500 North Akard
Dallas, Texas 75201-3394

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, N.A.** prepared by the **Office of the Comptroller of the Currency**, the institution's supervisory agency, as of April 19, 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.**"

The following factors support this overall rating:

- < The bank's average loan-to-deposit ratio of 36% during the examination period is reasonable.
- < A majority of loans are within the bank's assessment area.
- < The bank's lending performance reflects a reasonable penetration among borrowers of all income levels and segments of the community.

The following table indicates the performance level of **American Bank, N.A.** with respect to each of the five performance criteria.

SMALL INSTITUTION ASSESSMENT CRITERIA	American Bank, N.A. Performance Levels		
	Exceeds Standards for Satisfactory Performance	Meets Standards for Satisfactory Performance	Does Not Meet Standards for Satisfactory Performance
Loan-to-Deposit Ratio		X	
Lending in Assessment Area		X	
Lending to Borrowers of Different Incomes and to Businesses of Different Sizes		X	
Geographic Distribution of Loans		X	
Response to Complaints	No complaints received since the prior examination.		

DESCRIPTION OF INSTITUTION:

American Bank, N.A. is a \$22 million institution in Dallas, Texas. American Bank, N.A. is located in northwest Dallas. ABNA Holdings, Inc., a Texas bank holding company, owns 97% of American Bank, N.A. There are no legal or financial factors impeding the bank's ability to meet community credit needs. The bank offers basic banking services and has one onsite ATM. The bank's primary business focus is consumer lending. Loans represent 42% of total assets. The composition of the loan portfolio is:

<	Consumer loans	51%
<	Real Estate Loans	18%
<	Commercial Loans	31%

DESCRIPTION OF ASSESSMENT AREA:

American Bank's assessment area (AA) is the city of Dallas, and is part of the Dallas Metropolitan Statistical Area (MSA). The assessment area includes 444 contiguous census tracts that comprise portions of Dallas, Collin, Denton, and Ellis Counties. The AA meets regulatory guidelines and does not arbitrarily exclude any low- to moderate-income areas (LMI).

The December, 1998 unemployment rate for the Dallas MSA is 2.7%, which is well below both the state and national figures of 4.4% and 4.3%, respectively. According to U.S. Bureau of Labor Statistics for December, 1998, the four top sectors which employ the most people in the Dallas MSA are the service, retail trade, government, and manufacturing sectors, with 28%, 18%, 17%, and 12%, respectively, or a combined 75% of the workforce. The Dallas MSA is projected to continue to attract high-tech companies which should provide support for rising service sector employment.

Assessment Area Demographics			
<i>Designation</i>	<i># Census Tracts</i>	<i>% of Total Tracts</i>	<i>% of Households Residing in Census Tracts</i>
Low	57	13%	8%
Moderate	119	28%	25%
Middle	147	33%	40%
Upper	115	26%	27%
Total	444	100%	100%

The population of the AA is just over two million with 38% being minority. The MSA median family income for the AA, based upon adjusted 1998 Housing and Urban Development (HUD) information, is \$54,400. According to the same data, low-income families comprise 22% of all families in the AA, while another 18% are moderate-income, 22% are middle income, and 38% are upper income families.

There are 21 census tracts within a three mile radius of the bank. Low- to moderate-income tracts total nine with middle and upper income tracts totaling five and seven, respectively. The population within this radius totals approximately 78,000 with 50% minority. Hispanics represent approximately 29% of the bank's immediate population. The bank has several employees who speak Spanish to meet this need. Local businesses within the immediate area are primarily retail and light industrial.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA:

American Bank, N.A. has a satisfactory lending performance. The bank makes consumer and small business loans throughout the assessment area. The geographic distribution of loans is reasonable. The review of fair lending regulations noted no evidence of discriminatory practices and no violations of the substantive provisions of anti-discrimination laws. The evaluation of the bank's performance covers the period from October 10, 1995 through April 19, 1999.

Loan to Deposit Ratio:

American Bank, N.A.'s quarterly average loan-to-deposit ratio is 36%. Recent lending activity reflects a significant increase in lending, with the actual loan to deposit ratios of 49%, 46%, and 48% for the quarters ending March 31, 1999, December 31, 1998, and September 30, 1998, respectively. The peer group average loan-to-deposit ratio is 62%, and ranges from 32% to 85%. The peer group consists of state and national chartered banks in Dallas with total assets of \$50 million or less. American Bank's loan-to-deposit ratio is reasonable given the bank's size, financial condition, and the increase in lending in the last nine months.

Lending in Assessment Area:

The majority of the bank's loans are in the assessment area. Consumer loans in the AA represent 83% of outstanding loans. Business loans in the AA represent 83% of total outstanding business loans.

Geographic Distribution of Loans:

The bank has a reasonable geographic distribution of loans within the AA. Business loans total 82% for low- to moderate-income census tracts. Consumer loans total 79% in low- to moderate-income census tracts.

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

The bank's lending to borrowers of different incomes is satisfactory. A sample of 50 consumer loans reflected 58% to low- to moderate-income individuals. A sample of 20 business loans reflected 68% to small businesses.

Response to Consumer Complaints:

The received no complaints during the evaluation period.

Compliance with Anti-discrimination Laws:

The review of fair lending regulations noted no evidence of discriminatory practices and no violations of the substantive provisions of anti-discrimination laws.