



PUBLIC DISCLOSURE

March 24, 2014

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

American National Bank
Charter Number: 18613

4301 North Federal Highway
Oakland Park, FL 33308-5209

Office of the Comptroller of the Currency

Miami Field Office
9850 NW 41st Street, Suite 260
Miami, FL 33178-2970

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 major factors that support this rating include:

- The Bank's average quarterly loan-to-deposit ratio is reasonable for the evaluation period;
- A majority of loan originations are within the Bank's assessment area;
- The distribution of loans among businesses of different sizes exhibits a reasonable penetration; and
- The geographic distribution of business loans within the assessment area exhibits excellent dispersion throughout the assessment area.

SCOPE OF EXAMINATION

This Performance Evaluation assesses the Bank's performance under the Small Bank Lending Test. The evaluation period ranged from October 6, 2008, the date of the last CRA Performance Evaluation, through March 24, 2014. However, we concentrated on lending activity from January 1, 2012 to December 31, 2013.

In evaluating the Bank's lending performance, we reviewed loans to businesses, the Bank's primary loan product. This evaluation is based on accurate data verified through the selection of a sample of business loans to conduct our analysis. The Bank originates residential loans; however, residential lending is not a primary business line for the Bank, and the residential lending volumes during the evaluation period did not produce a meaningful analysis of home purchase, home improvement, and home refinance loans. Therefore, we omitted Tables 2 and 3 that would have displayed the analyses of residential lending to borrowers of different incomes and the geographic distribution of residential loans.

DESCRIPTION OF INSTITUTION

American National Bank (ANB) is an intrastate community bank headquartered in Oakland Park, Florida. It is owned by ANB Holdings, Inc., a one-bank holding company with total assets of \$237 million. The Bank has no operating subsidiaries. It operates only its headquarters office, which is located in a middle-income geography. The Bank has one affiliate, ANB Eagle, Inc., formed under ANB Holdings, Inc. to handle problem assets. No activity involving the affiliate was considered in evaluating the Bank's CRA performance.

The Bank offers a variety of deposit and loan products for businesses and individuals, as described in the CRA Public File. As of December 31, 2013, total loans represented 67.73 percent of total assets, equaled \$161.3 million and consisted of 85.47 percent commercial real estate loans, 10.08 percent commercial loans, and 4.27 percent residential real estate (1-4 family) loans, and 0.18 percent consumer loans. Total assets equaled \$237.7 million and Tier 1 Capital \$30.7 million. Total deposits equaled \$202.5 million.

There are no legal, financial, or other factors to impede the Bank's ability to meet the credit needs in its assessment area. At its last CRA Evaluation, dated October 6, 2008, the Bank was rated "Satisfactory".

DESCRIPTION OF ASSESSMENT AREA(S)

ANB's assessment area is comprised of all of Broward County, which is equivalent to Metropolitan Division 22744 (Fort Lauderdale-Pompano Beach-Deerfield Beach, FL). The assessment area meets regulatory requirements and does not arbitrarily exclude any low- or moderate-income areas.

During the evaluation period, there was a Census update in 2010 that changed the demographics of the assessment area. Based on the 2000 Census, the Broward County MD consisted of 279 geographies distributed as follows: 13 (5 percent) low-income, 71 (25 percent) moderate-income, 117 (42 percent) middle-income and 78 (28 percent) upper-income. The total population was approximately 1.6 million, a 29 percent increase since the 1990 Census. According to the 2010 Census, Broward County geographies increased to 361 geographies distributed as follows: 19 (5 percent) low-income, 99 (27 percent) moderate-income, 133 (37 percent) middle-income, 109 (30 percent) upper-income and 1 (less than 1 percent) no income data. The total population was approximately 1.7 million, an 8 percent increase since the 2000 Census.

Economic conditions were weak during the evaluation period given the economic downturn due to the national and local recession. The entire State, and in particular Broward County, has experienced significant job losses, a volatile housing market with a record number of delinquencies, foreclosures and bankruptcies. Major industries of tourism, real estate development, wholesale trade companies, health care, financial services, and retail services have suffered because of the recession. The unemployment rate as of February 2014 was 5.4 percent. During the evaluation period, the unemployment rate was as high as 10 percent recorded by the United States Bureau of Labor Statistics in January 2010.

The cost of living in the Broward MD remains high even though there are indications of improvements in unemployment, real estate foreclosures, and other economic conditions during the evaluation period. The Housing and Urban Development (HUD) estimated median family income of \$61,800 for 2011, \$62,600 for 2012, and \$61,700 for 2013. Based on the median family income, low- and moderate-income (LMI) people have incomes of less than 80 percent of the median family income. LMI people would have incomes less than \$49,440, \$50,080, and \$49,360, respectively for the years discussed. The poverty level remains high at approximately 12 percent for the 2010 Census and 11 percent for the 2000 Census. Housing costs are high with the median sales price of a single-family home of \$270,000 as of October 2013, according to the Greater Fort Lauderdale Realtors. The high median cost makes it difficult for LMI people to own a home in the assessment area without the help of loan subsidies. The high property tax and insurance premiums add significant cost to owning a home.

Banking competition is intense. ANB competes with other community banks, mid-size banks, and branches of the largest banks in the country. As of June 30, 2013, the Federal Deposit

Insurance Corporation (FDIC) reported 56 financial institutions operating 487 banking offices in Broward County. ANB ranks 23rd with a 0.46 percent market share.

To determine the community credit needs in the assessment area, we reviewed CRA Performance Evaluations of other banks operating in the same assessment area and made one community contact with a nonprofit community service organization that operates in the assessment area. We determined that the most pressing credit needs in the assessment area are affordable housing and small business lending. The contact also indicated that nonprofit organizations need assistance with lines of credit to support operations considering that some government or private funding come in at various times during the year.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

The Bank’s performance under the Lending Test is rated “Satisfactory”.

Loan-to-Deposit Ratio

- **ANB's loan-to-deposit ratio is reasonable and meets the standard for satisfactory performance.**

The Bank’s quarterly average loan-to-deposit ratio since the last CRA Performance Evaluation is 78.60 percent and is within the range of other similarly situated banks in the assessment area for the same period. The similarly situated banks had quarterly average ratios ranging from 61.16 percent to 107.76 percent. Similarly situated bank's included Landmark Bank National Association, Terrabank National Association, Legacy Bank and Trust of Florida, and Grand Bank and Trust of Florida.

Lending in Assessment Area

- **A majority of the Bank’s loans are originated inside the assessment area and meets the standard for satisfactory performance.**

The Bank originated 87.50 percent of its loans by number and 72.73 percent by dollar volume in the assessment area during the evaluation period.

Loan Type	Number of Loans				Total	Dollars of Loans (000 omitted)				
	Inside		Outside			Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Business Loans	42	87.50	6	12.50	48	30,868	72.73	11,571	27.27	42,440

Source: Sample of 48 loans taken from loan origination reports 2012-2013.

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

- **The distribution of loans to businesses of different sizes exhibits reasonable penetration and meets the standard for satisfactory performance.**

As illustrated in the table below, the number of loans to small businesses (businesses with revenues of \$1 million or less) is below the level of small businesses operating in the assessment area. The dollar volume of loans to small businesses is near the level of small businesses operating in the assessment area.

Table 2A - Borrower Distribution of Loans to Businesses				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Businesses	72.52	2.58	24.90	100%
% of Bank Loans in AA by #	59.52	40.48	0.00	100%
% of Bank Loans in AA by \$	68.27	46.47	0.00	100%

Source: Loan sample had 42 loans inside the assessment area. Dun and Bradstreet data 2013.

Geographic Distribution of Loans

- **The geographic distribution of loans within the assessment area exhibits excellent dispersion and exceeds the standard for satisfactory performance.**

As illustrated in the table below, the percentage of the Bank’s business loan originations for both low- and moderate-income geographies exceeds the level of businesses located in such geographies. We found no unexplained conspicuous gaps in the Bank’s assessment area lending.

Table 3A - Geographic Distribution of Loans to Businesses in the Assessment Area								
Census Tract Income Level	Low		Moderate		Middle		Upper	
	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
Loans to Businesses	3.36	9.52	24.59	40.48	33.82	35.71	38.22	14.29

Source: Loan sample had 42 loans inside the assessment area. U.S. 2010 Census data.

Responses to Complaints

The Bank has not received any complaints regarding its CRA performance since the last Evaluation.

Fair Lending or Other Illegal Credit Practices Review

Pursuant to 12 C.F.R. 25.28(c), or 12 C.F.R. 195.28(c), in determining a National Bank's (bank) or Federal Savings Association's (FSA) CRA rating, respectively, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank or FSA, or in any assessment area by an affiliate whose loans have been considered as part of the bank's or FSA's lending performance.

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