



SMALL BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

PUBLIC DISCLOSURE

January 9, 2008

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

American Bank, National Association
Charter Number 16320

2707 West Northwest Highway
Dallas, TX 75354-0936

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.

The following factors support this overall rating.

- The bank's average loan-to-deposit ratio of 48% during the examination period is reasonable given the bank's size and market conditions.
- Lending performance reflects a reasonable penetration among borrower and geographic distribution.
- A majority of loans are within the bank's assessment area (AA).
- A reasonable number of loans originated to borrowers of low and moderate income levels.

SCOPE OF EXAMINATION

We performed a full scope CRA examination, which covered all of 2005, 2006, and 2007. We reviewed a random sample of 20 consumer and 20 commercial loans originating in that time frame. The bank only has one banking location and one AA.

DESCRIPTION OF INSTITUTION

American Bank, N.A. (American) is a \$23.5 million institution located in the Bachman Lake area of northwest Dallas, Texas, near Love Field. ABNA Holdings, Inc., a Texas holding company, owns 98% of the bank. There are no legal or financial factors impeding the bank's ability to meet community credit needs. The bank offers basic banking services and maintains one on-site automated teller machine. The bank has no branches. The primary business focus is consumer lending. As of September 30, 2007, total loans represent 47.08% of total assets. The following table details the composition of the loan portfolio.

Loan Category	\$ (000)	%
Consumer Loans	8,939	80.55%
Residential Real Estate Loans	1201	10.82%
Commercial Loans	958	8.63%
Total	11,098	100.00%

American's last CRA Performance Evaluation dated July 7, 2003, was rated *Satisfactory*. The bank does not participate in government guaranteed loan programs for housing or small businesses. American is not required to maintain and report Home Mortgage Disclosure Act data due to the number of loans originated.

DESCRIPTION OF ASSESSMENT AREA(S)

American has defined its AA as the city of Dallas and is part of the Dallas Metropolitan Statistical Area (MSA). The AA includes 327 contiguous census tracts located primarily in Dallas County. The AA meets regulatory guidelines by including whole geographies and does not arbitrarily exclude any low- to moderate-income areas. We used the updated weighted average HUD MSA median family income from the 2000 Census Bureau report to determine the income categories for census tracts in the AA. Based on the 2000 census, the population of the AA is approximately 1.5 million. The following table depicts the demographics of the AA.

DEMOGRAPHIC AND ECONOMIC CHARACTERISTICS OF AA	
Population	
Number of Families	355,171
Number of Households	571,670
Geographies	
Number of Census Tracts	327
% Low-Income Census Tracts	17.74
% Moderate-Income Census Tracts	34.25
% Middle-Income Census Tracts	23.24
% Upper-Income Census Tracts	24.16
<i>Median Family Income (MFI)</i>	
2005 Weighted Avg HUD Updated MFI	\$65,000
2006, 2007 Weighted Avg HUD Updated MFI	\$66,700
2000 Weighted Avg MFI	\$53,602
Economic Indicators	
Unemployment Rate	3.02%
2000 Median Housing Value	\$116,206
% of Households Below Poverty Level	12.62

American, located in the Bachman Lake area of northwest Dallas near Love Field, has 24 surrounding census tracts that comprise the immediate trade area. The bank's location is in a low-income census tract, and nine other census tracts within a four miles radius are either low- or moderate-income areas. Local businesses are primarily small retail and light industrial.

Within three miles of the bank, there are high end residential areas bordered by Mixon Dr., Northwest Hwy., Walnut Hill Lane, and Bluffview. Love Field is to the south. The medical district along Harry Hines has been steadily expanding and stretching north in

the last ten years. Entertainment areas including restaurants, a theater multiplex, and night clubs are to the west. A DART rail station is to be completed in the Bachman area in 2010. It will have 400 parking spaces and a spur to Irving and DFW.

The immediate area around the bank is economically depressed. The numerous apartment complexes are aging and in need of repair. New DISD schools and a DART rail station razed approximately 1,500 apartment units for their expansion; however, the DISD schools remain overcrowded. Many businesses have left, were under capitalized, or closed. The Exxon, Chevron, Lotus Restaurant, Steak and Ale, and others are vacant and have been for many years. The area has a reputation for high crime, and gang activity is prevalent.

The bank has provided assistance in maintaining the neighborhood association in the area by printing and distributing meeting notices and attending meetings. The association represents the area in zoning and development issues with the city. The association pleads with the city for more code enforcement related to the numerous aging apartments.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

American has satisfactory lending performance. The bank continues to make consumer and small business loans throughout the AA. Geographic distribution of loans is reasonable. Lending to individuals in low- to moderate-income areas is also reasonable. The following tables support these conclusions. The evaluation of the bank's performance covers the period from January 1, 2005 to January 9, 2008.

Two community contact interviews during the review confirmed the bank's satisfactory involvement in the community. The persons interviewed represented active neighborhood organizations whose focus is the area immediately surrounding American.

Loan-to-Deposit Ratio

Loan-to-deposit ratio data is derived from the Uniform Bank Performance Report as of September 30, 2007, by dividing net loans and leases by total deposits. We then averaged the loan to deposit ratio over the last four quarters. The bank's peer group comparison includes a total of 255 institutions with total assets of \$50 million or less. American's loan-to-deposit ratio has declined since the last CRA examination but is still considered reasonable given the bank's location and market conditions.

Institution	Assets (as of 09/30/07 in 000's)	Average LTD Ratio last 4 Qtrs
<i>American Bank, NA</i>	\$23,652	48.87%
Peer Group per UBPR 255 Banks	Less than \$50,000	60.33%

Lending in Assessment Area

American made a majority of both consumer and business loans within the AA. Number and dollar volume demonstrate satisfactory performance. We selected our sample from loans that originated in 2005, 2006, and 2007. Of the sample of 20 consumer loans, 55% by number and 64% by dollar were inside the AA. Of the sample of 20 commercial loans, 70% by number and 64% by dollar were inside the AA.

Lending in Assessment Area										
Loan Type	Number of Loans					Dollars of Loans				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Consumer	11	55%	9	45%	20	322416	64%	181647	36%	504063
Commercial	14	70%	6	30%	20	1379587	64%	790533	36%	2170120
Totals	25	62.5%	15	37.5%	40	1702003	64%	972180	36%	2674183

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

A random sample of 20 consumer loans originated in 2005, 2006, and 2007, and within the AA, was used to determine lending to individuals based on different income levels. Consumer lending is American’s primary product line. American demonstrates satisfactory performance for loans to borrowers in low- and moderate-income categories. Of the bank’s AA, 26.63% of households are low income and 20% of households are moderate income. The bank’s penetration was 20% of loans to low income borrowers and 40% of loans to moderate income borrowers.

Borrower Distribution of Consumer Loans in Assessment Area								
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	26.63%	20%	20%	40%	19.10%	25%	34.35%	15%

Demographics of the AA reflect a majority of businesses have annual revenues less than \$1 million. Commercial credits represent a small portion of American’s total loans. Therefore, our sample included almost the entire business portfolio outstanding on December 31, 2007 and located in the AA. 71% (by number) and 73% (by dollar) of the bank’s loans were to businesses with revenues of \$1 million or less.

Borrower Distribution of Loans to Businesses in Assessment Area			
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown
% of AA Businesses	67.77%	6.64%	25.59%
% of Bank Loans in AA by #	71%	21%	0%
% of Bank Loans in AA by \$	73%	26%	0%

Geographic Distribution of Loans

The geographic distribution of both consumer and business loan samples reflects satisfactory performance for borrowers located in low- and moderate-income census tracts. For consumer loans in the bank’s AA, 13.94% of households are in a low income census tract and 33.37% of households are in a moderate income census tract. American’s penetration was 15% of loans to low income census tracts and 50% of loans to moderate income census tracts. For business loans in the bank’s AA, 8.39% of businesses are in low income census tracts and 32.26% of businesses are in moderate income census tracts. American’s penetration of low and moderate income census tracts was 43% and 50% of loans, respectively.

Geographic Distribution of Consumer Loans in Assessment Area								
Census Tract 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	13.94%	15%	33.37%	50%	28.63%	15%	24.06%	20%

Geographic Distribution of Loans to Businesses in Assessment Area								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses/ Farms	% of Number of Loans	% of AA Businesses/ Farms	% of Number of Loans	% of AA Businesses/ Farms	% of Number of Loans	% of AA Businesses/ Farms	% of Number of Loans
Commercial	8.39%	43%	32.26%	50%	27.07%	7%	30.59%	0%

Responses to Complaints

American received no complaints related to CRA issues or performance during the evaluation period.

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.