



**SMALL BANK**

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Comptroller of the Currency  
Administrator of National Banks

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Washington, DC 20219

## **PUBLIC DISCLOSURE**

**October 6, 2008**

### **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

SOUTH FLORIDA (MIAMI)  
9800 Northwest 41st Street Suite 120  
Miami, FL 33178

**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:

- Since the last examination, the bank's average quarterly loan-to-deposit ratio is satisfactory.
- A majority of loan originations are within the bank's assessment area.
- The distribution of loans among businesses of different sizes is satisfactory.
- The geographic distribution of loans reflects an excellent distribution given the bank's single office location.

**SCOPE OF EXAMINATION**

This Performance Evaluation assesses the bank's performance under the Small Bank Lending Test. The evaluation period ranged from June 4, 2003 (the date of the last CRA examination) to October 6, 2008. However, we concentrated on lending activity from January 1, 2006 to September 15, 2008.

In evaluating the bank's lending performance, we reviewed loans to businesses, the bank's primary loan product. Our evaluation is based on accurate data. Loan reports submitted by bank management were sampled to test the accuracy of the information.

**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. The bank has no operating subsidiaries or affiliates. It operates only its headquarters office, which is located in a middle-income geography.

The bank offers a variety of deposit and loan products for businesses and individuals, as described in the CRA Public File. However, the bank's primary lending strategy is loans to businesses, including many Limited Liability Corporations (LLCs) that are formed for real estate holding purposes. As of June 30, 2008, total loans, which represent 81 percent of total assets, equaled \$135 million and consisted of 83 percent commercial real estate, 7 percent multi-family housing, 5 percent commercial loans, and 4 percent residential real estate (1-4 family). At the same time total assets equaled \$167 million and Tier 1 capital \$23 million. Total deposits equaled \$140 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 examination, dated June 4, 2003, the bank was rated satisfactory.

## DESCRIPTION OF ASSESSMENT AREA

American'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.

Based on the 2000 Census, the assessment area consists of 279 census tracts of which 13 (5%) are low-income, 71 (25%) are moderate-income, 117 (42%) are middle-income, and 78 (28%) are upper-income. In 2008, the HUD Adjusted Median Family Income for Broward County is \$64,000.

According to the 2000 Census the total population of the assessment area is 1.6 million. Owner occupancy is high in the overall assessment area reaching 61 percent based on the 2000 Census, however, in low-income geographies owner occupancy is only 25 percent, indicating a need for affordable rental housing.

Housing costs in Broward County continue to be high, but have declined since the beginning of 2006 as the housing boom came to an end. The National Association of Realtors estimated the median sales price of an existing single-family home in the Fort Lauderdale-Miami-Palm Beach Metropolitan area to be approximately \$310,000 during the second quarter of 2008, almost the exact figure it was at the same time in 2004. However, much lower prices are currently being advertised for "distress sales". In fact, according to Realty Trac, for the second quarter of 2008 Broward County has the fifth highest level of home foreclosures in the nation providing the potential for community organizations to obtain such properties, rehabilitate them, and make them available to low- and moderate-income families. State and federal funds (through the Department of Housing and Urban Development) are being made available for this purpose in order to stabilize neighborhoods hit hardest by foreclosures. Broward County is slated to receive \$17.8 million in federal funds. According to a community contact made for this examination, foreclosure recovery programs are a critical need in the assessment area.

Economic issues have not escaped Broward County as the decline in real estate, construction and construction-related jobs, a mainstay of the local economy, have driven the unemployment rate to 5.2 percent in July 2008, compared with 3.8 percent a year earlier. Education and health services continue to provide job opportunities even with jobs in tourism being negatively impacted. Based on 2008 Dunn & Bradstreet data there are approximately 245 thousand non-farm businesses in the Broward County assessment area of which 67 percent are considered to be small business, with revenues of \$1 million or less. The majority (73%) of all non-farm businesses are concentrated in the county's middle-and upper-income geographies.

Banking competition within the assessment area is high. In addition to community and mid-size banks, branches of the largest banks in the country operate in Broward County. As of June 30, 2008, there were 67 deposit taking financial institutions in Broward County operating 474 branches. In terms of deposits, ANB is ranked 25th, with a deposit market share of .40 percent.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

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

### Loan-to-Deposit Ratio

The bank’s loan-to-deposit ratio meets the standard for satisfactory performance. American’s loan-to-deposit ratio is reasonable given the size of the institution. Since the last CRA examination, the bank’s quarterly average loan-to-deposit ratio is 88.78 percent. This ratio is consistent with the 79.44 percent quarterly average ratio for its peer group banks operating in the state of Florida and ranging from 19.99 percent to 98.08 percent. American’s ratio is also consistent with the 81.18 percent quarterly average ratio of the one peer group bank operating in the bank’s Broward County assessment area.

### Lending in Assessment Area

Lending in the assessment area meets the standard for satisfactory performance. A majority of loan originations during the evaluation period are within the bank’s assessment area. Overall, 81 percent of loans by number and 76 percent by dollar of loans originated during the evaluation period were originated in American’s assessment area. Of the loans originated outside the bank’s assessment area, most were originated in adjacent Palm Beach County.

<b>Table 1 - Lending in the Assessment Area</b>										
Loan Type	Number of Loans					Dollars of Loans (000 omitted)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Business Loans	78	81	18	19	96	42,676	76	13,758	24	56,434

Source: Bank loan origination report.

### Lending to Businesses of Different Sizes

Overall, the distribution of borrowers meets the standard for satisfactory performance, given the demographics of the assessment area.

The distribution of loans to businesses of different sizes is reasonable, given the bank’s business strategy. The level of the bank’s loans to non-farm small businesses (businesses with revenues of \$1 million or less) is somewhat lower than the level of such small businesses operating in the assessment area. Also, 47 percent of the bank’s business loan originations during the evaluation period (regardless of revenue) are for amounts of \$250 thousand or less, indicating lending to smaller size businesses.

**Table 2 – Borrower Distribution of Loans to Businesses in Assessment Area**

Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Businesses	66.53	3.59	29.88	100%
% of Bank Loans in AA by #	40.00	36.67	23.33	100%

Source: Loan sample; Dunn and Bradstreet data 2008.

### Geographic Distribution of Loans

Overall, the geographic distribution of loans throughout the assessment area exceeds the standard for satisfactory performance, considering the bank’s single office location.

The geographic distribution of loans to businesses is more than reasonable. In low-income geographies, the percentage of the bank’s loan originations exceeds the level of businesses located in such geographies. In moderate-income geographies, the percentage of the bank’s loans is near to the level of businesses located in such geographies. The bank has one office located in a middle-income geography.

Table 3 - Geographic Distribution of Loans to Businesses in the Assessment Area								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses	% of Number of Loans						
Loans to Businesses	4.66	14.10	25.45	20.51	41.94	32.05	27.96	33.33

Source: Bank loan origination reports; D & B data 2008.

### Reponses to Complaints

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