



SMALL BANK

Comptroller of the Currency
Administrator of National Banks
Washington, DC 20219

PUBLIC DISCLOSURE

March 08, 2004

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**American Bank, National Association
Charter Number 24116**

**975 Keller Parkway
Keller, TX 76244**

**Comptroller of the Currency
ADC-Dallas South
500 North Akard Street Suite 1600
Dallas, TX 75201**

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.

American Bank, N.A. (American) has a satisfactory record of meeting its community credit needs. This rating is based upon the following:

- The average loan to deposit ratio of 73% meets the standards for satisfactory performance;
- The majority of loan originations are within the bank's assessment area;
- Sampled commercial loans show satisfactory penetration to businesses with revenues of less than \$1 million; and
- Consumers have filed no consumer complaints regarding American Bank's CRA performance during this evaluation period.

DESCRIPTION OF INSTITUTION

American is a community bank located in Tarrant County, Keller, Texas. Keller is a growing suburban area located in the northwestern part of the Dallas/Fort Worth Metoplex. As of December 31, 2003, American reported total assets of \$39 million. The bank is 100% owned by Amcorp Financial, Inc. headquartered in Ardmore, Oklahoma. American has one full service branch that opened in July 2003 in Saginaw. As this branch was opened after our assessment period, this CRA performance evaluation will not include the separate Saginaw assessment area. The bank offers basic banking services. Each banking office includes ATM and drive-up facilities and offers extended lobby and drive-up hours including Saturdays. The primary lending focus is consumer loans. As of December 31, 2003, the bank's net loans to deposits equaled 60%. The following table depicts the bank's loan mix:

Loan Category	\$ (000)	%
Consumer Loans	6,953	33.43
Commercial Real Estate Loans	4,283	20.59
Commercial Loans	1,587	07.63
Residential Real Estate Loans	2,590	12.45
Real Estate Construction Loans	2,868	13.79
Farm Loans, including Real Estate	2,483	11.94
Other Loans	36	00.17
Total	20,800	100.00

American's last CRA Performance Evaluation, dated September 13, 1999, was prepared by the Federal Deposit Insurance Corporation and was rated ***Satisfactory***. The bank has no financial or legal obstacles hindering its ability to meet its community's credit needs. American was not required to maintain and report Home Mortgage Data Act data during this assessment period due to the size of the institution.

DESCRIPTION OF THE CITY OF KELLER

American has defined its assessment area as eight contiguous census tracts that make up the city of Keller and surrounding area. The City of Keller is strategically located in the Dallas/Fort Worth Metroplex, which is composed of Dallas (35 miles to the east), Fort Worth (18 miles to the south), and Denton (22 miles to the north). This area is the fastest growing sector of Tarrant County. Keller is a choice relocation site because of its high quality residential housing and quality of life. The location of the city also makes it attractive since it is conveniently located near major highway and rail transportation systems, Dallas/Fort Worth International Airport, and the Alliance Airport. The assessment area meets regulatory guidelines by including whole geographies and does not arbitrarily exclude any low - to moderate-income areas. None of the census tracts are designated as low- or moderate-income and only one is designated as middle-income based on 1990 census data. The remaining seven census tracts are designated as upper-income. The following table depicts the demographics of the assessment area:

DEMOGRAPHIC AND ECONOMIC CHARACTERISTICS OF AA	
<i>Population</i>	
Number of Families	14,421
Number of Households	16,712
<i>Geographies</i>	
Number of Census Tracts/BNA	8
% Low-Income Census Tracts/BNA	0%
% Moderate-Income Census Tracts/BNA	0%
% Middle-Income Census Tracts/BNA	12.50%
% Upper-Income Census Tracts/BNA	87.50%
<i>Median Family Income (MFI)</i>	
1990 MFI for AA	53,661
2001 HUD-Adjusted MFI	60,638
2002 HUD-Adjusted MFI	61,950
<i>Economic Indicators</i>	
Unemployment Rate	2%
2002 Median Housing Value	123,737
% of Households Below Poverty Level	3%

Keller has an estimated current population (2002) of 29,913 and has experienced tremendous growth in recent years. Major employers in the area include Corning Cable Systems, Keller ISD, and Southstar Logistics. Continued strong economic growth is expected to continue in the area.

One community contact interview during the review confirmed the bank's satisfactory involvement in the community. The person interviewed represented the economic development department of the City of Keller, which is actively recruiting new businesses and assisting in the expansion of existing companies.

CONCLUSIONS ABOUT PERFORMANCE CRITERIA

American has satisfactory lending performance. The bank continues to make consumer and small business loans throughout the assessment area. Geographic distribution of loans is reasonable.

Loan-to-Deposit Ratio

Institution	Assets (as of 12/31/2003)	Average LTD Ratio
First Financial Bank, N. A., Southlake	74,539	69.34
Hbank Grapevine	47,167	49.20
Liberty Bank, North Richland Hills	84,023	66.01
Star Bank of Texas, Lake Worth	57,143	66.39
<i>American Bank, N. A.</i>	38,859	72.73

The bank’s loan-to-deposit ratio (LTD) is satisfactory considering the bank’s size, lending opportunities and in relation to other similarly situated financial institutions. The bank’s average LTD was calculated since the last CRA examination in September 1999. The average LTD for that period is 72.73% and exceeds other local financial institutions. At December 31, 2003, the bank’s LTD was 59.87%.

Lending in Assessment Area

TOTAL LOANS REVIEWED (1/1/2000-12/31/2002)								
	IN ASSESSMENT AREA				OUT OF ASSESSMENT AREA			
LOAN TYPE	#	%	\$ (000s)	%	#	%	\$ (000s)	%
Consumer	29	72.50	207,674	74.73	11	27.50	70,216	25.27
Commercial	15	75.00	881,320	82.43	5	25.00	187,870	17.57
Total Reviewed	44	73.33	1,088,994	80.84	16	26.67	258,086	19.16

The above table shows the distribution of the bank’s consumer and commercial loans in and outside of assessment area. A majority of the bank’s consumer lending is within its assessment area. We sampled 40 consumer loans originated between January 2000 and December 2002. A majority of the consumer loans sampled were for automobile purchases. A sample of 20 commercial loans originating during this same period also demonstrates a majority is within the assessment area. Based on this analysis, the bank meets the standards for satisfactory performance within its assessment area.

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

CONSUMER (1/1/2000-12/31/2002)								
Borrower Income Level	LOW		MODERATE		MIDDLE		UPPER	
% of AA Households	8		9		16		66	
LOANS BY PRODUCT	% of Number	% of Amount						
Consumer	28	26	31	21	17	31	24	22

A sample of 29 consumer loans made within the bank’s assessment area was reviewed to determine the bank’s performance of lending to borrowers of different income levels. Consumer lending is one of American’s primary product line. American reflects strong performance at lending to borrowers of different income levels. The bank services all income levels even though 66% of the assessment area households are in the upper income level.

BORROWER DISTRIBUTION OF SMALL LOANS TO BUSINESSES (1/1/2000-12/31/2002)		
Business Revenues	≤\$1,000,000	>\$1,000,000
% of AA Businesses	93.86	6.14
% of Bank Loans in AA #	66.67	33.33
% of Bank Loans in AA \$	67.04	32.96

Demographics of the assessment area reflect a large majority of businesses have annual revenues less than \$1 million. The majority of the number and dollar volume are loans to small businesses.

Geographic Distribution of Loans

The bank has no low- to moderate- income tracts within their assessment area. Therefore, an analysis of the geographic distribution of loans would not be meaningful.

Responses to Complaints

The bank has received no consumer complaints since the previous Community Reinvestment Act examination.

Fair Lending or Other Illegal Credit Practices Review

We found no evidence of illegal discrimination or other illegal credit practices.