

PUBLIC DISCLOSURE

February 12, 1996

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

American Bank and Trust of Polk County
06-12-0798

Lake Wales, Florida

Federal Reserve Bank of Atlanta
104 Marietta Street, N.W.
Atlanta, Georgia 30303

NOTE: This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to the 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 and Trust of Polk County prepared by the Federal Reserve Bank of Atlanta, the institution's supervisory agency, as of February 12, 1996. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 228.

INSTITUTION'S CRA RATING: This institution is rated Satisfactory.

Based on available resources, lending activities reflect a reasonable penetration of all segments of the bank's assessment area, and a high portion of loans originated by the bank are secured by properties within its assessment area, including low- and moderate-income areas. The bank is in substantial compliance with all provisions of the antidiscrimination laws and regulations, including fair lending and fair housing laws.

American Bank and Trust functions primarily as a community bank; it provides a significant number and amount of local consumer loans, including those for personal and housing credit needs, in the Greater Lake Wales area. American Bank and Trust has not received any complaints since the previous examination regarding its performance in meeting community credit needs.

GENERAL INFORMATION (CONTINUED)

The following table indicates the performance level of American Bank and Trust of Polk County with respect to each of the five performance criteria.

SMALL INSTITUTION ASSESSMENT CRITERIA	AMERICAN BANK AND TRUST OF POLK COUNTY		
	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 were received since the prior examination.		

DESCRIPTION OF INSTITUTION

American Bank and Trust of Polk County opened for business on January 31, 1975. It has six offices, with the main office located in Lake Wales, Florida. According to the December 31, 1995 Consolidated Reports of Condition and Income, total assets were \$76.9 million.

The bank's loan-to-deposit ratio, although below that of its peer group, shows an increasing trend since the previous examination. The December 31, 1995 Consolidated Reports of Condition and Income indicate that the bank had loans totaling \$40.9 million and a loan-to-deposit ratio of 57.5 percent. According to the Uniform Bank Performance Report (UBPR) of September 30, 1995, the bank's net loan-to-deposit ratio was 8 percentage points lower than the peer group.

The September 30, 1995 UBPR illustrates how the composition of American Bank's loan portfolio differs from that of its peer group as seen in the following table:

LOAN TYPE	AMERICAN BANK AND TRUST OF POLK COUNTY	PEER ¹
Construction & Development Loans	5.67%	5.05%
1-4 Family Residential Loans	44.40%	29.98%
Farmland	8.51%	0.79%
Commercial & Industrial Loans	8.78%	16.73%
Loans to Individuals	6.62%	11.32%

A substantial portion of the bank's loan portfolio is concentrated in residential real estate loans. The bank has a smaller percentage of consumer loans than its peer group; however, consumer loans have increased from 2.89 percent of total loans on September 30, 1994. In October 1994, American Bank began making indirect automobile loans. During 1995, 284 indirect loans totaling approximately \$3.2 million were granted.

¹The bank's peer group includes all insured commercial banks having assets between \$50 million and \$100 million with three or more banking offices, and located in a metropolitan area.

DESCRIPTION OF GREATER LAKE WALES, POLK COUNTY, FLORIDA

American Bank and Trust of Polk County has designated all but the west portion of Polk County as its assessment area. This area includes the cities of Lake Wales, Bartow, Frostproof, Dundee, Highland Park, Hillcrest Heights, Haines City, Polk City, Winter Haven, and the surrounding unincorporated communities. A mixture of small businesses, light industries, and residential areas surrounds the bank's six offices. A review of the assessment area indicated no arbitrary exclusion of low- or moderate-income areas.

Lake Wales is located in Polk County, between Tampa and Orlando in central Florida. Highway 60 and U.S. Highway 27 intersect at Lake Wales, providing excellent transportation access to all points in the state. The major industries in the bank's assessment area are citrus growing and processing, tourism, and phosphate mining. Polk County and Lake Wales produce approximately 18 percent of all oranges and grapefruit grown in Florida, more than any other county in the state. Citrus World, manufacturer of Donald Duck and Florida's Natural brand products among others, is the largest employer in the Lake Wales area. A number of other local firms also pack and ship citrus products or are engaged in providing citrus-related products or services. Other local industry leaders include Escod Industries, Inc., United Parcel Service, Lifetile Corporation, St. Joe Container Co., Joseph Land Co., Oakley Properties, Bassett Bedding, Wausau Homes, and Chemical Containers, Inc.

According to the 1990 census, the population of the bank's assessment area was 208,496. The population of the city of Lake Wales was 9,670; this figure represents a growth of 14 percent over the past decade. The population of the assessment area by race is approximately 78.9 percent white, 15.8 percent black, and 5.3 percent Hispanic and other. There are approximately 80,000 households in the assessment area. Polk County constitutes the Lakeland - Winter Haven Metropolitan Statistical Area (MSA). Polk County's population was placed at 405,382. The median family income for the MSA from the 1990 census data is \$28,966. A total of 97,761 housing units are in the bank's assessment area. 58.3 percent are owner-occupied, 23.7 percent are rented, and 18 percent are vacant.

American Bank and Trust has 40 census tracts in its assessment area. None are low-income tracts. Nine (22.5 percent) are moderate-income tracts, 26 (65 percent) are middle-income tracts, and five (12.5 percent) are upper-income tracts. Moderate-income census tracts are defined as those having a median family income of 50 to less than 80 percent of the median income level of the MSA. Middle-income tracts have median family incomes of 80 to less than 120 percent of the MSA median family income, and upper-income tracts have median family incomes of 120 percent or more of the MSA median family income.

DESCRIPTION OF GREATER LAKE WALES, POLK COUNTY, FLORIDA (CONTINUED)

Three community contacts were made in conjunction with this examination. The contacts included officials representing a county opportunity council, a health care center, and a local chamber of commerce. No derogatory information regarding this bank or any other local financial institution was noted during the contacts. Two of the individuals identified the bank as being a participant in community activities. According to the contacts, current credit products offered by the financial institutions meet the basic credit needs of the community. Two of the contacts stated that affordable housing remains a concern of the community. American Bank and Trust has been in contact with two of the individuals.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

The bank's average loan-to-deposit ratio for the six quarters since the previous examination is 60 percent. The bank's net loan-to-deposit ratio as of the September 30, 1995 Uniform Bank Performance Report was 60.8 percent compared with the national peer of 68.8 percent. The bank's loan-to-deposit ratio has increased since the previous examination, from 59.8 percent at September 30, 1994, but is well below its recent high of 67.3 percent at December 31, 1993. Given the bank's size, resources, and current office facilities, the loan-to-deposit ratio meets the standards for satisfactory performance.

During the examination, a sample of 141 loans was geocoded to determine the percentage of loans within the assessment area and the diversity of income levels served by census tract and borrower. The bank functions primarily as a community bank by making local loans to consumers and homeowners. Management identified consumer loans, indirect auto loans in particular, and residential mortgage loans as the major credit products it offers.

The sample included 116 indirect consumer loans because that product line constituted the largest number of loans, by type, originated during 1995. The direct consumer loan portfolio was not considered for review because the location of these loans is essentially the same as for the indirect. The sample also included 25 of the 29 residential mortgage loans granted in 1995.

94 percent of the indirect consumer loans and 96 percent of the residential mortgage loans were in the bank's assessment area. Based on the sample, the bank's lending in its assessment area exceeds the standards for satisfactory performance.

As stated earlier, the bank's assessment area consists of 22.5 percent moderate-income tracts, 65 percent middle-income tracts, and 12.5 percent upper-income tracts. 14 percent of the indirect consumer loans sampled were in moderate-income census tracts in the bank's assessment area, 73 percent were in middle-income tracts, and 13 percent were in upper-income tracts. 8 percent of the residential mortgage loans sampled were in moderate-income census tracts, 84 percent were in middle-income tracts, and 8 percent were in upper-income tracts. The bank originated only two residential mortgage loans in moderate-income census tracts out of the 24 loans sampled that were within the assessment area; however, management anticipates that as the bank increases its residential lending activity, the number of loans in moderate-income tracts will also increase. Based on the sample, the geographic distribution of loans meets the standards for satisfactory performance.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA (CONTINUED)

Virtually all of the bank's lending takes place in Polk County. The bank has added 16 census tracts to its assessment area since the previous examination, five of which are moderate-income census tracts. A review of the bank's assessment area indicated no arbitrary exclusion of low- or moderate-income areas. Management is currently coding every application it receives by census tract number to assist in assessing the distribution of the bank's loans and denials.

Of the families in the bank's assessment area, 18 percent have low incomes, 19 percent have moderate incomes, 24 percent have middle incomes, and 39 percent have upper incomes. The sample of the indirect consumer loans in the assessment area showed that 22 percent were to low-income borrowers, 28.5 percent were to moderate-income borrowers, 21 percent were to middle-income borrowers, and 28.5 percent were to upper-income borrowers. Of the residential mortgage loans in the sample, 12 percent were to low-income borrowers, 17 percent were to moderate-income borrowers, 17 percent were to middle-income borrowers, and 54 percent were to upper-income borrowers. Based on the sample, the bank's lending to borrowers of different incomes meets the standards for satisfactory performance.

Since the previous examination, the bank has not received any written complaints about its performance in helping to meet community credit needs.

No violations of the substantive provisions of the antidiscrimination laws and regulations were identified. A judgmentally selected sample of loan application files was reviewed to determine the level of compliance with the requirements of the Equal Credit Opportunity Act, the Home Mortgage Disclosure Act (HMDA), and the Fair Housing Act. No evidence of unlawful or prohibited practices involving credit decisions was identified, but violations of technical aspects of HMDA were noted. The bank solicits credit applications from all segments of the assessment area, including low- and moderate-income neighborhoods. Bank management has adopted policies and procedures that ensure uniform application of underwriting guidelines. In 1994, management instituted a policy of conducting second reviews of all rejected applications to determine whether credit denials are justified or if alternative financing can be provided.

TO THE INSTITUTION EXAMINED:

THIS COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION WAS PREPARED BY THE FEDERAL RESERVE BANK OF ATLANTA. THE FOLLOWING ACTIONS MUST BE TAKEN TO FULFILL THE CRA'S REQUIREMENTS.

- C AT A MINIMUM, PLACE THE EVALUATION IN YOUR CRA PUBLIC FILE LOCATED AT YOUR HEAD OFFICE (AND A DESIGNATED OFFICE IN EACH OF YOUR LOCAL COMMUNITIES) NO LATER THAN 30 BUSINESS DAYS AFTER RECEIVING THE EVALUATION.
- C PROVIDE A COPY OF THE EVALUATION TO THE PUBLIC UPON REQUEST (YOU ARE PERMITTED TO CHARGE A FEE NOT TO EXCEED THE COST OF REPRODUCTION AND MAILING IF APPLICABLE) NO LATER THAN 30 BUSINESS DAYS AFTER RECEIVING THIS LETTER.

FEDERAL RESERVE BANK OF ATLANTA

ASSISTANT VICE PRESIDENT

(Date)

CYNTHIA C. GOODWIN

(Title)

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COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

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TO THE FEDERAL RESERVE BANK OF ATLANTA

A COPY OF THE COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION PREPARED AS OF THE CLOSE OF BUSINESS FEBRUARY 12, 1996, BY AN EXAMINER FOR THE FEDERAL RESERVE BANK OF ATLANTA HAS BEEN RECEIVED AND WILL BE MADE AVAILABLE TO THE PUBLIC IN THE MANNER STATED IN THE LETTER WHICH ACCOMPANIED THE EVALUATION.

(Signature of Authorized Officer)

(Title)

AMERICAN BANK AND TRUST OF POLK COUNTY

(Name of Bank)

LAKE WALES, FLORIDA

(Location)

FEDERAL RESERVE BANK OF ATLANTA

Cynthia C. Goodwin
ASSISTANT VICE PRESIDENT

Board of Directors
American Bank and Trust of Polk County
Post Office Box 3400
Lake Wales, Florida 33859

Dear Board Members:

Enclosed is the bank's Community Reinvestment Act Performance Evaluation prepared by Federal Reserve Examiner Regina Hartman using the guidelines established by the Federal Financial Institutions Examination Council. This evaluation was prepared in accordance with the Community Reinvestment Act (CRA), as amended by the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, and must be made available to the public. The following actions must be taken to fulfill the CRA's requirements.

- C At a minimum, place the evaluation in your CRA public file located at your head office (and a designated office in each of your local communities) no later than 30 business days after receiving this letter.
- C Provide a copy of the evaluation to the public upon request (you are permitted to charge a fee not to exceed the cost of reproduction and mailing if applicable) no later than 30 business days after receiving this letter.

Please acknowledge receipt of this evaluation by signing and returning the attached blue form. The format and content of the evaluation should not be altered or abridged in any manner. You may wish to comment on this information detailing actions the bank has taken since the examination to meet its obligations under the CRA. Any written comments concerning the evaluation placed in the public file should also be forwarded to this office. If you believe any of the information included in the public evaluation is proprietary, please contact this Reserve Bank so that the appropriate action can be taken.

Our Community Affairs staff is available to assist you in determining and responding to community credit needs. Please feel free to contact Mr. Courtney Dufries at (404) 589-7226. If you have any questions concerning this report or any other compliance matter, contact Ms. Gale Williams at (404) 589-7223.

Very truly yours,

Cynthia C. Goodwin

Enclosures

PUBLIC DISCLOSURE

**COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION**

Name of Bank: AMERICAN BANK AND TRUST OF POLK COUNTY

City and State: LAKE WALES, FLORIDA

Date of Examination: FEBRUARY 12, 1996

FEDERAL RESERVE BANK OF ATLANTA