



Office of the
Comptroller of the Currency
Washington, DC 20219

WHOLESALE BANK

PUBLIC DISCLOSURE

June 2, 2025

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Pacific National Bank
Charter Number: 20010

1390 Brickell Avenue
Miami, Florida 33131

Office of the Comptroller of the Currency

9850 NW 41st Street, Suite 260
Miami, Florida 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.

Contents

Overall CRA Rating	1
Description of Institution.....	2
Scope of the Evaluation.....	3
Discriminatory or Other Illegal Credit Practices Review	4
State Rating	5
State of Florida	5
Appendix A: Summary of State Ratings	A-1
Appendix B: Definitions and Common Abbreviations.....	B-1

Overall CRA Rating

Institution's CRA Rating: This institution is rated Satisfactory.

The major factors that support this rating include:

- The institution demonstrates a high level of community development (CD) loans and services, and an adequate level of qualified investments.
- The institution exhibits adequate responsiveness to credit and CD needs in its assessment area (AA).
- The institution does not use innovative or complex qualified investments, CD loans, or CD services.

Description of Institution

Pacific National Bank (PNB) is a wholesale, intrastate community bank that is headquartered in Miami, Florida. PNB's wholesale bank designation was approved on January 16, 1996.

The bank is privately owned by the founders of Black Diamond Capital Management, LLC (BDCM), a U.S. based, privately held equity firm that purchased the bank on October 31, 2014. PNB was originally nationally chartered in 1985 as a wholly owned subsidiary of Banco Del Pacifico Ecuador, owned by the Central Bank of Ecuador. On January 17, 2012, the ownership was transferred to Corporacion Financiera Nacional which is owned by the government of Ecuador. In order to address issues raised under the Bank Holding Company Act of 1956, a Divestiture Trust Agreement was executed on March 28, 2012, placing the shares of the bank into a trust. The trustee was responsible for selling the shares of the bank and the bank was ultimately purchased by BDCM. As of December 31, 2024, PNB had total assets of \$1.3 billion and tier 1 capital of \$148.6 million.

The bank's two AA are the Miami-Miami Beach-Kendall, FL Metropolitan Division (MD) 33124 (Miami-Dade AA) and the West Palm Beach-Boca Raton-Delray Beach, FL MD 48424 (Palm Beach AA). These two MDs are part of the Miami-Fort Lauderdale-West Palm Beach, FL Metropolitan Statistical Area (MSA). PNB added a new AA with the opening of a branch in Palm Beach County in November 2023, which represents its first and only branch in the Palm Beach AA. The bank had a total of four branches during the evaluation period. The main branch is located in Miami, Florida. The other three branches are in Aventura, Boca Raton, and Coral Gables, Florida.

PNB is a full-service commercial bank that offers traditional loan and deposit products and services. The bank's core business strategy is centered in commercial real estate lending. The AAs in which the bank operates has a large proportion of foreign-born residents, which is reflected in the bank's customer base. The bank's operating strategy is also focused on attracting customers who seek relationship-driven, personalized banking services. The loan portfolio is comprised primarily of commercial real estate, commercial and industrial, and investor-owned residential real estate. Deposit products offered include checking, savings, NOW, money market, and certificate of deposit accounts.

The Office of the Comptroller of the Currency (OCC) designated PNB as a wholesale bank for CRA purposes. Consequently, the bank's performance is not evaluated based on its ability to extend home mortgage loans, small business loans, small farm loans, or consumer loans as defined by the CRA. An institution with this designation is evaluated under the CD test, which assesses a bank's record of meeting the AA needs through CD loans, qualified investments, and CD services. There were no legal or financial circumstances that impeded the bank's ability to meet the credit needs in its AA. The table below provides a summary of the bank's financial condition, and a perspective on the bank's capacity to help meet the needs of the AA.

Table 1: Financial Information (000s)

	Year-end 2022	Year-end 2023	Most Recent Quarter-end 12/31/2024	Average for Evaluation Period
Tier 1 Capital	122,541	136,853	148,614	136,003
Total Income	45,087	66,241	78,587	63,305
Net Operating Income	11,677	13,288	13,407	12,791
Total Assets	1,164,741	1,215,350	1,302,698	1,227,596
Pass Through Receivables /Managed Assets	N/A	N/A	N/A	N/A

Source: Consolidated Report of Condition and Income and bank reported data. **Annualized data reported.

Scope of the Evaluation

Evaluation Period/Products Evaluated

In evaluating the bank's performance under the CRA, we reviewed CD loans, qualified investments, and CD services from January 1, 2022, through December 31, 2024. The review included an analysis of the volume and nature of CD loans, the extent of qualified investments, and the range of CD services. The evaluation also considered the responsiveness of the bank's efforts across these three categories. Particular attention was given to how these activities relate to the primary needs identified in each AA. At the prior examination dated April 25, 2022, we rated the bank Outstanding. For purposes of this evaluation, examiners placed greater weight on the bank's CD performance in the Miami-Dade AA due to its higher volume of CD activities and larger share of deposits relative to the Palm Beach AA.

The bank had adequately addressed the needs of its AA, and therefore, outside of AA qualified investments, CD loans and services were considered in evaluating its performance.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 C.F.R. §25.28(c) (March 29, 2024) in determining a national banks or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any AA by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Consumer Financial Protection Bureau, as applicable.

The OCC has not identified that this institution has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

The OCC will consider any information that this institution engaged in discriminatory or other illegal credit practices, identified by or provided to the OCC before the end of the institution's next performance evaluation in that subsequent evaluation, even if the information concerns activities that occurred during the evaluation period addressed in this performance evaluation.

State Rating

State of Florida

CRA Rating for Florida: Satisfactory

The major factors that support this rating include:

- The institution demonstrates a high level CD loans and services, and an adequate level of qualified investments in the state of Florida.
- The institution exhibits adequate responsiveness to credit and CD needs in the state of Florida.
- The institution does not use innovative or complex qualified investments, CD loans, or CD services in the state of Florida.

Description of Assessment Area

The bank has designated the Miami-Miami Beach-Kendall, FL MD, which consists of the single county of Miami-Dade as its AA. During the review period, PNB operated three branches in the AA. Two of the branches are in an upper-income tract and one is in a middle-income tract.

Miami-Dade County is the most populous county in the state of Florida with a total population of 2.7 million. Major employers within Miami-Dade County include Dade County School District, Miami-Dade County, University of Miami, Jackson Health System, and Publix. Top industries according to the Bureau of Labor Statistics include trade transportation and utilities, education and health services, professional and business services, and leisure and hospitality.

The unemployment rate for the AA at the end of 2024 was 5.0 percent based on Dun & Bradstreet data, compared to 3.1 percent in December 2021 based on Bureau of Labor Statistics data. According to 2024 Dun & Bradstreet data, the percentage of households below the poverty level is 17.4 percent, with a median family income level of \$79,400 for 2024. The median housing value is \$282,500.

Miami-Dade County has a large gap in the supply of affordable housing. According to the 2023 Miami-Dade County Housing Needs Assessment, prepared by Miami Homes for All, the gap in affordable housing is concentrated among lower income households. Based on their analysis, the county faces an estimated shortfall of 90,181 affordable units for renter households earning below 80 percent of the Area Median Income (AMI), or approximately \$75,000 annually. Limited housing inventory resulted in fewer lending opportunities, while the rising cost of housing outpaced wage and salary growth. In addition, the rising costs of homeowners insurance, property taxes, and condo and homeowners association fees have also contributed to the housing affordability crisis in the AA. According to information from Zillow, between 2019 and 2023,

the cost of homeownership in Miami-Dade County went up by 62 percent and the cost of renting by 55 percent.

The elevated interest rate environment has also influenced borrowing costs, making it more expensive and challenging for some homeowners to qualify for loans. As a result, many potential borrowers have been priced out of the market. During the evaluation period, the average 30-year fixed rate mortgage in the United States peaked at 7.8 percent during the week of October 26, 2023. During the week of January 6, 2022, the average 30-year fixed rate mortgage was the lowest at 3.2 percent which coincides with the start of the evaluation period. As of December 31, 2024, the average 30-year fixed rate mortgage was 6.9 percent.

The bank faces competition from local and large national financial institutions. According to the FDIC's Deposit Market Report, as of June 30, 2024, PNB has a small market share of 0.51 percent, or \$990.8 million in deposits in the AA. It ranks 25th out of 55 banks with deposits in the Miami-Dade AA. As of June 2024, the top five financial institutions based on deposit market share in the Miami-Dade AA, were Bank of America, N.A., JP Morgan Chase Bank, N.A., Wells Fargo N.A., City National Bank of Florida, and Citibank N.A. which collectively make up 53.3 percent of the deposit market share.

To ascertain the community credit needs, we reviewed information from recent interviews with two community non-profit organizations focused on affordable housing and an economic development organization in Miami-Dade County. One organization collaborates with various organizations and municipalities to ensure the availability of affordable housing for low- and moderate-income (LMI) individuals. The organization performs a significant amount of research and develops policy recommendations aimed at creating new affordable housing and providing education and resources to help individuals keep the homes they already have. The other organization facilitates business growth by focusing on business recruitment, expansion, and retention. Consistent with the macroeconomic factors discussed above, the community contacts indicated the primary needs of the community include the following:

- Developing additional affordable multifamily properties as well as affordable homes for LMI individuals and families
- Increasing financing for affordable housing multifamily developments as well as one-to-four family homes
- Expanding opportunities and programs for small business lending

Below are demographics for the Miami-Miami Beach-Kendall, FL MD AA.

Miami-Miami Beach-Kendall, FL MD

Assessment Area(s) - Miami-Miami Beach-Kendall, FL MD						
2024						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	707	4.81	24.89	31.26	34.37	4.67
Population by Geography	2,701,767	4.77	26.10	32.34	34.68	2.11
Housing Units by Geography	1,032,310	4.67	25.79	31.35	36.35	1.84
Owner-Occupied Housing by Geography	465,833	2.01	18.29	33.09	45.34	1.28
Occupied Rental Units by Geography	436,367	8.01	36.62	31.45	21.72	2.21
Vacant Units by Geography	130,110	3.02	16.34	24.80	53.20	2.64
Businesses by Geography	218,433	2.24	20.18	27.20	47.03	3.36
Farms by Geography	3,101	3.00	23.19	26.99	44.99	1.84
Family Distribution by Income Level	619,475	23.10	17.27	17.65	41.98	0.00
Household Distribution by Income Level	902,200	25.94	15.12	16.10	42.84	0.00
Unemployment rate (%)	5.04	8.00	6.45	4.66	3.87	7.93
Households Below Poverty Level (%)	17.38	36.88	25.46	15.62	9.52	22.12
Median Family Income (33124 - Miami-Miami Beach-Kendall, FL MD)		\$60,666	Median Housing Value			\$282,500
Median Family Income (33124 - Miami-Miami Beach-Kendall, FL MD) for 2024		\$79,400	Median Gross Rent			\$1,430
			Families Below Poverty Level			12.72
FFIEC File – 2024 Census						
2024 Dun & Bradstreet SBSF Demographics						
Due to rounding, totals may not equal 100.0%						
(*) The NA category consists of geographies that have not been assigned an income classification						

Conclusions About Performance

Summary

Based on a full-scope review of the Miami-Dade AA, PNB exhibited a high level of CD loans and services, and an adequate level of qualified investments. During the evaluation period, PNB originated \$13.1 million in CD loans, and \$5.0 million in qualified investments. The bank contributed a high level of CD services to four organizations, totaling 648 hours, during the evaluation period through board membership and technical assistance on financial matters.

PNB exhibited adequate responsiveness to credit and CD needs considering the performance context. Affordable housing represents the greatest need of the Miami-Dade AA followed by economic development activity. During the evaluation period, the bank's CD loans exhibited adequate responsiveness to the needs of the Miami-Dade AA and primarily addressed revitalization and stabilization needs of the AA. Qualified investments exhibited adequate responsiveness to CD needs in the AA. The bank demonstrated excellent responsiveness to the needs of the AA based on the CD services.

Affordable housing financing opportunities were limited during the evaluation period due to the high interest rate environment and lack of affordable housing inventory in the Miami-Dade AA. The bank also found it challenging to promote economic development by financing business loans during the evaluation period due to the elevated interest rate environment, which reduced the loan affordability for businesses. This also limited the bank's ability to originate loans to

small businesses under the SBA 7(a) loan program, which the bank utilized to support economic development activities in the past.

Based on a full-scope review of the Palm Beach AA, PNB provided few, if any, CD loans, qualified investments, or CD services during the evaluation period. PNB demonstrated poor responsiveness to credit and community development needs in the Palm Beach AA largely due to the limited time the branch was in operation. Since opening the Boca Raton branch in November 2023, PNB originated one CD loan in the amount of \$1.3 million, which supported revitalization and stabilization efforts in the AA. There were no qualified investments or CD services in the Palm Beach AA during the evaluation period.

PNB demonstrated no use of innovative or complex CD loans in the Miami-Dade and Palm Beach AAs, which had a neutral impact on the bank's performance.

Qualified Investments

During the evaluation period, PNB made an adequate level of qualified investments in the Miami-Dade AA. PNB had a total of \$5.0 million in qualified investments during the evaluation period. Qualified investments exhibited adequate responsiveness to CD needs in the AA. PNB provided qualified grants totaling \$1.2 million to organizations and programs that benefitted the AA. These grants supported affordable housing, economic development, community services, and revitalization/stabilization. In addition, grants of \$35,000 outside the AA were considered in the evaluation. Qualified investments include two CD investments, made in the prior evaluation period, totaling \$3.9 million. These CD investments are collateralized by multifamily affordable housing properties.

Table 3a: Qualified Investment Activity (000s)

	Benefits AA	Outside AA**	Totals
Originated Investments	0	0	0
Originated Grants	1,157	35	1,192
Prior-Period Investments that Remain Outstanding	3,850	0	3,850
Total Qualified Investments	5,007	35	5,042
Unfunded Commitments*	0	0	0

* "Unfunded Commitments" means legally binding investment commitments that are tracked and recorded by the bank's financial reporting system. ** Investments included in the Benefits AA column are located in the AA or in the broader statewide or regional area that includes the AA.

Table 4a: Qualified Investment Percentages

	Benefits AA (%)*	Outside AA (%)**
Total Investments/Average Tier 1 Capital	3.68	0.03
Total Investments/Average Total Income	7.91	0.06
Total Investments/Average Pass-Through Receivables	N/A	N/A

* Investments included in the Benefits AA column are located in the AA or in the broader statewide or regional area that includes the AA.

CD Lending

Table 5a: CD Lending Percentages

	Benefits AA (%)*	Outside AA (%)**
Total CD Lending/Average Tier 1 Capital	9.65	0
Total CD Lending/Average Total Income	20.74	0
Total CD Lending/Average Pass-Through Receivables	N/A	N/A

* CD loans included in the Benefits AA column are located in the AA or in the broader statewide or regional area that includes the AA.

During the evaluation period, PNB made a high level of CD loans that exhibited adequate responsiveness to the needs in the Miami-Dade AA. The bank provided financing to businesses that helped to revitalize or stabilize LMI geographies. The CD loans include the following:

- PNB provided funding in the amount of \$5,000,000 to refinance a retail center in a moderate-income CT that was comprised of several local businesses that employ LMI individuals.
- PNB financed a \$3,400,000 loan to acquire a commercial property that was converted into a retail store. The property is located in a moderate-income CT and the loan promotes job creation for LMI individuals.
- PNB originated a \$1,431,000 loan to acquire two gas stations located in a moderate-income CT. The loan promotes job retention/creation and employs and serves area residents.
- PNB extended a \$1,314,000 loan to acquire a small business that employs LMI individuals. The loan promotes job retention.

CD Services

Table 6a: CD Service Activities

CD Service	Benefits AA*	Outside AA**
Community Development	X	
Affordable Housing	X	
Economic Development	X	
Revitalization and Stabilization	X	

*X means yes; Blank means No. * CD services included in the Benefits AA column are located in the AA or in the broader statewide or regional area that includes the AA.*

PNB provided a high level of CD services totaling 648 hours, which exhibited excellent responsiveness to the needs of the Miami-Dade AA. The bank partnered with local nonprofit organizations that help facilitate affordable housing, provide economic assistance, and promote financial literacy to LMI individuals. Executive management also provided technical assistance by serving as board members for community development organizations. Noteworthy examples of organizations that benefited from PNB's service activities include the following:

- A nonprofit organization with a mission to provide comprehensive programs and services in collaboration with others that empower residents with dignity and respect to overcome homelessness and achieve and maintain long term self-sufficiency. The organization operates two homeless assistance centers with 800 beds located in Miami-Dade County. Collectively these two centers serve approximately 5,000 men, women, and families with children annually. The organization provides a comprehensive support program that includes emergency housing, meals, medical and mental health services, childcare, job training and placement, and assistance in securing stable housing. PNB's CEO and President serves on the Board of Directors as the Vice-Chair.
- A multi-sector, public-private partnership facilitated by an organization that works to address the affordable housing problem in Miami-Dade County. PNB's CEO and President serves as the Chairman of the taskforce, and he assisted with the creation of a community bank loan pool with the purpose of rehabilitating existing affordable housing and to fund the new construction of affordable housing for individuals with 80-120 percent of the AMI.
- An organization that is a forum for small financial institutions created by the Federal Reserve Board of Governors, to provide input on local economic conditions, lending conditions, effects of regulatory policies on the institutions' ability to provide financial services, and other issues of interest to community depository institutions. This activity supports community development and economic development. PNB's CEO and President is a member of the council.

Description of Assessment Area

The bank has also designated the West Palm Beach-Boca Raton-Delray Beach, FL MD, which consists of the single county of Palm Beach as its AA. From November 2023, when it was first opened, PNB operated a single branch in the AA. The branch is located in a middle-income CT.

According to a 2024 Moody's Analytics report, the AA's strengths are vibrant professional and business services, well-positioned to expand logistics and international trade, and high per capita income. The AA's growth in leisure/hospitality employment remained stable, while interest and rent expenses are outpacing wage and salary growth. Palm Beach County is the fourth most populous county in the state of Florida with a total population of 1.5 million.

The unemployment rate for the AA at the end of 2024 was 6.1 percent based on Dun & Bradstreet data, compared to 3.1 percent in December 2021 based on Bureau of Labor Statistics data. According to the Business Development Board of Palm Beach County, major employers include Palm Beach County School District, Florida Atlantic University, Palm Beach County Board of County Commissioners, Tenet Healthcare Corp., and Nextra Energy. According to 2024 Dun & Bradstreet data, the percentage of households below the poverty level is 11 percent, with a median family income level of \$104,000 for 2024. The median housing value is \$275,100.

According to the FDIC's Deposit Market Report, as of June 30, 2024, the bank has a small market share of deposits in the AA of 0.01 percent, with \$7.4 million in deposits. The bank ranks 46th out of 53 banks with deposits in the AA. The top five financial institutions based on deposit market share in the AA, were Bank of America, N.A., JP Morgan Chase Bank, N.A., Wells Fargo Bank N.A., PNC Bank, N.A. and TD Bank, N.A which collectively make up 65.8 percent of the deposit market share.

To ascertain community credit needs, a community contact with one non-profit organization, focused on affordable housing and economic development in Palm Beach County, was completed. In collaboration with residents, property owners, businesses, developers and other community organizers, the organization works to foster redevelopment within the AA. The community contact indicated the primary needs of the community include the following:

- Financing for affordable housing, as well as greater access to affordable housing units
- Access to traditional lending products that would provide financing to customers who have issues obtaining a loan due to poor credit, or a lack of financial education

Below are demographics for the West Palm Beach-Boca Raton-Delray Beach, FL MD AA.

West Palm Beach-Boca Raton-Delray Beach, FL MD

Assessment Area(s) - West Palm Beach-Boca Raton-Delray Beach, FL MD						
						2024
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	373	6.70	26.27	29.49	33.51	4.02
Population by Geography	1,492,191	5.87	28.58	32.21	32.30	1.04
Housing Units by Geography	690,075	5.35	26.40	32.16	34.95	1.14
Owner-Occupied Housing by Geography	391,273	3.27	22.07	34.74	39.14	0.77
Occupied Rental Units by Geography	174,325	9.86	37.93	29.49	21.33	1.39
Vacant Units by Geography	124,477	5.60	23.84	27.77	40.83	1.96
Businesses by Geography	130,550	4.16	23.09	29.55	40.92	2.28
Farms by Geography	3,556	5.15	25.22	33.63	35.32	0.67
Family Distribution by Income Level	351,887	22.15	17.46	18.59	41.81	0.00
Household Distribution by Income Level	565,598	24.24	16.41	16.95	42.40	0.00
Unemployment rate (%)	6.05	10.19	7.85	5.33	4.28	10.10
Households Below Poverty Level (%)	10.99	26.40	16.09	8.76	6.64	12.14
Median Family Income (48424 - West Palm Beach-Boca Raton-Delray Beach, FL MD)		\$79,785	Median Housing Value			\$275,100
Median Family Income (48424 - West Palm Beach-Boca Raton-Delray Beach, FL MD) for 2024		\$104,000	Median Gross Rent			\$1,437
			Families Below Poverty Level			8.01
FFIEC File – 2024 Census						
2024 Dun & Bradstreet SBSF Demographics						
Due to rounding, totals may not equal 100.0%						
(*) The NA category consists of geographies that have not been assigned an income classification						

Qualified Investments

There were no qualified investments in the Palm Beach AA during the evaluation period. PNB opened its first and only branch in the AA in November 2023 and the branch was only open and operating for one full year of the evaluation period.

Table 3a: Qualified Investment Activity (000s)

	Benefits AA	Outside AA**	Totals
Originated Investments	0	0	0
Originated Grants	0	0	0
Prior-Period Investments that Remain Outstanding	0	0	0
Total Qualified Investments	0	0	0
Unfunded Commitments*	0	0	0

* "Unfunded Commitments" means legally binding investment commitments that are tracked and recorded by the bank's financial reporting system. ** Investments included in the Benefits AA column are located in the AA or in the broader statewide or regional area that includes the AA.

Table 4a: Qualified Investment Percentages

	Benefits AA (%)*	Outside AA (%)**
Total Investments/Average Tier 1 Capital	0	0
Total Investments/Average Total Income	0	0
Total Investments/Average Pass-Through Receivables	N/A	N/A

* Investments included in the Benefits AA column are located in the AA or in the broader statewide or regional area that includes the AA.

CD Lending

Despite PNB's concerted efforts to increase CD loans in the Palm Beach AA, the bank faced many of the challenges experienced in the Miami-Dade AA that relate to the limited availability of affordable housing and economic development lending opportunities. Additionally, management reported that the bank's typical loan cycle from gathering to origination is over 150 days, which management cited as a contributing factor to the bank's limited CD lending activity in the Palm Beach AA. During the evaluation period, the bank originated one CD loan in the amount of \$1.3 million that helped to revitalize or stabilize LMI geographies.

Table 5a: CD Lending Percentages

	Benefits AA (%)*	Outside AA (%)**
Total CD Lending/Average Tier 1 Capital	0.92	0
Total CD Lending/Average Total Income	1.97	0
Total CD Lending/Average Pass-Through Receivables	N/A	N/A

* CD loans included in the Benefits AA column are located in the AA or in the broader statewide or regional area that includes the AA.

CD Services

Table 6a: CD Service Activities

CD Service	Benefits AA*	Outside AA**
Community Development		
Affordable Housing		
Economic Development		
Revitalization and Stabilization		

X means yes; Blank means No. * CD services included in the Benefits AA column are located in the AA or in the broader statewide or regional area that includes the AA.

During the evaluation period, PNB did not perform any CD service activities in the Palm Beach AA. PNB has a single branch in the AA, and only four employees worked at the branch during the limited time the branch was in operation. Bank management noted that it was a challenge to establish community contacts in Palm Beach County given the institution's limited footprint and staffing levels in the AA.

Appendix A: Summary of State Ratings

RATINGS	
Overall Bank:	Overall Bank Rating
Pacific National Bank	Satisfactory
State Name:	State Rating
State of Florida	Satisfactory

Appendix B: Definitions and Common Abbreviations

The following terms and abbreviations may be used in this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

Affiliate: Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. For example, a bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Aggregate Lending (Aggt.): The number of loans originated and purchased by all reporting lenders (HMDA or CRA) in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the AA.

Census Tract (CT): A small, relatively permanent statistical subdivision of a county delineated by a local committee of census data users for the purpose of presenting data. Census tracts nest within counties, and their boundaries normally follow visible features, but may follow legal geography boundaries and other non-visible features in some instances, Census tracts ideally contain about 4,000 people and 1,600 housing units.

Combined Statistical Area (CSA): A geographic entity consisting of two or more adjacent Core Based Statistical Areas with employment interchange measures of at least 15. An employment interchange measure is a measure of ties between two adjacent entities. The employment interchange measure is the sum of the percentage of workers living in the smaller entity who work in the larger entity and the percentage of employment in the smaller entity that is accounted for by workers who reside in the larger entity.

Community Development (CD): Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; or activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas.

Community Reinvestment Act (CRA): the statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its entire community, including LMI areas, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

Consumer Loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, other secured consumer loans, and other unsecured consumer loans.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into ‘male householder’ (a family with a male householder and no wife present) or ‘female householder’ (a family with a female householder and no husband present).

Full-Scope Review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that conduct business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants, the amount of loan requested, the disposition of the application (e.g., approved, denied, and withdrawn), the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

Home Mortgage Loans: A closed-end mortgage loan or an open-end line of credit as these terms are defined under §1003.2 of this title, and that is not an excluded transaction under §1003.3(c)(1) through (10) and (13) of this title.

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Low-Income: Individual income that is at less than 50 percent of the area median income, or a median family income that is less than 50 percent in the case of a geography.

Market Share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the AA.

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. The median is the point at which half of the families have income above, and half below, a range of incomes. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above, and half below, a range of incomes.

Metropolitan Division: As defined by Office of Management and Budget, a county or group of counties within a Core Based Statistical Area that contains an urbanized population of at least 2.5 million. A Metropolitan Division consists of one or more main/secondary counties that represent an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area: An area, defined by the Office of Management and Budget, as a core based statistical area associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

Middle-Income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of a geography

Moderate-Income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of a geography.

Multifamily: Refers to a residential structure that contains five or more units.

Owner-Occupied Units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Prior Period Investments: Investments made in a previous evaluation period that are outstanding as of the end of evaluation period

Qualified Investment: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose CD.

Rating Area: A rated area is a state or multistate metropolitan statistical area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan statistical area, the institution will receive a rating for the multistate metropolitan statistical area.

Small Loan(s) to Business(es): A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans.

Small Loan(s) to Farm(s): A loan included in 'loans to small farms' as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report).

These loans have original amounts of \$500,000 or less and are either secured by farmland or are classified as loans to finance agricultural production and other loans to farmers.

Tier 1 Capital: The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

Unfunded Commitments: Legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

Upper-Income: Individual income that is at least 120 percent of the area median income, or a median family income that is at least 120 percent, in the case of a geography.