

# LARGE BANK

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Comptroller of the Currency  
Administrator of National Banks

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Washington, DC 20219

## Public Disclosure

November 13, 2000

## Community Reinvestment Act Performance Evaluation

Commercebank, National Association  
Charter Number: 16804

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**NOTE:** This evaluation is not, and should not 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.

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## 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 CRA performance of **Commercebank, National Association (CBNA)** prepared by the **Office of the Comptroller of the Currency (OCC)**, the institution's supervisory agency, as of **November 13, 2000**. The agency evaluates performance in assessment area(s), as they are delineated by the institution, rather than individual branches. This assessment area evaluation may include the visits to some, but not necessarily all of the institution's branches. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.*

## Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this Performance Evaluation. 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 by another company. A company is under common control with another company if both companies are directly or indirectly controlled by the same company. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

**Block Numbering Area (BNA)** - Statistical subdivisions of counties in which census tracts have not been established. BNAs have been established by the United States Census Bureau in conjunction with state agencies.

**Census Tract (CT)** - Small, locally defined statistical areas within metropolitan statistical areas. These areas are determined by the United States Census Bureau in an attempt to group homogenous populations. A CT has defined boundaries per ten year census and an average population of 4,000.

**Community Development (CD)** - Affordable 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 the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

**Community Reinvestment Act (CRA)** - The statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, 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.

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

**Geography** - A census tract or a block numbering area 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 do 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, and the disposition of the application (e.g., approved, denied, withdrawn).

**Home Mortgage Loans** - Such loans include home purchase and home improvement loans, as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwellings loans, loans for the purchase of manufactured homes and refinancing of home improvement and home purchase loans.

**Limited-Scope Review** - Performance under the Lending, Investment and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, branch distribution).

**Low-Income** - Income levels that are less than 50% of the median family income.

**Median Family Income (MFI)** - The median income determined by the United States Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development 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 it and half below it.

**Metropolitan Statistical Area (MSA)** - Area defined by the Director of the United States Office of Management and Budget. MSAs consist of one or more counties, including large population centers and nearby communities that have a high degree of interaction.

**Middle-Income** - Income levels that are at least 80% and less than 120% of the MFI.

**Moderate-Income** - Income levels that are at least 50% and less than 80% of the MFI.

**Small Business Loans** - Loans with original amounts of \$1 million or less that are: (1) secured by nonfarm nonresidential properties; or (2) commercial and industrial loans to U.S. addresses.

**Small Farm Loans** - Loans with original amounts of \$500 thousand or less that are: (1) secured by farmland; or (2) to finance agricultural production and other loans to farmers.

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

**Upper-Income** - Income levels that are 120% or more of the MFI.

## Overall CRA Rating

**Institution's CRA Rating:** This institution is rated "***Outstanding.***"

The following table indicates the performance level of **Commercebank, National Association** with respect to the Lending, Investment, and Service Tests:

Performance Levels	Commercebank, National Association, Coral Gables, Florida Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding	<b>X</b>	<b>X</b>	
High Satisfactory			<b>X</b>
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			

\* The Lending Test is weighted more heavily than the Investment and Service Tests when arriving at an overall rating.

Major factors that support CBNA's rating include:

- Lending activity that reflects good responsiveness to credit needs in its assessment areas.
- A substantial majority of originated loans are in its assessment areas.
- Good geographic distribution of loans in its assessment areas.
- Excellent performance regarding CD lending, which addressed difficult to meet credit needs.
- An excellent level of qualified investments that reflect excellent responsiveness to credit and community development needs.
- Service delivery systems that are accessible to geographies and individuals of different income levels in its assessment areas.
- Excellent performance in providing community development services.

## Description of Institution

Commercebank, N. A. (CBNA) is a wholly-owned subsidiary of Commercebank Holding Company (CHC), a one bank holding company headquartered in Coral Gables, Florida. CHC has another wholly owned subsidiary, Mercantil Services Corporation, which provides various services to CBNA and other affiliates in the United States on a contract basis. CHC is 100% owned by Mercantil Services Financieros (MSF) based in Caracas Venezuela. MSF also owns Banco Mercantil in Venezuela, along with several other subsidiaries. MSF is publicly owned with its stock traded on the Caracas Stock Exchange.

Commercebank, N. A. has five full service branches in the Miami MSA, two in the Fort Lauderdale MSA and one in New York City, New York. The New York office was a branch of Banco Santander, Puerto Rico that Commercebank, N.A acquired on June 16, 2000. No other mergers or acquisitions have taken place since the last CRA evaluation. Commercebank, N.A. has no subsidiaries. However, because of its affiliation with CHC and MSF, Commercebank, N.A. has numerous affiliates - all of which are located outside the United States. Commercebank, N.A. was not evaluated as an intrastate bank because data for the acquired New York bank is not required to be reported until March 1, 2001. Therefore, year-2000 loan data for the New York office was not available for analysis.

While Commercebank, N.A. offers a full array of standard domestic banking products and services, its primary focus is international banking. Commercebank, N.A. engages in substantial trade finance and foreign correspondent banking activities. A majority of the bank's \$1 billion in deposits (75% as of 12/31/99) are from foreign customers, most of which reside in Venezuela.

As of December 31, 1999, Commercebank, N.A. reported total assets of \$1.031 billion. Total loans represented 62% of total assets and consisted of international loans (42%), commercial real estate loans (32%), commercial loans (15%), and retail loans (11%). The loan-to-deposit ratio was 63%.

There are no legal, financial or other factors impeding CBNA's ability to help meet the credit needs of the communities it serves. As of June 30, 2000, CBNA reported Tier 1 Capital of \$109 million, which represented 7.8% of total assets.

CBNA's performance was rated "Satisfactory" at its last CRA evaluation dated December 31, 1997.



## **Scope of the Evaluation**

### **Evaluation Period/Products Evaluated**

With the exception of community development (CD) loans, the evaluation period for the Lending Test is January 1, 1998 through June 30, 2000. For CD loans, the Investment Test, and the Service Test, the evaluation period is January 1, 1998 through November 13, 2000.

For the lending test, CBNA's origination/purchase of home mortgage loans, small loans to businesses and CD loans were evaluated. CBNA's origination/purchase of small loans to farms was not evaluated, as the volume was not significant enough to perform a meaningful analysis (less than 1% of the number of loan originations/purchases over the Lending Test evaluation period).

### **Data Integrity**

As part of the CRA evaluation, CBNA's publicly filed information on home mortgage loans and small loans to businesses was tested for accuracy. The test included an evaluation of CBNA's processes to ensure that data was reliable. No errors were noted in 1998 or 1999 HMDA or small business loan data. Bank management's requested the inclusion of HMDA and small business data for the first six months of year-2000. This request was approved even though 2000 data was not tested. The year-to-date 2000 data was accepted because the bank's processes to ensure accurate and reliable data were adequate and had not changed since year end 1999. Data used to reach conclusions regarding the bank's CRA performance at this evaluation was considered reliable.

CD loans, investments and services submitted by CBNA management were verified to ensure that they met the regulatory definition for community development. Some items submitted by CBNA were excluded from this evaluation because they did not meet the definition or purpose of community development.

### **Selection of Areas for Full-Scope Review**

CBNA has designated two assessment areas: the Miami MSA and Fort Lauderdale MSA. The Miami MSA was selected for a full-scope review. This MSA represents

CBNA's major market and contains approximately 84% of the bank's deposits and 94% of lending activity over the evaluation period.

The Fort Lauderdale MSA received a limited-scope review. Refer to Appendix A for additional information regarding which areas received full-scope and limited-scope reviews.

### **Ratings**

The bank's overall rating is based primarily on those areas that received full-scope reviews.

Small business loans were weighted more heavily than home mortgage loans because the bank originated ten times more small business loans than HMDA loans during the evaluation period.

### **Other**

We conducted a community contact with a non-profit organization whose mission was to foster economic development in the poorest sections of the Miami MSA. We also reviewed seven previous community contacts prepared by representatives of other bank regulatory agencies. These community contacts confirmed that the greatest credit need within the Miami MSA is affordable housing for low- and moderate-income individuals. The need exists for both multi-family and single family homes.

## **Fair Lending Review**

An analysis of 1998 HMDA data, public comments and consumer complaint information was performed according to the OCC's risk based fair lending approach. The analysis of the information revealed no basis for the OCC to conduct a comprehensive fair lending examination in connection with the CRA evaluation this year. The latest comprehensive fair lending exam was performed in December 1997.

## Conclusions with Respect to Performance Tests

### LENDING TEST

#### Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Lending Test is rated "Outstanding". Based on full-scope reviews, the bank's performance in the Miami MSA is excellent.

#### Lending Activity

Refer to Table 1 in Appendix C for the facts and data used to evaluate the bank's lending activity.

Lending activity reflects good responsiveness to credit needs in CBNA's assessment areas, taking into account the number and amount of small business and home mortgage loans originated during this evaluation period.

In the full-scope AA, approximately 89% of loans originated/purchased during the evaluation period were small loans to businesses with home mortgage loans comprising the majority of the remainder. At less than 1%, the volume of small farm loan originations/purchases is not material. Market share information for HMDA and small business loans is based on 1998 aggregate data.

CBNA's overall lending activity in the Miami MSA is good when deposit market share is compared to its loan market share. As of December 31, 1999, CBNA had a deposit market share of 1.27% in the Miami MSA. This deposit market share ranked 17<sup>th</sup> among commercial banks in the Miami MSA. By comparison, CBNA's 1.28% market share for small business loans ranked 14<sup>th</sup> in small business lending within the Miami MSA. For HMDA loans, CBNA ranked 99<sup>th</sup> with a market share of 3/100's of 1 percent.

#### Distribution of Loans by Income Level of the Geography

The geographic distribution of loans throughout the full-scope assessment area is good. The geographic distribution of small loans to businesses is good. The geographic distribution of HMDA loans is adequate. However, because of the relatively small volume of HMDA loans, their impact on the bank's overall performance under the Lending Test is not significant.

### ***Home Mortgage Loans***

Refer to Tables 2, 3 and 4 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

The overall geographic distribution of home mortgage loans throughout the full-scope AA is adequate.

The geographic distribution of *home purchase loans* is good. The bank's percent of home purchase loans in low-income geographies during this evaluation period exceeds the percent of owner-occupied units in these geographies. The bank's percent of home purchase loans in moderate-income geographies is somewhat lower than the percent of owner-occupied units in these geographies. The bank's home purchase market share in low-income geographies substantially meets its overall market share. During 1998, the bank originated no home purchase loans in moderate-income tracts. Therefore, home purchase loan market share was not applicable.

The geographic distribution of *home improvement loans* is adequate. The bank made no home improvement loans in low-income geographies during this evaluation period. The bank's percent of home improvement loans in moderate-income geographies is equal to the percent of owner-occupied units in these geographies. The bank made no home improvement loans in low- or moderate-income geographies during 1998. Therefore, home improvement loan market share was not applicable.

The geographic distribution of *refinanced loans* is very poor. The bank originated no refinanced loans in low- or moderate-income geographies during this evaluation period.

### ***Small Loans to Businesses***

Refer to Table 5 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

The geographic distribution of small loans to businesses is good. The bank's percent of small loans to businesses in low-income geographies is lower than the percent of businesses in these geographies. The bank's percent of small loans to businesses in moderate-income geographies significantly exceeds the percent of businesses in these geographies. The bank's market share for small loans to businesses in low-income geographies is lower than its overall market share. The

bank's market share for small loans to businesses in moderate-income geographies exceeds its overall market share.

### ***Small Loans to Farms***

Refer to Table 6 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to farms.

Small loans to farms were not reviewed because their number and dollar amount were not material.

### ***Lending Gap Analysis***

Maps and reports detailing CBNA's lending activity over the evaluation period for home mortgage loans and small loans to businesses were reviewed to identify gaps in the geographic distribution of those loans. No unexplained conspicuous gaps were identified.

### ***Inside/Outside Ratio***

A substantial majority of home mortgage loans, small loans to businesses and CD loans originated/purchased by CBNA over the evaluation period were within its assessment areas. By number, 96% of home mortgage loans, 90% of the small loans to businesses, and 98% of CD loans were within its assessment areas. Overall, 91% of CRA loans originated during the evaluation period were within the bank's assessment areas. This performance was positively factored into the overall geographic distribution analysis.

### **Distribution of Loans by Income Level of the Borrower**

The dispersion of loans among borrowers of different income levels in the full-scope assessment area is adequate. The dispersion of HMDA loans is adequate. The dispersion of small loans to businesses is adequate.

### ***Home Mortgage Loans***

Refer to Tables 7, 8 and 9 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The overall dispersion of loans among individuals of different income levels and businesses of different sizes throughout the full-scope AA is adequate.

The dispersion of *home purchase loans* is adequate. The bank's percent of home

purchase loans made to low-income borrowers is significantly lower than the percent of families that are defined as such. The bank's percent of home purchase loans made to moderate-income borrowers is somewhat lower than the percent of families that are defined as such. The bank made no home purchase loans to low- or moderate-income borrowers during 1998. Therefore, home purchase loan market share was not applicable.

The dispersion of *home improvement loans* is good. The bank's percent of home improvement loans made to low-income borrowers is lower than the percent of families that are defined as such. The bank's percent of home improvement loans made to moderate-income borrowers exceeds the percent of families that are defined as such. During 1998, the bank made no home improvement loans to low-income borrowers. Therefore, market share for home improvement to low-income borrowers was not applicable. The bank's home improvement loan market share to moderate-income borrowers was less than its overall market share for home improvement loans.

The dispersion of *refinanced loans* is adequate. The bank's percent of refinanced loans made to low-income borrowers is lower than the percent of families that are defined as such. The bank's percent of refinanced loans made to moderate-income borrowers is somewhat lower than the percent of families that are defined as such. During 1998, the bank made no refinanced loans to low- or moderate-income borrowers. Therefore, refinanced loan market share is not applicable.

### ***Small Loans to Businesses***

Refer to Table 10 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

The dispersion of small loans to businesses within the full-scope assessment area is adequate. The percent of CBNA's small loans to small businesses (businesses with annual revenues of \$1 million or less) is lower than the percent of businesses that are defined as such. The percent of loans of \$100,000 or less is somewhat lower than the percent of businesses that are defined as small. The market share of small loans made to small businesses substantially meets the bank's overall market share in the assessment area for small loans to all businesses.

### ***Small Loans to Farms***

Refer to Table 11 in the Appendix C for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

Loans to small farms were not reviewed because their number and dollar amount were not material.

## **Community Development Lending**

Refer to Table 1 in Appendix C for the facts and data used to evaluate the bank's level of community development lending.

Community development lending performance throughout the Miami MSA is excellent. In addition to originating a high number and dollar volume of CD loans, these loans addressed difficult to meet credit needs within the full-scope assessment area. The difficult to meet credit needs that were met by the bank's CD lending was housing loans to low- and moderate-income people. Listed below are reasons why CD loans are difficult to make in the Miami MSA and how CBNA has overcome these difficulties.

- There is a limited number of productive CDCs in the Miami MSA that provide housing for low-income individuals. This scarcity promotes intense competition among local banks for CD loans to CDCs. CBNA has overcome this obstacle by establishing and maintaining a favorable reputation within the community as a CD lender.
- Loans to construct or renovate government subsidized low-income housing require more flexible underwriting criteria to qualify. For instance, more than one appraisal is sometimes required to support loan values for properties in poor or distressed areas. There is more paper work when governments are involved. CBNA has overcome these difficulties by making CD loans a high priority throughout the bank. There is a coordinated, formalized strategy to make CD loans. Financial incentives are provided to stimulate CD loan production. Lending officers are trained to recognize and originate CD loans.

During the evaluation period, CBNA originated 30 CD loans totaling \$50.4 million in the Miami MSA. The majority of CD loans supported affordable housing loans for low- and moderate-income individuals, a primary credit need in the assessment area. Proceeds from 22 CD loans totaling \$39.1 million were used to purchase, refinance, or improve 1,575 multi- or single family units targeted for low- and moderate-income individuals. Affordable housing CD loans for low- and moderate-income people represented 73% of total CD loans by number and 78% by dollar amount. As of June 30, 2000, the dollar volume of CD loans in the Miami MSA represented 54% of pro-rata Tier 1 capital, 20% of domestic deposits, and 5% of total assets. On an annualized basis, CD loans originated in the Miami MSA represented 18.9% of Tier I capital and 1.5% of total assets.

Some of the most significant community development loans originated during the

evaluation period are shown below:

- \$6,150,000 to purchase a multi-family rental housing property containing 220 units targeted at low-income families who receive Section 8 rental vouchers from the Federal government. These vouchers are paid directly to landlords who accept them. Section 8 vouchers give the urban poor the choice of living places other than public housing.
- \$3,630,000 to a CDC that builds homes for low-income families. Proceeds were used to construct 50 single-family homes in a depressed area located in the southern part of the Miami MSA known as Perrine. This area was hard hit by Hurricane Andrew several years ago and is still in a rebuilding phase.
- \$3,500,000 to finance the purchase of a 120 unit apartment building rented to low-income tenants who receive Section 8 rental vouchers.
- \$3,093,750 to acquire an 81 unit apartment building for low-income tenants who receive Section 8 rental vouchers.
- \$1,650,000 to acquire a 60 unit apartment building for low income tenants who receive Section 8 rental vouchers.
- \$5,110,000 to refurbish a hotel located in a Federally designated empowerment zone. The hotel employs 30 area residents. This refurbishment of this hotel is expected to revitalize and stabilize the area by providing jobs by helping attract new businesses as an anchor tenant. The surrounding area consists of boarded up, abandoned buildings.
- \$3,000,000 to rehabilitate a former retail site into an adult living facility. The property is in a Federally designated rehabilitation area in the City of Miami Beach. CD efforts are coordinated and administered by the Miami Beach Redevelopment Agency. This will stabilize and revitalize the area by turning a boarded up retail shopping center into a viable commercial establishment. This will create new jobs for the area.
- \$1,575,000 to purchase a 100 unit apartment complex in Opa Locka, a low-income area that is part of a Federally designated empowerment zone. The units are rented to low-income tenants. The Department of Housing and Urban Development (HUD) subsidize units.
- \$1,250,000 to a factory for working capital purposes. The factory is located in Liberty City, a low-income area that is part of a Federally designated empowerment zone. This loan stabilizes the area because it is a meat packing plant that employs more than 70 people in the area. There is a major employer



in a low-income geography. It is an anchor tenant for the area.

- \$1,000,000 to acquire and improve 80 apartment units rented by low-income tenants who receive Section 8 vouchers.

**Other Loan Data:** In addition to the \$50.4 million in CD loans originated, there are four legally binding CD loan commitments totaling \$7.8 million. Eight-three percent (83%) of the dollar amount of CD loan commitments is to a Community Development Corporation (CDC). Proceeds of the loan to the CDC will be used to construct 150 single-family homes for low-income families.

### **Product Innovation and Flexibility**

Commercebank, N.A. offers a flexible lending program with flexible underwriting standards. This program is listed below and is not considered innovative. Production numbers cover the entire evaluation period. The bank's flexible lending program had a neutral impact on the lending test conclusions in the Miami MSA.

- *CRA Subsidy Loan Program - 5 loans - \$206,750* - An affordable home mortgage product for low-income individuals. The program was implemented in February of 2000. The bank's first mortgage is combined with a below-market rate second mortgage funded by State programs such as SHIP (State Housing Initiatives Partnership). The bank also participates in low-income affordable housing programs administered by the Cities of Hialeah, Miami and Miami Beach. Flexible terms include higher debt-to-income ratio 30% without house debt and 42% with household debt. Debt to income ratio for standard home mortgage loans is 28% and 36%. The bank charges no points as opposed to at least 1.5 points on standard loans. The interest rate is 1/4 of 1% below market as opposed to market rate for standard mortgages. More flexible terms are allowed on evaluating credit history from alternate sources such as rental payments. Closing costs can come from gifts or other sources of cash.

### **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the Lending Test in the Fort Lauderdale MSA is not inconsistent with the bank's overall "Outstanding" performance under the Lending Test. Refer to Tables 1 through 11 in Appendix C for the facts and data that support these conclusions.

## **INVESTMENT TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

The bank's performance under the Investment Test is rated "Outstanding". Based on full-scope reviews, the bank's performance in the Miami MSA is excellent given available opportunities, size and capacity.

Refer to Table 12 in Appendix C for the facts and data used to evaluate the bank's level of qualified investments.

**Current Period Investments:** During the evaluation period, the bank originated 18 CD investments in the Miami MSA totaling \$9,443,000. This volume of investments, representing 10% of pro-rata Tier I capital for the Miami MSA, is excellent. Tier 1 capital was pro-rated among assessment areas based on the bank's distribution of deposits. In addition, the impact of investments on the community is high. Thirteen of these investments by number, and 88% by dollar volume, addressed the identified need of affordable housing for low- and moderate-income individuals. All 13 affordable housing investments, totaling \$8,343,000, were government guaranteed securities backed by mortgages on properties occupied by low- and moderate income individuals. The three government agencies who guaranteed these 13 affordable housing securities are the Federal National Mortgage Association (FNMA), Government National Mortgage Association (GNMA) and the Federal Home Loan Mortgage Corporation (FHLMC). Proceeds from the bank's bond investments were responsible for constructing, refinancing, or improving 198 affordable housing units for low- and moderate-income individuals in the Miami MSA. This represented a significant positive impact within the bank's assessment area by providing ongoing housing for low- and moderate-income individuals.

Besides the 13 government guaranteed bonds, five (5) other investments totaling \$1,100,000 originated during this evaluation period in the Miami MSA. This total included four, \$25,000 equity investments in CD corporations that promoted economic development by financing businesses that met the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or had gross annual revenues of \$1 million or less. The bank purchased a \$1 million tax increment revenue bond offered by the Miami Beach Redevelopment Agency (MBRA) to promote redevelopment in a distressed area of Miami Beach. The purpose of the MBRA is to foster redevelopment in designated distressed areas utilizing public and private funding.

**Current Period Grants and Donations:** During this evaluation period, the bank originated grants and donations to 20 CD organizations totaling \$442,000. These grants were to organizations that had as their primary missions affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; and activities that promote economic development by financing businesses that meet the size

eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less.

**Prior Period Investments:** Two investments totaling \$986,000 were made prior to the current evaluation period and remain outstanding. A FNMA bond with an outstanding balance of \$961,000 at June 30, 2000 was purchased for \$1,000,000 during 1997. The purpose of the bond was to rehabilitate a low-income multi-family housing dwelling in Miami. The residents of this building continue to be impacted in a positive way because of the ongoing benefit of improved housing. In 1993, the bank made a \$25,000 equity investment in a business assistance consortium that lends, and provides technical assistance, to small businesses. The bank's equity investment continues to be leveraged to make loans to small businesses, which provides positive continuing impact on the community.

### **Conclusions for Area Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the Investment Test in Fort Lauderdale MSA is not inconsistent with the bank's overall "Outstanding" performance under the Investment Test.

## **SERVICE TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

The bank's performance under the Service Test is rated "High Satisfactory". Based on full-scope reviews, the bank's performance in the Miami MSA is good.

### **Retail Banking Services**

Refer to Table 13 in Appendix C for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

CBNA's delivery systems are accessible to geographies and individuals of different income levels throughout the full-scope assessment area. The bank has no offices in low-income geographies. However, the main office located at 220 Alhambra Circle in Coral Gables, Florida is in close proximity (approximately one mile) to a low-income geography. The percent of CBNA's offices throughout moderate-income geographies exceeds the distribution of the population living in such geographies.

The bank's record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly to low- and moderate-income geographies and low- and moderate-income individuals. During this evaluation period, CBNA closed one branch in an upper-income geography in the Miami MSA.

CBNA's office hours and services in the Miami MSA are comparable among locations regardless of the income level of the geography. Bank lobbies and drive-ins at all five full service branches are open Monday through Friday. No lobbies or drive-ins are open on Saturdays.

CBNA has an ATM at each of its five full service branches in the Miami MSA. There are no offsite ATM's. There are no alternative delivery systems that increase the effectiveness of delivering retail banking services to low- and moderate-income geographies and low- and moderate-income individuals.

### **Community Development Services**

CBNA's performance providing CD services is excellent. CBNA and its officers provide a high level of CD services to more than 15 CD organizations, sometimes in a leadership role. Leadership roles include serving as Chairman of the Board of a CD organization and helping establish a work-training center for low-income individuals. Establishing the work-training center was a complex and innovative undertaking because CBNA provided sufficient funds and human resources to both start and maintain the program. (See the Work-Force Preparation Center below). CD services provided include training sessions and ongoing credit counseling for first time home buyers, evaluating credit and financial analysis for applicants of small business and home loans, budgeting and accounting, and fund raising. In response to an identified need, CD services to organizations providing affordable housing for low- and moderate- income individuals have been emphasized.

Highlights of CD service activities in the Miami MSA during the evaluation period are shown below:

#### **Affordable Housing for Low- or Moderate-Income Individuals**

**Community Reinvestment Group, L.C. (CRG)** – The bank is a member of this consortium of banks established to extend short-term, 0% interest loans to community development corporations (CDC) in Dade and Broward counties. The bank's Residential Loan Manager serves on CRG's board of directors. The board analyzes and evaluates the feasibility of all CDC loan requests. Consortium banks take turns originating loans.

**Consumer Credit Counseling Services** – During 1999 and 2000, Commercebank residential loan officers taught 258 individuals at 15 Fannie Mae Community

Homebuyer Seminars in Dade and Broward Counties in partnership with Consumer Credit Counseling, a nonprofit organization that provides credit and home ownership counseling, primarily for low- and moderate-income individuals.

**Universal Truth Community Development Corporation (UT-CDC)** – During 2000, Commercebank loan officers helped teach 43 low- or moderate-income individuals at three HUD-approved homebuyer educational workshops in partnership with the UT-CDC. Universal Truth constructs new homes, rehabilitates existing homes, and helps low- and moderate-income families purchase their first home. UT-CDC offers monthly educational workshops and a homebuyer’s club.

**Miami Beach Community Development Corporation (MBCDC)**– During 2000, Commercebank partnered with Fannie Mae on five Community Homebuyer Seminars in partnership with the Miami Beach CDC. Residential loan officers from the bank taught 113 individuals at these seminars. MBCDC is committed to the economic revitalization of South Miami Beach by promoting affordable residential living, increasing homeownership for low- and moderate-income individuals, and enhancing economic development. The bank has worked closely with the CDC and selected them as its community partner to apply for the FHLB Partnership Excellence Award in 2000.

**Housing Opportunity Project for Excellence, Inc (H.O.P.E)** - HOPE counsels low-income individuals who live in public housing or who receive Section 8 rental vouchers to relocate into the general housing market. The bank’s Compliance Manager serves as Chairman of HOPE’s board of directors, which participates in fund raising and reviews financial audits.

**Habitat for Humanity of Greater Miami** – A non-profit organization that builds homes for low-income families. Habitat works to eliminate poverty in housing by depending on volunteer labor and sweat equity from the selected homeowner. The bank’s Senior Lending Officer serves on Habitat’s board of directors as treasurer. The bank officer also assists with fund raising.

**Greater Miami Local Initiatives Support Corporation (LISC)** - LISC provides 0% interest loans and grants to community development corporations in the Miami MSA. The bank’s Compliance Manager serves on LISC’s board of directors, which reviews and approves every loan and every grant. The Board also develops the organization’s strategic plan.

**Fannie Mae Advisory Committee** – During 1998 and 1999, the bank’s Residential Loan Manager served on the local Fannie Mae Advisory Committee. The committee advises Fannie Mae on the development of new housing products for low- and moderate-income individuals and decides on the allocation of Fannie Mae grants to community development projects.

## **Community Services Targeted to Low- or Moderate Income Individuals**

**Work-Force Preparation Center, Entrepreneurial Campus, Miami-Dade Community College (MDCC)**– In 1999, the bank provided a \$60,000 grant to establish the Workforce Preparation Center at the Entrepreneurial campus of MDCC in Liberty City, a distressed community. The center will provide low-income recipients on public assistance with employability skills. The bank’s President/CEO is a director of the MDCC Foundation and assists with fund raising.

**Mortgage Finance Program, Wolfson Campus, Miami-Dade Community College**– In 2000, Commercebank partnered with the Mortgage Finance Program of MDCC by joining its internship program. The bank provides three internship positions each year. The goal of the Mortgage Finance Program, funded by a grant from Fannie Mae, is to increase community development opportunities in the mortgage banking industry by training low-income students to be sensitive to the needs of low- and moderate-income applicants. The bank’s Compliance Manager provides financial services by teaching financial education curricula for low- or moderate-income individuals.

**Metro Miami Action Plan, the Entrepreneurial Institute at Florida Memorial College and the Office of Dade County Mayor Alex Penelas** - In 2000, the bank partnered with these organizations to sponsor a credit enhancement workshop in the Model City area. The workshop educated low- and moderate-income individuals on credit worthiness, how to repair credit, and what the financial industry looks for when they receive an application for credit. The AVP/Compliance Officer participated in the planning and scheduling of this daylong event and was one of the individuals who provided financial counseling.

**Mercy Foundation** - The bank provides financial support and technical assistance to the Mercy Hospital Foundation which funds health care services for low-income people. Mercy operates two free health care clinics and a free mobile health clinic in the Miami MSA. Commercebank’s Chairman of the Board serves on Mercy’s board of directors and chairs the finance committee.

**Junior Achievement of Greater Miami, Inc.**- The bank provides funding, technical assistance and volunteers at public schools in low-income areas. Schools served are located in the low-income areas of Liberty City, Overtown, and Opa Locka. During 1998-2000, several of the bank’s officers taught banking-related classes in these schools. Subjects taught centered around money management and financial responsibility to kids. The bank’s VP/Real Estate Lending Officer is also a member of Junior Achievement’s board of directors and helps with fund raising.

### **Promotes Economic Development by Financing Small Businesses**

**Miami Capital Development** was a non-profit lender that provided low cost loans and technical assistance to small businesses that have difficulty obtaining traditional bank financing. The organization opened during 1998 but closed in 2000 and is now defunct. During 1998-2000, the bank's Senior Lending Officer served on Miami Capital's board of directors and the VP/Business Development Officer served on its credit committee.

**Florida Export Finance Corporation (FEFC)**— a non-profit organization operating a State of Florida guarantee loan program for small importers and exporters. Loans are to businesses whose annual revenues are less than \$1,000,000. Like SBA, but for importers and exporters. The bank's Chairman serves of the FEFC's board of directors and helps with fund raising.

**Dade County Office of Community and Economic Development** - Beginning in 1999, the bank has partnered with this organization to have a lending officer, on a bi-weekly basis, be available at the **Enterprise Community Center**, located in the Overtown area (an Empowerment Zone location). The Enterprise Community Center helps bring jobs to Overtown to low- and moderate-income individuals by encouraging and facilitating the formation of small businesses. The bank's small business specialist assists walk-in inquiries and offers technical assistance regarding taking applications, credit counseling and preparing credit packages.

### **Revitalization or Stabilization of Low- or Moderate-Income Geographies**

**Bankers' Empowerment Partnership (BEP), Miami-Dade Empowerment Trust** – The bank is part of the banker's Empowerment Partnership (BEP) of the Miami-Dade Empowerment Trust. The Empowerment Zone is a federal initiative to create economic opportunity by creating job opportunities for low- and moderate-income individuals, which will help, rebuild and stabilize poverty stricken areas. The BEP identifies methods for the delivery of financial services within the Federal Empowerment Zone in Dade County. It also measures the dollar volume of products delivered by member banks and reports the results to the community. The bank's AVP/Compliance Officer represents the bank at BEP's monthly meetings and works with the organization to explore lending opportunities. Group meets to determine how best to make loans to people in the Empowerment Zone.

**Greater Opa Locka Chamber of Commerce** – During 2000, the bank took part in the establishment of the newest Chamber in Dade County. The primary purpose of the Greater Opa Locka Chamber is to revitalize or stabilize the City of Opa Locka. Opa Locka is an economically depressed community that is part of the Empowerment Zone. The Chamber assists in creating jobs for low- and moderate-income individuals through industrial and economic development by working with

established businesses, seeking new businesses and industrial opportunities, and improving the overall business climate for the City of Opa Locka. Commercebank is a Trustee member, and the AVP/Compliance Officer has provided technical assistance throughout the start-up period. This officer has also helped with fund raising.

### **Conclusions for Area Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the Service Test in Fort Lauderdale MSA is not inconsistent with the bank's overall "High Satisfactory" performance under the Service Test.



## Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the metropolitan and nonmetropolitan areas that received comprehensive examination review (designated by the term "Full-Scope") and those that received a less comprehensive review (designated by the term "Limited-Scope").

<b>Time Period Reviewed</b>	Lending Test: (January 1, 1998 to June 30, 2000) Investment Test: (January 1, 1998 to November 13, 2000) Service Test: (January 1, 1998 to November 13, 2000)	
<b>Financial Institution</b>	<b>Products Reviewed</b>	
Commercebank, National Association, Coral Gables, Florida	HMDA Loans Small Loans to Businesses CD Loans	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
None	NA	NA
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
Miami MSA	Full-Scope	
Fort Lauderdale MSA	Limited-Scope	

## **Appendix B: Market Profiles for Full-Scope Areas**

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#### **Market Profiles for Areas Receiving Full-Scope Reviews**

Miami MSA B-2

## Miami MSA

Demographic Information for Full-Scope Area: Miami MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	267	13%	21%	36%	29%	1%
Population by Geography	1,937,094	9%	19%	40%	32%	0%
Owner-Occupied Housing by Geography	376,006	3%	13%	41%	43%	0%
Businesses by Geography	94,349	10%	19%	31%	40%	0%
Farms by Geography	1,682	3%	13%	36%	48%	0%
Family Distribution by Income Level	485,213	23%	16%	19%	42%	0%
Distribution of Low- and Moderate-Income Families throughout AA Geographies	192,725	15%	28%	40%	17%	0%
Median Family Income HUD Adjusted Median Family Income for 2000 Households Below the Poverty Level	= \$31,113 = \$43,700 = 17.62%	Median Housing Value Unemployment Rate (September 30, 2000)				= \$86,012 = 5.5%

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 1990 U.S. Census, and 2000 HUD updated MFI.

CBNA's Miami-Dade assessment area consists of the entire Miami MSA. CBNA has 5 offices located throughout the MSA. As of June 30, 2000, 84% of the bank's deposits were derived from this MSA. Over the evaluation period, 81% of home mortgage loans and 95% of small loans to businesses were derived from the MSA.

In 1990, the Miami MSA had a population of 1.9 million. From 1995 through 2000, the County is expected to grow by another 200,000 persons. About two-thirds of the increase is expected to come from immigration, mostly foreign. In 1993, there were 424,269 housing units, 66% of which were owner-occupied and 34% renter. Over a third of the renters are low-income (below 50 percent of the median family income). Based on 1990 Census data, potential housing assistance needs of the Miami MSA are extensive. The problems are most serious among the low-income renter.

The unemployment rate for the Miami MSA dropped from 6.4% in June 1999 to 5.5% in September 2000.

Since 1998, the bank's total deposit base has grown 66% (from \$600 million to \$1 billion). Much of Commercebank's rapid deposit growth in deposits is attributed to the volatility of the banking systems in the Latin American market. Commercebank interacts closely with Banco Mercantil in Venezuela, the bank's affiliate that has branches throughout Latin America. It is the bank's practice to seek from its

affiliate referrals of customers who desire dollar denominated accounts and the safety of FDIC insurance. Accordingly, the large quantity of international deposits impacts the bank's overall asset size, which is substantially larger than a typical domestic bank with eight offices.

Most of the bank's deposits are from international sources while most of its outstanding loans are domestic. This indicates that the bank uses a portion of its international deposit base to fund domestic loans. The bank's domestic loan-to-deposit ratio at year-end 1998 and 1999 was 109% and 160%, respectively.

There were many opportunities for community development lending, investments, and services throughout the Miami MSA. Community development opportunities include working with, and purchasing bonds issued by, government organizations that finance affordable housing for low- and moderate-income individuals. There are non-profit organizations whose mission is to provide affordable housing to low- and moderate-income people. There are non-profit organizations whose community services target low- and moderate-income individuals. There are non-profit organizations whose mission is economic development. Types of community development investments available in the Miami MSA include, but are not limited to, bonds, tax credits for low income housing, and contributions to qualified non-profit organizations.

Competition is strong within the Miami MSA. There are numerous community and regional bank offices as well as offices of savings and loan associations and other financial institutions such as credit unions and brokerage firms.

## Appendix C: Tables of Performance Data

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### Content of Standardized Tables

References to the bank include activities of any affiliates that the bank provided for consideration (refer to Appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: purchased loans are treated as originations/purchases; market rank is based on the number of loans originated and purchased by the bank as compared to all other lenders in the MSA/assessment area; and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MSA/assessment area.

The following is a listing and brief description of the tables:

- Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MSA/assessment area.
- Table 2. Geographic Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle- and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents market rank and market share information based on the most recent aggregate market data available.
- Table 3. Geographic Distribution of Home Improvement Loans** - See Table 2.
- Table 4. Geographic Distribution of Refinance Loans** - See Table 2.
- Table 5. Geographic Distribution of Small Loans to Businesses** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses originated and purchased by the bank in low-, moderate-, middle- and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. The table also presents market rank and market share information based on the most recent aggregate market data available.
- Table 6. Geographic Distribution of Small Loans to Farms** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle- and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also

presents market rank and market share information based on the most recent aggregate market data available.

- Table 7. Borrower Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle- and upper-income borrowers to the percentage distribution of families by income level in each MSA/assessment area. The table also presents market rank and market share information based on the most recent aggregate market data available.
- Table 8. Borrower Distribution of Home Improvement Loans** - See Table 7.
- Table 9. Borrower Distribution of Refinance Loans** - See Table 7.
- Table 10. Borrower Distribution of Small Loans to Businesses** - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. The table also compares the banks percentage distribution with the percentage of loans originated and purchased by all other small business reporters in the bank's AA to businesses with revenues of \$1 million or less and is based on the most recent aggregate market data available. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.
- Table 11. Borrower Distribution of Small Loans to Farms** - Compares the percentage distribution of the number of small loans (less than or equal to \$500 thousand) originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. The table also compares the banks percentage distribution with the percentage of loans originated and purchased by all other small farm reporters in the bank's AA to farms with revenues of \$1 million or less and is based on the most recent aggregate market data available. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm. Market share information is presented based on the most recent aggregate market data available.



- Table 12. Qualified Investments** - Presents the number and dollar amount of qualified investments made by the bank in each MSA/AA. The table separately presents investments made during prior evaluation periods that are still outstanding and investments made during the current evaluation period. Prior period investments are reflected at their book value as of the end of the evaluation period. Current period investments are reflected at their original investment amount even if that amount is greater than the current book value of the investment. The table also presents the number and dollar amount of unfunded qualified investment commitments. In order to be included, an unfunded commitment must have been reported on schedule RC-L of the Call Reports as an off-balance sheet item.
- Table 13. Distribution of Branch Delivery System and Branch Openings/Closings** - Compares the percentage distribution of the number of the bank's branches in low-, moderate-, middle- and upper-income geographies to the percentage of the population within each geography in each MSA/AA. The table also presents data on branch openings and closings in each MSA/AA.
- Table 14. Geographic and Borrower Distribution of Consumer Loans (OPTIONAL)** - For geographic distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle- and upper-income geographies to the percentage distribution of the population within each geography. For borrower distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle- and upper-income borrowers to the percentage of households by income level in each MSA/assessment area.



**Table 1. Lending Volume**

LENDING VOLUME													State: Florida	Evaluation Period: January 1, 1998 TO June 30, 2000	
MSA/Assessment Area:	% of Rated Area Deposits in MSA/AA*	Home Mortgage**		Small Loans to Businesses**		Small Loans to Farms**		Community Development***		Total Reported Loans		% of Rated Area Loans(#) in MSA/AA			
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)				
Full-Scope:															
Miami MSA	84%	84	26,376	1,048	128,310	3	525	30	50,456	1,165	205,667	94%			
Limited-Scope:															
Fort Lauderdale MSA	16%	20	3,390	53	11,393	0	0	2	8,538	75	23,321	6%			

(\*) Deposit data as of June 30, 2000.

(\*\*) The evaluation period for Home Mortgage Loans, Small Loans to Businesses and Small Loans to Farms is 1/1/98 to 6/30/00.

(\*\*\*) The evaluation period for Community Development Loans is 1/1/98 to 11/13/00.

**Table 2. Geographic Distribution of Home Purchase Loans**

Geographic Distribution: HOME PURCHASE																	State: Florida	Evaluation Period: January 1, 1998 TO June 30, 2000	
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Purchase Loans				
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**			
Full-Scope:																			
Miami MSA	3%	9%	13%	9%	41%	23%	43%	59%	222	< 1	< 1	0	< 1	< 1	44	73%			
Limited-Scope:																			
Fort Lauderdale MSA	1%	0%	15%	0%	59%	50%	26%	50%	0	0	0	0	0	0	16	27%			

(\*) Based on 1998 Aggregate HMDA Data only. Market rank is for all income categories combined.

(\*\*) Home purchase loans originated and purchased in the MSA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

**Table 3. Geographic Distribution of Home Improvement Loans**

Geographic Distribution: HOME IMPROVEMENT																
State: Florida					Evaluation Period: January 1, 1998 TO June 30, 2000											
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Improvement Loans	
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**
Full-Scope:																
Miami MSA	3%	0%	13%	13%	41%	33%	43%	54%	51	1	0	0	< 1	< 1	15	100%
Limited-Scope:																
Fort Lauderdale MSA	1%	0%	15%	0%	59%	0%	26%	0%	0	0	0	0	0	0	0	0%

(\*) Based on 1998 Aggregate HMDA Data only. Market rank is for all income categories combined.

(\*\*) Home improvement loans originated and purchased in the MSA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

**Table 4. Geographic Distribution of Home Mortgage Refinance Loans**

Geographic Distribution: HOME MORTGAGE REFINANCE																
State: Florida					Evaluation Period: January 1, 1998 TO June 30, 2000											
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Mortgage Refinance Loans	
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**
Full-Scope:																
Miami MSA	3%	0%	13%	0%	41%	44%	43%	56%	292	< 1	0	0	< 1	< 1	16	89%
Limited-Scope:																
Fort Lauderdale MSA	1%	0%	15%	0%	59%	50%	26%	50%	0	0	0	0	0	0	2	11%

(\*) Based on 1998 Aggregate HMDA Data only. Market rank is for all income categories combined.

(\*\*) Home mortgage refinance loans originated and purchased in the MSA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

**Table 5. Geographic Distribution of Small Loans to Businesses**

Geographic Distribution: SMALL LOANS TO BUSINESSES				State: Florida		Evaluation Period: January 1, 1998 TO June 30, 2000							Total Small Business Loans			
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					#	% of Total**
	% of Businesses	% BANK Loans	% of Businesses	% BANK Loans	% of Businesses	% BANK Loans	% of Businesses	% BANK Loans		Overall	Low	Mod	Mid	Upp		
Full-Scope:																
Miami MSA	10%	2%	19%	56%	31%	12%	40%	30%	14	1	< 1	4	< 1	1	1,048	95%
Limited-Scope:																
Fort Lauderdale MSA	6%	0%	17%	17%	50%	26%	27%	57%	38	1	0	0	1	1	53	5%

(\*) Based on 1998 Aggregate Small Business Data only. Market rank is for all income categories combined.

(\*\*) Small loans to businesses originated and purchased in the MSA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

**Table 6. Geographic Distribution of Small Loans to Farms**

Geographic Distribution: SMALL LOANS TO FARMS				State: Florida		Evaluation Period: January 1, 1998 TO June 30, 2000							Total Small Farm Loans			
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					#	% of Total**
	% of Farms	% BANK Loans	% of Farms	% BANK Loans	% of Farms	% BANK Loans	% of Farms	% BANK Loans		Overall	Low	Mod	Mid	Upp		
Full-Scope:																
Miami MSA	3%	0%	13%	0%	36%	0%	48%	100%	4	8	0	0	0	13	3	100%
Limited-Scope:																
Fort Lauderdale MSA	3%	0%	17%	0%	51%	0%	29%	0%	0	0	0	0	0	0	0	0%

(\*) Based on 1998 Aggregate Small Farm Data only. Market rank is for all income categories combined.

(\*\*) Small loans to farms originated and purchased in the MSA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

**Table 7. Borrower Distribution of Home Purchase Loans**

Borrower Distribution: HOME PURCHASE																	State: Florida		Evaluation Period: January 1, 1998 TO June 30, 2000				
MSA/Assessment Area:	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall Market Rank*	Market Share by Borrower Income**					Total Home Purchase Loans								
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upp	#	% of Total***							
Full-Scope:																							
Miami MSA	23%	3%	16%	9%	19%	6%	42%	82%	222	< 1	0	0	0	< 1	44	73%							
Limited-Scope:																							
Fort Lauderdale MSA	20%	0%	18%	13%	22%	0%	40%	87%	0	0	0	0	0	0	16	27%							

(\*) As a percentage of loans with borrower income information available. No information was available for 21% of loans originated and purchased by the bank.

(\*\*) Based on 1998 Aggregate HMDA Data only. Market rank is for all income categories combined.

(\*\*\*) Home purchase loans originated and purchased in the MSA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

**Table 8. Borrower Distribution of Home Improvement Loans**

Borrower Distribution: HOME IMPROVEMENT																	State: Florida		Evaluation Period: January 1, 1998 TO June 30, 2000				
MSA/Assessment Area:	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall Market Rank*	Market Share by Borrower Income**					Total Home Improvement Loans								
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upp	#	% of Total**							
Full-Scope:																							
Miami MSA	23%	13%	16%	20%	19%	27%	42%	40%	51	1	0	< 1	< 1	< 1	15	100%							
Limited-Scope:																							
Fort Lauderdale MSA	20%	0%	18%	0%	22%	0%	40%	0%	0	0	0	0	0	0	0	0							

(\*) As a percentage of loans with borrower income information available. No information was available for 0% of loans originated and purchased by the bank.

(\*\*) Based on 1998 Aggregate HMDA Data only. Market rank is for all income categories combined.

(\*\*\*) Home improvement loans originated and purchased in the MSA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

**Table 9. Borrower Distribution of Home Mortgage Refinance Loans**

Borrower Distribution: HOME MORTGAGE REFINANCE					State: Florida		Evaluation Period: January 1, 1998 TO June 30, 2000					Total Home Mortgage Refinance Loans				
MSA/Assessment Area:	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall Market Rank*	Market Share by Borrower Income**					#	% of Total***
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upp		
Full-Scope:																
Miami MSA	23%	6%	16%	13%	19%	6%	42%	75%	292	< 1	0	0	0	< 1	16	89%
Limited-Scope:																
Fort Lauderdale MSA	20%	0%	18%	0%	22%	0%	40%	100%	0	0	0	0	0	0	2	11%

(\*) As a percentage of loans with borrower income information available. No information was available for 0% of loans originated and purchased by the bank.

(\*\*) Based on 1998 Aggregate HMDA Data only. Market rank is for all income categories combined.

(\*\*\*) Home mortgage refinance loans originated and purchased in the MSA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

**Table 10. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: SMALL LOANS TO BUSINESSES									
			State: Florida		Evaluation Period: January 1, 1998 TO June 30, 2000				
MSA/Assessment Area:	Businesses with Revenues of \$ 1 million or less		Loans by Original Amount Regardless of Business Size			Market Share***		Total Small Loans to Businesses	
	% of Businesses*	% BANK Loans**	\$100,000 or Less	> \$100,000 to \$250,000	> \$250,000 to \$1,000,000	All	Rev \$1 million or less	#	% of Total****
Full-Scope:									
Miami MSA	85%	29%	73%	13%	14%	1	1	1,048	95%
Limited-Scope:									
Fort Lauderdale MSA	85%	42%	42%	36%	22%	1	1	53	5%

(\*) Businesses with revenues of \$1 million or less as a percentage of all businesses.

(\*\*) Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 0% of small loans to businesses originated and purchased by the bank.

(\*\*\*) Based on 1998 Aggregate Small Business Data only.

(\*\*\*\*) Small loans to businesses originated and purchased in the MSA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

**Table 11. Borrower Distribution of Small Loans to Farms**

Borrower Distribution: SMALL FARM			State: Florida			Evaluation Period: January 1, 1998 to June 30, 2000			
MSA/Assessment Area:	Farms with Revenues of \$ 1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share***		Total Small Farm Loans	
	% of Farms*	% Bank Loans**	\$100,000 or Less	> \$100,000 to \$250,000	> \$250,000 to \$500,000	All	Rev \$1 million or less	#	% of Total****
Full-Scope:									
Miami MSA	94%	100%	67%	0%	33%	8	9	3	100%
Limited-Scope:									
Fort Lauderdale MSA	94%	0%	0%	0%	0%	0	0	0	0%

(\*) Farms with revenues of \$1 million or less as a percentage of all farms.

(\*\*) Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 0% of small loans to farms originated and purchased by the bank.

(\*\*\*) Based on 1998 Aggregate Small Farm Data only.

(\*\*\*\*) Small loans to farms originated and purchased in the MSA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

**Table 12. Qualified Investments**

QUALIFIED INVESTMENTS State: Florida Evaluation Period: January 1, 1998 TO November 13, 2000									
MSA/Assessment Areas:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	% of Total \$≈s	#	\$ (000's)
Full-Scope:									
Miami MSA	2	986	38	9,885	40	10,871	84%	0	0
Limited-Scope:									
Fort Lauderdale MSA	2	557	6	1,541	8	2,098	16%	0	0

(\*) Prior Period Investments means investments made in a previous evaluation period that are outstanding as of the examination date.

(\*\*) Unfunded Commitments means legally binding investment commitments reported on the Report of Condition Schedule-L Off Balance Sheet Items.

**Table 13. Distribution of Branch Delivery System and Branch Openings/Closings**

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS State: Florida Evaluation Period: January 1, 1998 TO November 13, 2000																	
MSA/Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposits in MSA/AA	# of BANK Branches	% of Rated Area Branches in MSA/AA	Location of Branches by Income of Geographies				# of Branch Closings	# of Branch Openings	Net Change in Location of Branches (+ or -)				% of the Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full-Scope:																	
Miami MSA	84%	5	71%	0%	20%	60%	20%	1	0	0	0	0	-1	9%	19%	40%	32%
Limited-Scope:																	
Fort Lauderdale MSA	16%	2	29%	0%	0%	0%	100%	0	1	0	0	0	+1	3%	19%	55%	23%



