



**LARGE BANK**

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

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Public Disclosure

**December 23, 2003**

Community Reinvestment Act  
**Performance Evaluation**

**Commercebank, National Association  
Charter Number: 16804**

**220 Alhambra Circle  
Coral Gables, FL 33134**

**Office of the Comptroller of the Currency**

**South Florida Field Office  
9800 Northwest 41st Street Suite 120  
Miami, FL 33178**

**NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, 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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## Overall CRA Rating

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

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

Performance Levels	COMMERCEBANK, N. A. Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding	X	X	
High Satisfactory			X
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.

The major factors that support this rating include:

- The overall level of lending is excellent, given available lending opportunities and the bank's business strategy in its assessment areas. Lending activity is excellent in Florida and good in New York.
- Overall, the level of community development lending is excellent and it has a positive impact on the Lending Test. The bank is meeting housing and small business needs in its assessment areas through its community development lending. In Florida, the volume of community development lending is excellent. The activity is responsive to assessment area needs and exhibited complex and innovative community development lending. In New York, the volume of community development lending is good.
- The overall geographic distribution of loans within the bank's assessment areas is adequate.
- The overall distribution of loans by income level of the borrower is adequate.
- Overall, the level of qualified investments is excellent, given the availability of investment opportunities in the bank's assessment areas. Performance is excellent in both Florida and New York.
- Overall, service delivery systems are accessible to geographies and individuals of different income levels in the bank's assessment areas. Delivery systems are accessible in Florida and reasonably accessible in New York.

- The bank provided a high level of community development services in its assessment areas, given available community development opportunities. Performance was excellent in Florida and very poor in New York, which contains less than 1% of the bank's total deposits.

## Definitions and Common Abbreviations

The following terms and abbreviations are used throughout 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. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

**Aggregate Lending:** The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

**Block Numbering Area (BNA):** A statistical subdivision of a county for grouping and numbering blocks in non-metropolitan counties where local census statistical area committees have not established census tracts. A BNA does not cross county lines.

**Census Tract (CT):** A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

**Community Development:** 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 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.

**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, home equity 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 household and no wife present) or 'female householder' (a family with a female householder and no husband present).

**Full 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 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 area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applications, the amount of loan requested, and the disposition of the application (e.g., approved, denied, and withdrawn).

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

**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.

**Limited 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, and branch distribution).

**Low-Income:** Individual income that is 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 MA/assessment area.

**Median Family Income (MFI):** The median income determined by the U.S. 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 Area (MA):** Any primary metropolitan area (PMA), metropolitan area (MA), or consolidated metropolitan area (CMA), as defined by the Office of Management and Budget, with a population of 250,000 or more, and any other area designated as such by the appropriate federal financial supervisory agency.

**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.

**Other Products:** Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

**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.

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

**Rated Area:** A rated area is a state or multi-state metropolitan 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 multi-state metropolitan area, the institution will receive a rating for the multi-state metropolitan 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) and the Thrift Financial Reporting (TFR) 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. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial 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 One 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.

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

## 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. CBNA owns the following subsidiaries: Commercebank Real Estate Investment Trust and Commercebank Investment Services, a broker dealer and investment adviser. 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 six full service branches in the Miami MSA, two in the Fort Lauderdale MSA and one in the New York MSA. 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 – most of which are located outside the United States. Commercebank, N.A. was evaluated as an inter-state bank because of its office in New York.

CBNA offers a full array of standard domestic banking products and services. However, its strategic focus is business lending. Most of its customers are foreign nationals and most of the bank's deposits are derived from this source. Trade financing and foreign correspondent banking activities are major business lines. In order to meet its CRA obligations, the bank concentrates on small business and multi-family housing lending, areas where the bank has significant expertise. Residential mortgage lending is not a primary business line for the bank. Most of its residential mortgage loans are to foreign nationals purchasing second homes in the Miami area. To assist in meeting CRA needs in its assessment areas the bank does originate residential mortgage loans in conjunction with special programs in the cities of Miami Beach, Miami and Hialeah targeted to low- and moderate-income geographies.

A majority of the bank's deposits (83% as of December 31, 2002) are from foreign customers, most of which reside in Venezuela. The large percent of foreign deposits has a material impact on the evaluation of the bank's CRA performance. At year-end 2002, only \$403 million of the bank's deposits were from domestic customers. However, the domestic loan portfolio totaled over \$1 billion, indicating that portions of domestic loans were funded with foreign deposits. It also indicates that the bank has a smaller domestic customer base than other similarly sized banks from which to generate loans. Our evaluation of the bank's performance takes these factors into consideration.

As of September 30, 2003, CBNA reported total assets of \$3.145 billion. Total loans of \$1.587 billion represented 50% of total assets and consisted of commercial and commercial real estate loans (68%), international loans (19%), loans secured by multi-family residential properties (7%), loans secured by 1-4 family residential properties (4%), consumer and other loans(2%). The loan-to-deposit ratio was 64%. Tier 1 Capital was \$237 million, which represents 7.5% of total assets.

There are no legal, financial or other factors impeding the bank's ability to help meet the credit needs of its assessment areas. CBNA's performance was rated "Outstanding" at its last CRA evaluation dated November 13, 2000.

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

This Performance Evaluation assesses the bank's performance under the Lending, Investment and Service Tests. In evaluating the bank's lending performance, we reviewed residential mortgage loans subject to filing under the HMDA, small loans to businesses and community development loans. Small loans to farms were not evaluated because the volume was small (less than 1% of the number of loan originations/purchases over the Lending Test evaluation period) and analysis would not be meaningful.

With the exception of community development loans, the evaluation period for the Lending Test is July 1, 2000 through December 31, 2002. For community development loans, the Investment Test, and CD Services, the evaluation period is July 1, 2000 through December 23, 2003. For the retail portion of the Service Test, the evaluation period is from July 1, 2000 through December 31, 2002. Our conclusions related to community development loans and qualified investments were based on the number and dollar amounts made during the evaluation period. In addition, we considered the level of innovation, complexity, responsiveness to community credit needs and the degree to which these instruments are not routinely provided by private investors.

### Data Integrity

This evaluation is based on accurate data. As part of this CRA evaluation, we relied upon bank management's internal review. CD loans, investments and services submitted by bank management were verified to ensure that they met the regulatory definition for community development. Some items submitted by CBNA for consideration 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 three assessment areas, two in the State of Florida and one in the State of New York. In the State of Florida, the Miami MSA received a full-scope review and the Fort Lauderdale MSA received a limited-scope review. The one assessment area in the State of New York received a full-scope review.

All assessment areas are comprised of whole census tracts that meet regulatory requirements. The delineation of assessment areas did not reflect any illegal discrimination and did not arbitrarily exclude low- or moderate-income geographies.

### Ratings

CBNA's overall rating is a blend of the state ratings. The State of Florida received the most weight since 97% of CBNA's total deposits and 70% of reportable loans are derived from Florida.

The state ratings are based on those areas that received full-scope reviews. When determining conclusions for the Lending Test, community development lending was weighted more heavily

than small loans to businesses. The dollar volume of the bank's community development loans in the State of Florida represents 35% of its lending during the evaluation period. In the State of New York, the dollar volume represents 15% of its lending. The bank is meeting housing and small business needs in its assessment areas through its community development lending. Home mortgage lending is not a primary product for the bank. These loans are primarily made as an accommodation to the bank's customers. Home mortgage loans received a minimal amount of weight in our analysis.

## **Other**

Community credit needs in the assessment areas were determined by reviewing recent community contacts conducted by the OCC and other regulators in connection with other CRA examinations of banks operating in the same assessment area. We also did a community contact in the full-scope assessment area of Florida. Details regarding the organization and its mission are in the "Scope" section of the State of Florida.

Refer to the profile in Appendix C for additional information.

## **Fair Lending Review**

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

## State Rating

<b>CRA Rating for Florida<sup>1</sup>:</b>	<b><u>Outstanding</u></b>
<b>The lending test is rated:</b>	<b><u>Outstanding</u></b>
<b>The investment test is rated:</b>	<b><u>Outstanding</u></b>
<b>The service test is rated:</b>	<b><u>High Satisfactory</u></b>

The major factors that support this rating include:

- Lending activity that reflects excellent responsiveness to credit needs in its assessment areas.
- A substantial majority of originated loans are within the bank’s assessment areas.
- Excellent community development lending, which had a positive impact on the Lending Test. CBNA is meeting housing and small business needs in its assessment areas through its community development lending.
- Adequate geographic distribution of loans in its assessment areas.
- Adequate distribution of loans by income level of the borrower in the bank’s assessment areas.
- 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’s Operations in Florida

CBNA conducts almost all of its operations in Florida from which it receives 97% of its deposits. The bank has six full service offices in Dade County, where Coral Gables is located. The bank has two offices in Broward County, north of and adjacent to Dade County. The vast majority of

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<sup>1</sup> For institutions with branches in two or more states in a multistate metropolitan area, this statewide evaluation does not reflect performance in the parts of this state contained within the multistate metropolitan area. Refer to the multistate metropolitan area rating and discussion for the rating and evaluation of the institution’s performance in that area.

the bank's deposits are owned by customers living in Venezuela who are referred by officers and employees of financial affiliates in Venezuela. Approximately 84% of the bank's deposits are from international customers who desire dollar denominated accounts and the safety of FDIC insurance. At year-end 2003, international deposits totaled \$2.2 billion versus domestic deposits of \$428 thousand.

Refer to the Market Profile in Appendix C for detailed demographics and other performance context information for the assessment area that received a full-scope review.

## **Scope of Evaluation in Florida**

CBNA has two assessment areas in Florida consisting of the Miami MSA and the Fort Lauderdale MSA. The Miami MSA, which has 85% of Florida deposits and 91% of loan activity during the evaluation period, received a full-scope review. The Fort Lauderdale MSA received a limited-scope review. Ratings for the State of Florida are based primarily on performance in the Miami MSA.

HMDA, small business, and CD loans were the products used to assess the bank's lending performance. Small business and CD loans received more weight because of the bank's strategic focus is commercial lending and trade financing. Refer to the table in Appendix A for more information on the scope of the examination.

For this examination, we conducted one community contact in the Miami MSA. The community contact was an organization dedicated to addressing the socio-economic disparity of the underserved communities of the Miami MSA. The organization focuses its programs in the following areas: affordable housing, economic development, criminal justice, and education. According to the contact, primary credit needs in the Miami MSA revolve around the need for affordable housing (construction financing and low-cost homebuyer loans) as well as small business lending, particularly for start-up businesses.

Refer to the profile in Appendix C for additional information.

## **LENDING TEST**

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

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

### **Lending Activity**

Refer to Table 1 Lending Volume in the State of Florida section of Appendix D for the facts and data used to evaluate the bank's lending activity.

Overall lending levels reflect excellent responsiveness to meeting assessment area credit needs, given the bank's deposit mix and business strategy. In the Miami MSA, approximately 88% of loans originated/purchased during the evaluation period were small loans to businesses, reflecting the bank's business strategy. 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 2002 aggregate data.

CBNA's overall lending activity in the Miami MSA is excellent when domestic deposit market share is compared with the bank's loan market share. As of June 30, 2002, CBNA had a domestic deposit market share of .78% in the Miami MSA. This deposit market share ranked 19<sup>th</sup> among commercial banks in the Miami MSA. By comparison, CBNA's .92% market share for small business loans ranked 16<sup>th</sup> in small business lending within the Miami MSA. For HMDA loans, CBNA ranked 139<sup>th</sup> with a market share of .07%. However, because of the relatively small number of HMDA loans, the low market share ranking for HMDA does not materially detract from the bank's overall excellent lending activity, particularly when compared with the bank's business strategy. CBNA's 4.66% market share for multi-family loans ranked 7<sup>th</sup> within the Miami MSA, a strong reflection of the bank's commercial lending focus. A majority of reported multi-family loans were also qualified CD loans, a fact that further strengthens the bank's lending level performance. The bank's high dollar volume of CD loans was also considered in our analysis. CD lending represents 35% of the bank's loans in the Miami assessment area during the evaluation period.

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

The overall geographic distribution of loans in the Miami MSA is adequate. The geographic distribution of HMDA loans is adequate. The geographic distribution of small loans to businesses is good.

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

Refer to Tables 2, 3, 4, and 5 in the State of Florida section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations/purchases. Market share is based on 2002 aggregate data. During 2002, CBNA did not originate or purchase any home purchase, home improvement, or home mortgage refinance loans in low-income geographies in the Miami MSA. Therefore, market share comparisons are not made for those HMDA products in the affected geographies.

The overall geographic distribution of HMDA loans throughout the full-scope assessment area is adequate. Because of their higher number and/or dollar volume, multi-family and home purchase loans received more weight than home improvement and home mortgage refinance loans.

The geographic distribution of *home purchase loans* is adequate. The bank's percent of home purchase loans in low-income geographies during this evaluation period is somewhat lower than 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 moderate-income geographies exceeds its overall market share.

The geographic distribution of *home improvement loans* is poor. 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 lower than the percent of owner-occupied units in these geographies. The bank's home improvement market share in moderate-income geographies exceeds its overall market share.

The geographic distribution of home mortgage *refinance loans* is very poor. The bank made no home mortgage refinance loans in low-income geographies during this evaluation period. The bank's percent of home mortgage refinance loans in moderate-income geographies during this evaluation period is significantly lower than the percent of owner-occupied units in these geographies.

The geographic distribution of *multi-family loans* is excellent. The bank's percent of multi-family loans in low-income geographies exceeds the percent of multi-family units in these geographies. The bank's percent of multi-family loans in moderate-income geographies exceeds the percent of multi-family units in these geographies. The bank's multi-family market share in low-income geographies exceeds its overall market share. The bank's multi-family market share in moderate-income geographies is somewhat lower than its overall market share.

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

Refer to Table 6 in the State of Florida section of Appendix D 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 geographic distribution of small loans to businesses in low-income geographies is well below the demographics and considered poor. Performance is excellent in moderate-income geographies. The bank's percent of small loans to businesses in moderate-income geographies 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 7 in the State of Florida section of Appendix D for the facts and data regarding the geographic distribution of the bank's origination/purchase of small loans to farms.

We did not evaluate these loans because of the low volume.

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

We evaluated the lending distribution of this assessment area to determine if any unexplained conspicuous gaps existed. No unexplained conspicuous gaps were identified.

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

This portion of the evaluation was performed for the entire bank instead of for an assessment area. 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, 99% of home mortgage loans, and 69% of the small loans to businesses were inside the bank's three assessment areas in Florida and New York. In total, 72% of reported loans were inside the bank's three assessment areas. This performance was positively factored into the overall analysis of the geographic distribution of lending by income level of geography.

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

Refer to Tables 8, 9 and 10 in the State of Florida section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The overall distribution of loans by income level in the assessment area is adequate. The distribution of small business loans by income level is adequate. The distribution of HMDA loans by borrower income level is adequate, given performance context.

Based on the information in the Miami assessment area profile section, approximately 18% of the households live below the poverty level. Additionally, a low-income person earns less than \$24,100. A moderate-income person earns less than \$38,560. Housing costs are high based on updated 2002 data discussed. The cost of single family housing in the assessment area is \$189,800. It is very difficult for a low-income person to purchase a home in the assessment area. A moderate-income person may also experience some difficulty. Additionally, opportunities for home improvement and home refinance loans are limited for these individuals.

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

The distribution of HMDA loans among individuals of different income levels throughout the full-scope assessment area is adequate, given performance context. The bank's percent of home purchase loans made to low-income borrowers is lower than the percent of low-income families. The bank's percent of home purchase loans made to moderate-income borrowers is lower than the percent of moderate-income families. The bank's home purchase loan market share to low-income borrowers exceeds its overall market share. The bank's home purchase loan market share to moderate-income borrowers was somewhat lower than its overall market share.

The distribution of *home improvement loans* among individuals of different income levels is excellent. The bank's percent of home improvement loans made to low-income borrowers exceeds the percent of low-income families. The bank's percent of home improvement loans

made to moderate-income borrowers exceeds the percent of moderate-income families. The bank's home improvement loan market share to low-income borrowers exceeds its overall market share. The bank's home improvement loan market share to moderate-income borrowers exceeds its overall market share. The bank did an excellent job considering performance context. Home improvement lending was minimal and was not given significant weight.

The distribution of *home mortgage refinance loans* among individuals of different income levels is poor, given performance context. The bank did not originate/purchase any home mortgage refinance loans to low-income borrowers. The bank's percent of home mortgage refinance loans made to moderate-income borrowers is significantly lower than the percent of moderate-income families.

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

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

The distribution 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 somewhat lower than the percent of small businesses in the full-scope assessment area. The bank's market share of small loans to small businesses exceeds their overall market share of small loans to all businesses. A majority of the bank's loans to small businesses is for amounts of \$100 thousand or less.

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

Refer to Table 12 in the State of Florida section of Appendix D for the facts and data related to the borrower distribution of the bank's origination/purchase of small loans to businesses.

We did not evaluate these loans because of the low volume.

## **Product Innovation and Flexibility**

CBNA offers one lending program with flexible underwriting standards, which had a neutral impact on the Lending Test rating. This program is noted below and is not considered innovative. Production numbers cover the entire evaluation period.

➤ *Subsidy Loan Program* - 11 loans - \$450,150

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.

## Community Development Lending

Refer to Table 1 Lending Volume in the State of Florida section of Appendix D for the facts and data used to evaluate the bank's level of community development lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans. In addition, Table 5 includes geographic lending data on all multi-family loans, including those that also qualify as CD loans. Table 5 does not separately list CD loans, however.

Based on a full-scope review, CD lending in the Miami MSA is excellent and had a positive impact on the Lending Test. Not only did the bank originate a significant number and dollar amount of CD loans, but the loans are responsive to the affordable housing and small business credit needs in the assessment area and exhibited complexity and innovativeness, particularly when considering the size of the bank.

During the evaluation period, CBNA reported 37 CD loans totaling \$167.8 million. The majority of loans either supported affordable housing initiatives for low- and moderate-income persons or provided funds to revitalize and stabilize low- and moderate-income geographies. Proceeds from 17 CD loans totaling \$72 million (43% of total CD loans) were used to help provide at least 1,213 affordable owner-occupied housing units and 576 affordable rental units in the Miami MSA.

Ten CD loans representing 42% of CD loan dollars (\$71 million) assisted in the revitalization and stabilization of low- and moderate-income geographies in the Miami MSA. Much of this activity is centered in the low- and moderate-income geographies of southern Miami-Dade County in an around Homestead. This area was devastated by Hurricane Andrew in 1992 and has not yet been totally revitalized. The area is designated by various federal, state, and local agencies as an area for redevelopment in order to revitalize and stabilize the community. Loans in this area are considered complex because they required extended interaction with multiple agencies to structure the financing package and significant administrative time.

Three CD loans totaling \$12.6 million (8% of total CD loan dollars) helped to provide community services to low- and moderate-income individuals and families. One innovative loan was to a national non-profit organization that administers a program to reduce crime in senior housing facilities providing services to low- and moderate-income persons. CBNA is the first bank in South Florida to participate in this program.

Economic development needs were met by seven loans totaling \$12 million (7% of total CD loan dollars). Both loans are to businesses in Miami that are located in the federally designated Empowerment Zone of Miami-Dade County. Such zones are designed to create jobs and business opportunities in low- and moderate-income geographies.

The vast majority of assessment area CD loans were made directly to the borrowers. However, the total also includes the bank's pro-rata share of seven loans made by two lending consortia in which the bank has invested. The consortia provide financing to non-profit community development corporations ("CDCs") that finance affordable housing initiatives for low- and moderate-income families or promote economic development by financing businesses with gross annual revenues of \$1 million or less which are located in the Miami-Dade Empowerment Zone.

In addition to the above loans, CBNA originated two affordable housing CD loans totaling \$14.7 million in the State of Florida. Although these loans are in the larger statewide area that includes the bank's assessment area, they are not specifically in the bank's assessment area. CD loans outside the bank's assessment area were given consideration because the bank adequately met community development needs within its assessment area.

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

Based on a limited-scope review, 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 in Florida. Refer to the Tables 1 through 12 in the State of Florida section of Appendix D for the facts and data that support this conclusion.

## **INVESTMENT TEST**

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

Refer to Table 14 in the State of Florida section of Appendix D for the facts and data used to evaluate the bank's level of qualified investments.

The bank's performance under the Investment Test in Florida is rated "outstanding". Based on a full-scope review, the bank's performance in the Miami MSA is excellent, given available opportunities, the size and capacity of the bank, and the impact of statewide investments. Refer to the profile in Appendix C for a discussion of available opportunities.

**Current Period Investments:** During the evaluation period, the bank originated 11 community development investments totaling \$2.2 million that benefit the Miami MSA. These investments are responsive to the assessment area's credit needs, meeting the identified need for affordable housing financing for low- and moderate-income families. Of these investments, four, totaling \$1.6 million or 73% of total investment dollars, were in Federal Home Loan Mortgage Corporation ("FHLMC") guaranteed securities backed by mortgages to low- and moderate-income borrowers. Other investments consist of deposits in qualified Community Development Financial Institutions ("CDFIs") and investments in lending consortia. The consortia provide financing to non-profit Community Development Corporations ("CDCs") that finance affordable housing initiatives for low- and moderate-income families or promote economic development by

financing businesses with gross annual revenues of \$1 million or less that are located in the Miami-Dade Empowerment Zone.

In addition to investments directly in the Miami MSA, the bank made 14 statewide investments in loan pools backed by loans secured by the Small Business Administration (“SBA”) and totaling \$43.5 million. While statewide investments benefit the state overall, they are less responsive to assessment area needs than the direct investments discussed above. Eleven of the statewide investments, representing \$38.9 million or 89% of total statewide investments, have the potential to benefit the bank’s assessment areas in Florida because a good number of the loans are in the bank’s assessment areas. Because the loans finance businesses with gross annual revenues of \$1 million or less (based on the size of the loan) and are intended to support permanent job creation, retention, and improvement for persons who are currently low- and moderate-income, the loans promote economic development and meet the definition of community development.

The remaining three statewide investments, totaling \$4.6 million do not have the potential to benefit the bank’s assessment areas in Florida because none of the loans are in the bank’s assessment areas. However, the investments do benefit the state as a whole. They have been given consideration because the bank has adequately addressed the community development needs of its assessment areas. These investments are FHLMC guaranteed securities backed by mortgage loans to low- and moderate-income borrowers.

**Current Period Grants and Donations:** During the evaluation period, the bank originated 85 grants and donations in the Miami MSA. The grants, totaling \$386 thousand, were to organizations whose primary purpose meets the definition of community development. Several of these grants were innovative, providing organizations in Miami-Dade with the ability to initiate new community service programs that benefit low- and moderate-income people. For example, CBNA provided a grant of \$25,000 to an organization that provides Section 8 Mobility Counseling and fair housing assistance to low- and moderate-income persons. The grant allowed the organization to research and develop an educational program targeted to low- and moderate-income people in order to combat predatory lending. Once developed, the bank provided an additional grant of \$30,000 to initiate the program, which combines counseling services and public education, including the “Don’t Borrow Trouble” campaign from Freddie Mac. CBNA also provided a grant of \$30,000 to an agency that provides community services to low- and moderate-income children. The grant was used to develop and initiate a program to provide computers and training to low- and moderate-income children in the Miami-Dade assessment area. The bank also donated 20 computers each year of the evaluation period to the program.

**Prior Period Investments:** Prior to this evaluation period, five investments with a current book value of \$1.95 million were made in the Miami MSA. Prior period investments remain outstanding. Prior period investments consist primarily of a \$923 thousand Federal National Mortgage Association (“FNMA”) security whose proceeds were used to finance the rehabilitation of a multi-family apartment complex for low- and moderate-income people in Miami and a \$859 thousand tax increment revenue bond from the Miami Beach Redevelopment Agency (“MBRA”) to promote redevelopment in a distressed area of Miami Beach. Both investments continue to have a positive impact on the community. The housing complex continues to provide affordable housing for low- and moderate-income people and the

redevelopment in Miami Beach continues to help provide economic revitalization and stabilization to the low- and moderate-income geographies that comprise the redevelopment zone.

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

Based on a limited-scope review, the bank's performance under the Investment Test in the Fort Lauderdale MSA is not inconsistent with the bank's overall "Outstanding" performance under the Investment Test in Florida. Refer to the Table 14 in the State of Florida section of Appendix D for the facts and data that support this conclusion.

## **SERVICE TEST**

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

CBNA's performance under the Service Test in Florida is rated "High Satisfactory".

#### **Retail Banking Services**

Refer to Table 15 in the State of Florida section of Appendix D 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 essentially all 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 in Coral Gables, is in close proximity (approximately one mile) to a low-income geography. The percent of offices in moderate-income geographies is near 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 the evaluation period, one branch, in an upper-income geography, was opened in the Miami MSA. Office hours and services offered are comparable among branch locations, regardless of the income level of the geography.

Branch offices are augmented by a variety of alternative delivery channels, including ATM's, telephone banking, and online banking. There is no data on the effectiveness of these alternative delivery systems, and no significant weight was given to these systems.

#### **Community Development Services**

CBNA's community development service performance is excellent, considering the bank's size and capacity. The bank is a leader in providing community development services in the Miami

MSA. The volume of community development services is excellent, based on the number of organizations impacted and the level of employee participation. Community development services are responsive to assessment area needs and several of the bank's activities demonstrate complex and innovative undertakings.

During the evaluation period, the bank co-sponsored and participated in at least 30 seminars and workshops in partnership with local community development corporations (CDCs), community service groups and economic development organizations. Approximately 800 people attended the presentations, which were targeted to low- and moderate-income people. Most programs (75%) were bi-lingual homebuyer education classes. They provided the required educational segment of community homebuyer and first time homebuyer lending programs. Other programs were directed toward financial literacy, credit repair and entrepreneur skills. Community contacts have stated a need for homebuyer education and financial literacy programs in the Miami-Dade assessment area, particularly for Hispanics.

Bank officers and employees regularly provide technical assistance to organizations in the Miami MSA. They share their financial expertise by serving on various boards, committees and task forces of organizations that provide services that meet the definition of community development. Nineteen different officers and employees provided technical assistance to 20 different organizations during the evaluation period. Of particular note is the leadership provided by a bank officer to a community service organization by chairing a project to research, develop and implement an educational program targeted to low- and moderate-income people to fight predatory lending practices. The program, which consists of consumer credit education classes, information campaigns and a local consumer hotline, is innovative, being the first of its kind in Miami-Dade County. The CBNA representative continues to help build the program by soliciting the assistance of other financial institutions operating in the Miami MSA. CBNA also provided leadership and technical assistance to a community college that led to the creation of a unique youth program as part of the school's Entrepreneurial Education Center. All of the Center's programs, conducted in and directed toward the low- and moderate-income individuals of Liberty City and Overtown, seek to assist in the economic development of the area by helping citizens to create, develop, and expand their own small business. The youth program provides educational workshops, technical assistance and micro-loans to participating low- and moderate-income high school students seeking to establish small businesses in the community.

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

Based on a limited-scope review, the bank's performance under the Service Test in the Fort Lauderdale MSA is not inconsistent with the bank's overall "High Satisfactory" performance under the Service Test in Florida. Refer to Table 15 in the State of Florida section of Appendix D for the facts and data that support this conclusion.

## State Rating

**CRA Rating for New York<sup>2</sup>:**      **Satisfactory**

**The lending test is rated:**      **Low Satisfactory**

**The investment test is rated:**      **Outstanding**

**The service test is rated:**      **Low Satisfactory**

The major factors that support this rating include:

- Lending activity that reflects good responsiveness in meeting assessment area credit needs.
- A substantial majority of originated loans are within the bank’s assessment area.
- Excellent performance regarding CD lending, which had a positive impact on the Lending Test rating.
- Poor geographic distribution of loans in the bank’s assessment area.
- Very poor distribution of loans by income level of the borrower in the bank’s assessment area.
- An excellent level of qualified investments that reflect excellent responsiveness to credit and community development needs.
- Service delivery systems that are reasonably accessible to geographies and individuals of different income levels in its assessment areas.

## Description of Institution’s Operations in New York

CBNA operates one branch in New York, New York. This is a full service branch that provides services in both English and Spanish. The New York office was a branch of Banco Santander, Puerto Rico that CBNA acquired on June 16, 2000. As of December 31, 2003, the New York branch had total domestic deposits of \$11.33 million, which represented only 3% of CBNA’s domestic deposits and half of one percent of total deposits (including international).

The New York branch is located in mid-town Manhattan (51<sup>st</sup> between Madison and Fifth Avenue) next to the Venezuelan Consulate. The surrounding neighborhood is comprised of

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<sup>2</sup> For institutions with branches in two or more states in a multistate metropolitan area, this statewide evaluation does not reflect performance in the parts of this state contained within the multistate metropolitan area. Refer to the multistate metropolitan area rating and discussion for the rating and evaluation of the institution’s performance in that area.

luxury hotels and department stores along Madison, Park and Fifth Avenues. Single-family housing is only 1% of housing units, with the remaining 99% being multi-family housing units. While the CBNA's designated assessment area is the New York MSA, with a population of 8.5 million people, New York County is CBNA's primary business focus. New York County has a population of 1.5 million people.

The location next to the Venezuelan Consulate is good for attracting international deposits because of the bank's affiliation with its parent in Venezuela. However, opportunities for domestic retail business are limited because of the bank's very small presence and the branch's location in a highly commercialized, tourist area of Manhattan. Most of the branch's existing domestic deposits were purchased as part of the bank's acquisition of Banco Santander.

The New York branch's business strategy focuses on international business, large syndicated loans and commercial real estate. The branch's primary customer base is international individuals and businesses, primarily from Venezuela. It is the bank's practice to seek referrals from its affiliates in Venezuela for clients who desire dollar denominated accounts and the safety of FDIC insurance. In order to meet its CRA obligations, the bank concentrates on small business and multi-family housing lending, areas where the bank has significant expertise. Residential mortgage lending is not a primary business line for the bank. Most of its residential mortgage loans are accommodations to foreign nationals purchasing second homes in the New York area.

Lending activity is limited almost entirely to small business. During the evaluation period, the bank originated/purchased 13 HMDA loans totaling \$14 million. However, 12 of these loans were multi-family. The bank originated/purchased 89 small business loans totaling \$35 million.

Refer to the Market Profile for the New York MSA in Appendix C for detailed demographics and other performance context information for assessment areas that received full-scope reviews.

## **Scope of Evaluation in New York**

The New York MSA received a full-scope review. Ratings for the State of New York are based on performance in the New York MSA.

Multi-family HMDA loans, small loans to businesses and community development loans were used to evaluate the bank's lending performance. Home purchase, home improvement, and home mortgage refinance loans were not analyzed. CBNA originated/purchased no home purchase or home improvement loans in the New York MSA during the evaluation period. Only one home mortgage refinance loans was originated. Refer to the table in Appendix A for more information regarding the scope of this examination.

Community contacts conducted for other examinations of institutions operating in the same assessment area identified the creation and preservation of affordable housing as a primary need of the assessment area. Credit counseling was another identified need.

Refer to the profile in Appendix C for additional information.

## LENDING TEST

### Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Lending Test in New York is rated "Low Satisfactory". Based on a full-scope review, the bank's performance in the New York MSA is adequate. The bank's business strategy in the New York MSA is primarily business lending. Home mortgage lending is provided as an accommodation to its customer base. During the evaluation period no home purchase or home improvement loans were originated in the full-scope assessment area and only one home purchase refinance loan was made. Therefore, analysis of these loans was not included in our evaluation because it would not be meaningful. Small business, multi-family, and community development ("CD") loans were analyzed.

### Lending Activity

Refer to Table 1 Lending Volume in the State of New York section of Appendix D for the facts and data used to evaluate the bank's lending activity.

CBNA's overall lending activity in the New York MSA is good given the banks size, resources and strategic focus. As of June 30, 2002, CBNA had an infinitesimally small deposit market share of less than 1/100<sup>th</sup> of 1% and ranked 126<sup>th</sup> out of 129 FDIC insured commercial and savings banks in the New York MSA. For small business loans, CBNA's market share and rank was higher than its deposit market share. At 11/1000<sup>th</sup> of 1%, CNBA's small business market share was higher than 1/100<sup>th</sup> of 1%, which was significantly higher than its deposit rank. CBNA ranked 57<sup>th</sup> of 280 institutions reporting small business loans. CD lending represents 15% of the bank's loans in the New York MSA during the evaluation period.

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

The geographic distribution of loans throughout the New York MSA is poor. The geographic distribution of multi-family loans is adequate. The geographic distribution of small loans to businesses is poor. Home mortgage loans were not evaluated.

### Home Mortgage Loans

Refer to Table 5 in the State of New York section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's multi-family loan originations and purchases. During the evaluation period, CBNA did not originate or purchase any home purchase or home improvement loans in the New York MSA. Consequently, Tables 2 and 3 are omitted from the State of New York section of Appendix D. Table 4, showing the one home mortgage refinance loan, is included in Appendix D.

The geographic distribution of *multi-family loans* is adequate. The bank made no multi-family loans in low-income geographies during this evaluation period. The bank's percent of multi-family loans in moderate-income geographies exceeds the percent of multi-family units in those geographies. During 2002, the bank made only two multi-family loans in upper-income geographies. However, during 2001, CBNA originated 10 multi-family loans. This represented

a .31% market share, which ranked 32<sup>nd</sup> among all reporting financial institutions in the assessment area. Five of the multi-family loans were in moderate-income geographies. This ranked 25<sup>th</sup>, with a .52% market share. During 2001, the bank's market share in moderate-income geographies exceeded its overall market share.

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

Refer to Table 6 in State of New York section of Appendix D 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 poor. The bank originated/purchased no small loans to businesses in low-income geographies during the evaluation period. The bank's percent of small loans to businesses in moderate-income geographies was lower than the percent of businesses in these geographies. The bank's market share for small loans to businesses in moderate-income geographies was lower than its overall market share.

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

The bank did not originate or purchase any small loans to farms in the New York MSA during the evaluation period. Consequently, Tables 7 and 12 were omitted from the State of New York section of Appendix D.

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

We evaluated the lending distribution of this assessment area to determine if any unexplained conspicuous gaps existed. No unexplained conspicuous gaps were identified.

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

This portion of the evaluation was performed at the Bank level and is discussed under the State of Florida Lending Test.

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

The overall distribution of loans by income level in the New York MSA is very poor. .

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

During the evaluation period, CBNA did not originate or purchase any home purchase or home improvement loans in the New York MSA. Consequently, Tables 8 and 9 are omitted from the State of New York section of Appendix D. Refer to Table 10 in the State of New York section of Appendix D for the one home mortgage refinance loan. No analysis was done for HMDA loans.

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

Refer to Table 11 in the State of New York section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's small loans to businesses originations and purchases.

The distribution of small loans to businesses within the New York MSA is very poor. The percent of CBNA's small loans to small businesses (businesses with annual revenues of \$1 million or less) is significantly lower than the percent of small businesses in the New York MSA. The bank's market share of small loans to small businesses is lower than their overall market share of small loans to all businesses. Less than a majority of the bank's loans to small businesses is for amounts of \$100 thousand or less.

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

During the evaluation period, CBNA did not originate or purchase any small loans to farms in the New York MSA. Consequently, Table 12 in the State of New York section of Appendix D is omitted.

### **Community Development Lending**

Refer to Table 1 in the State of New York section of Appendix D for the facts and data used to evaluate the bank's level of community development lending.

In the New York assessment area, the volume of CD lending is excellent, considering performance context, particularly the highly competitive nature of the assessment area and the limited amount of time the bank has operated in the assessment area. CD lending had a positive impact on the lending test.

During the evaluation period, CBNA was responsive to assessment area needs, originating seven CD loans totaling \$8.9 million. The majority of CD loan dollars (55%) met community service needs in the assessment area by providing financing for a private vocational school in Manhattan that serves primarily low- and moderate-income students. The school offers federal financial aid programs for low-income and disabled students, who comprise the majority of school's population. The remaining 45% of CD loan dollars, representing six loans, were directed toward affordable housing needs in the assessment area. Four multifamily housing loans totaling \$3.750 million, helped to provide 44 units of affordable rental housing in moderate-incomes geographies of Brooklyn. CBNA also provided a line of credit to a community development organization in New York City that provides affordable housing opportunities to low- and moderate-income families. Affordable housing is a primary need in the New York assessment area, particularly rental housing in low- and moderate-income geographies. Only 16% of housing units in the low- and moderate-income geographies of the New York assessment area are owner-occupied.

## **INVESTMENT TEST**

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

Refer to Table 14 in the State of New York section of Appendix D for the facts and data used to evaluate the bank's level of qualified investments.

The bank's performance under the Investment Test is rated "Outstanding". Based on a full-scope review, the bank's performance in the New York MSA is excellent, given the size and capacity of the bank, the bank's business strategy, available opportunities, and the impact of a regional investment. Refer to the profile in Appendix C for a discussion of available opportunities.

**Current Period Investments:** During the evaluation period, the bank originated two community development investments totaling \$1.1 million that are responsive to the bank's New York assessment area. The investments primarily (91%) represent a security guaranteed by the Federal Home Loan Mortgage Corporation ("FHLMC") and backed by mortgages to low- and moderate-income borrowers in the bank's assessment area and a deposit in a qualified Community Development Financial Institution ("CDFI").

In addition to the direct investment in the assessment area, the bank made seven statewide investments in loan pools backed by loans secured by the Small Business Administration ("SBA") or backed by mortgages to low- and moderate-income individuals and totaling \$8.1 million. The statewide investments have the potential to benefit the bank's assessment area in New York because a good number of the loans are in the bank's assessment area. However, the investments are less responsive to assessment area credit needs than direct investments such as those described above. Six of the investments, representing \$5 million, are loan pools backed by SBA loans. Because the loans finance businesses with gross annual revenues of \$1 million or less (based on the size of the loan) and are intended to support permanent job creation, retention, and improvement for persons who are currently low- and moderate-income, the loans promote economic development and meet the definition of community development. The other statewide investment is in a pool of Federal Home Loan Mortgage Corporation ("FHLMC") guaranteed securities backed by mortgages to low- and moderate-income borrowers.

**Current Period Grants and Donations:** During the evaluation period, the bank originated seven grants and donations in the New York assessment area. The grants, totaling \$16 thousand, were to organizations whose primary purpose meets the definition of community development.

**Prior Period Investments:** There are no prior period investments

## **SERVICE TEST**

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

The bank's Service Test rating in the New York assessment area is "Low Satisfactory". Based on a full-scope review, the bank's performance in the New York MSA is adequate.

#### **Retail Banking Services**

Refer to Table 15 in the State of New York section of Appendix D for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

The bank offers banking services through one location situated in an upper-income geography in the borough of Manhattan, adjacent to the Venezuelan Consulate. The office is located in a business district reasonably accessible to geographies, businesses, and individuals of different income levels in the assessment area. The bank does not have a retail orientation in the New York assessment area. Its' business strategy is primarily directed toward the commercial market.

No branches were opened or closed since CBNA acquired the branch in 2000.

CBNA offers a full range of banking products and services in its assessment area, including the New York Basic Banking Account, a low-cost checking account designed for low- and moderate-income persons. The branch office is augmented by a variety of alternative delivery channels, including ATM networks, telephone banking, and online banking. There is no data on the effectiveness of these alternative delivery systems, and no significant weight was given to these systems.

#### **Community Development Services**

CBNA provides few community development services. One officer provides technical assistance to a community organization that provides affordable housing services to low- and moderate-income families in the bank's assessment area.

## 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 non-metropolitan 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 (excludes CD loans): (7/1/2000 to 12/31/2002) Service Test: 7/1/200 to 12/31/2002 Investment Test and CD Loans: (7/1/2000 to 12/23/2003)	
<b>Financial Institution</b>	<b>Products Reviewed</b>	
Commercebanc, N.A. Miami, Florida	Residential Mortgage Loans Community Development Loans Small Business Loans	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
N/A		
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
Miami, FL MSA #5000  Fort Lauderdale, FL MSA #2680 New York, NY MSA #5600	Full-Scope  Limited-Scope Full-Scope	

## Appendix B: Summary of Multistate Metropolitan Area and State Ratings

RATINGS		COMMERCEBANK, N.A.		
Overall Bank:	Lending Test Rating*	Investment Test Rating	Service Test Rating	Overall Bank/State/ Multistate Rating
Commercebank, N.A.	Outstanding	Outstanding	High Satisfactory	Outstanding
State:				
FLORIDA	Outstanding	Outstanding	High Satisfactory	Outstanding
NEW YORK	Low Satisfactory	Outstanding	Low Satisfactory	Satisfactory

(\*) The lending test is weighted more heavily than the investment and service tests in the overall rating.

# Appendix C: Market Profiles for Full-Scope Areas

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

MIAMI, FL MSA.....C-2

NEW YORK, NY MSA.....C-4

State of Florida Assessment Area

Demographic Information for Full-Scope Area: Miami MSA #5000						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	267	13.48	21.35	35.96	28.09	1.12
Population by Geography	1,937,094	9.18	19.43	39.47	31.91	0.01
Owner-Occupied Housing by Geography	376,006	3.26	12.86	40.83	43.05	0.00
Businesses by Geography	0	0.00	0.00	0.00	0.00	0.00
Farms by Geography	0	0.00	0.00	0.00	0.00	0.00
Family Distribution by Income Level	485,213	23.32	16.40	19.19	41.09	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	192,734	15.03	27.92	40.30	16.76	0.00
Median Family Income HUD Adjusted Median Family Income for 2002 Households Below the Poverty Level	= \$31,113 = \$48,200 = 17.62%	Median Housing Value Unemployment Rate(1990 US Census)				100,570 =3.87 %

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 1990 U.S. Census, and 2002 HUD updated MFI.

The bank’s assessment area consists of all of the Miami-Dade MSA, which is equivalent to the boundaries of Miami-Dade County. The assessment area meets the requirements of the CRA regulation and does not arbitrarily exclude low- and moderate-income geographies. The table above provides demographic information about the assessment area.

The Miami-Dade MSA, Florida’s largest metropolitan area, is a densely populated urban center. According to the 1990 Census, the total population was approximately 2 million people, residing in a nearly 2 thousand square mile area. The 2000 Census shows the MSA population to be 2.3 million, a 16.3 percent increase. The increase is a result of an influx of immigrants from Latin America and the Caribbean, as well as relocation from northern cities in the United States.

The City of Miami, located entirely in the Miami-Dade MSA, represents approximately 20 percent of the MSA population and 28 percent of the MSA census tracts. However, a disproportionately large portion of the City is categorized as low- and moderate-income with 62 percent of the MSA’s low- and moderate-income census tracts being located in the City. Based on the 1990 Census, the City of Miami is considered to have the 4<sup>th</sup> highest poverty rate among cities with a population of 100,000 or larger. Miami-Dade County overall has the 6<sup>th</sup> highest poverty rate among counties with a population of 500,000 or more.

Housing costs in the Miami-Dade MSA are high. In 2002, the National Association of Realtors estimated the median sales price of an existing single-family home in the Miami Metropolitan area to be \$189,800. When compared with a HUD Adjusted Median Family Income of \$45,600 for 2002 it is clear that the unsubsidized purchase of an average single-family residence would be

beyond the financial means of many individuals classified as low- and moderate-income. Generally, large parcels of land are no longer available for housing development, except in the southern portion of the MSA. This includes the areas around Homestead and Florida City which were devastated by Hurricane Andrew in 1992. Housing revitalization efforts have been somewhat slow in these communities, which are mostly low- and moderate-income, as officials focused first on economic development efforts to provide employment opportunities.

The Miami-Dade MSA's economy is diverse. Major industries include real estate development, trade businesses with Latin America, tourism and banking. The proximity of the Caribbean, Central and South America plus superior seaport and airport capabilities provide this area with a distinct advantage as a global trading center. There are many service businesses in the area and in the extreme southern portion of the MSA agriculture is a major industry (e.g. tomatoes, citrus, and other vegetables).

Competition within the bank's assessment area is intense. FDIC data as of June 30, 2002 showed 433 banking offices of national and regional banks as well as community banks operating in the MSA. There were 463 HMDA reporters of home purchase loans in 2001 for the Miami-Dade MSA. The top ten lenders, with a 45 percent market share, were mortgage companies that operate nationally or subsidiaries of some the largest banks in the nation. National credit card lenders dominate the small business loan market. In 2001, the top five small business loan reporters were credit card companies that had a combined market share of 63 percent in the Miami-Dade MSA.

There are a wide range of opportunities for community development lending, investments, and services throughout the Miami-Dade MSA. However, larger institutions in the MSA are quite competitive for the qualified investments that are available. Community development opportunities include working with and providing financing to the numerous organizations whose mission is to provide affordable housing and/or community services for low- and moderate-income persons, as well as organizations with a mission of economic development. There is a federally designated Enterprise Zone that targets economic development with the goal of stimulating and retaining jobs. There are 20 areas designated as Targeted Urban Areas ("TAU") that are the focus for the Urban Economic Revitalization Plan for Miami-Dade County. Types of community development investments available in the MSA include, but are not limited to, bond and tax credit purchases for low- and moderate-income housing, participation in numerous local Community Development Financial Institutions ("CDFIs") and opportunities to contribute to qualified non-profit organizations whose missions are focused on providing affordable housing, community services for low- and moderate-income persons, and economic development.

State of New York Assessment Area

Demographic Information for Full-Scope Area: New York, NY MSA #5600						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	2,497	12.66	17.54	32.76	34.24	2.80
Population by Geography	8,546,846	14.32	20.00	29.69	35.62	0.38
Owner-Occupied Housing by Geography	1,084,100	2.00	7.82	29.17	61.00	0.01
Businesses by Geography	570,734	7.06	16.50	23.86	50.54	2.05
Farms by Geography	3,231	2.51	5.85	19.31	71.84	0.50
Family Distribution by Income Level	2,074,817	24.98	15.22	18.24	41.56	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	834,046	26.16	28.99	28.97	15.88	0.00
Median Family Income HUD Adjusted Median Family Income for 2002 Households Below the Poverty Level	= \$37,515 = \$62,800 = 16.28%	Median Housing Value Unemployment Rate (1990 US Census)				194,647 =4.12%

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 1990 U.S. Census, and 2002 HUD updated MFI.

CBNA's assessment area is comprised of all of MSA 5600, which includes the five boroughs (Bronx, Kings, New York, Queens, and Richmond Counties) of New York City and the suburban Counties of Rockland and Westchester. The assessment area meets the requirements of the regulation and does not arbitrarily exclude any low- or moderate-income geographies.

According to 1990 Census data, the population of the assessment area is 8.2 million. The HUD adjusted median family income for 2002 is \$62,800 having increased from \$59,100 in 2001. The distribution of families in the assessment area is as follows: 25% low-income families, 15% moderate-income families, 18% middle-income families, and 42% upper-income families. Approximately 30% of census tracts are low- or moderate-income. Most such tracts are found in New York City, with the greatest concentration in the Bronx.

Within the assessment area, there are 4.4 million housing units of which 41% are owner-occupied, making rental housing the largest segment of the housing market. Approximately 63% of all housing units are multifamily. The majority of the multifamily units are located in Manhattan and the Bronx, and to a lesser degree, Brooklyn. The median housing value in the assessment area is \$194,647 and is considered high, making homeownership difficult for most low- and moderate-income individuals. Median rent is \$715 but that includes rent-stabilized apartments. Market rents approximate \$3,000 per month.

New York City is home to a diversified mix of businesses. Many national and international corporations are headquartered here. Historically, the downtown area of Manhattan has been dominated by the financial services industry. Industries operating in the midtown area include

advertising, publishing, and garment production. The retail sector is a major employer with several large department stores and many small businesses operating throughout the assessment area.

After experiencing several years of good economic growth, the economy showed signs of weakening in line with the national economy. A major factor was the September 2001 terrorist attack that destroyed the World Trade Center. Tourism, a major contributor to the economy, was negatively impacted and had a ripple effect on other industries and services. The volatility on Wall Street also impacted the local and national economy. The assessment area's unemployment level rose to 6.8% in November 2001, above the state rate of 5.4% for the same period.

CBNA operates in an extremely competitive market with many multinational, regional, foreign, and smaller local banks. Major banks include Citibank, JPMorgan Chase, Fleet, HSBC, and Bank of New York. There are many opportunities for community development loans and investments in the assessment area. Federal, state and city programs provide opportunities and there are numerous non-profit organizations and community development financial institutions (CDFIs) operating in the assessment area.

# Appendix D: Tables of Performance Data

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CONTENT OF STANDARDIZED TABLES ..... D-2

TABLES OF PERFORMANCE DATA ..... D-5

[FLORIDA](#)  
[NEW YORK](#)

## Content of Standardized Tables

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A separate set of tables is provided for each state. All multistate metropolitan areas are presented in one set of 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 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 MA/assessment area. Deposit data are compiled by the FDIC and are available as of June 30<sup>th</sup> of each year. Tables without data are not included in this PE.

The following is a listing and brief description of the tables included in each set:

**Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MA/assessment area. Community development loans to statewide or regional entities or made outside the bank’s assessment area may receive positive CRA consideration. Refer to Interagency Q&As \_\_.12(i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans. When such loans exist, insert a line item with the appropriate caption, such as “Statewide/Regional” or “Out of Assessment Area,” in the MA/Assessment Area column and record the corresponding numbers and amounts in the “Community Development Loans” column.

**Table 1. Other Products** - Presents the number and dollar amount of any unreported category of loans originated and purchased by the bank, if applicable, over the evaluation period by MA/assessment area. Examples include consumer loans or other data that a bank may provide, at its option, concerning its lending performance. This is a two-page table that lists specific categories.

**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 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 Home Mortgage Refinance Loans** - See Table 2.

**Table 5. Geographic Distribution of Multifamily Loans** - Compares the percentage distribution of the number of multifamily loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income

geographies to the percentage distribution of multifamily housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.

- Table 6.** 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 share information based on the most recent aggregate market data available. Because small business data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 7.** **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 share information based on the most recent aggregate market data available. Because small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 8.** **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 MA/assessment area. The table also presents market share information based on the most recent aggregate market data available.
- Table 9.** **Borrower Distribution of Home Improvement Loans** - See Table 8.
- Table 10.** **Borrower Distribution of Refinance Loans** - See Table 8.
- Table 11.** **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. 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 12.** **Borrower Distribution of Small Loans to Farms** - Compares the percentage distribution of the number of small loans (less than or equal to

\$500,000) 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. 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 13. 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 households 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 MA/assessment area.

**Table 14. Qualified Investments** - Presents the number and dollar amount of qualified investments made by the bank in each MA/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 be legally binding and tracked and recorded by the bank's financial reporting system.

A bank may receive positive consideration for qualified investments in statewide/regional entities or made outside of the bank's assessment area. See Interagency Q&As \_\_.12(i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such investments. When such investments exist, insert a line item with the appropriate caption, such as "Statewide/Regional" or "Out of Assessment Area," in the MA/Assessment Area column and record the corresponding numbers and amounts in the "Qualified Investments" column.

**Table 15. 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 MA/AA. The table also presents data on branch openings and closings in each MA/AA.

STATE OF FLORIDA

Table 1. Lending Volume

LENDING VOLUME												
Geography: FLORIDA												
Evaluation Period: JULY 1, 2000 TO DECEMBER 31, 2002												
MA/Assessment Area (2002):	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
<b>Full Review:</b>												
Miami-Dade MSA	91.22	221	72,602	1,839	241,149	7	1,430	37	167,810	2,104	482,991	85.44
Statewide								2	14,695	2	14,695	
<b>Limited Review:</b>												
Fort Lauderdale MSA	8.78	78	44,590	121	26,935	0	0	9	30,918	208	102,443	14.56

\* Loan Data as of December 31, 2002. Rated area refers to either the state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is From July 01, 2000 to December 23, 2003.

\*\*\* Deposit Data as of June 30, 2002. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE		Geography: FLORIDA				Evaluation Period: JULY 1, 2000 TO DECEMBER 31, 2002						Market Share (%) by Geography*				
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans						
<b>Full Review:</b>																
Miami MSA	111	68.10	3.26	1.80	12.86	8.11	40.83	21.42	43.05	68.47	0.06	0.00	0.07	0.05	0.08	
<b>Limited Review:</b>																
Fort Lauderdale MSA	52	31.90	1.11	0.00	14.39	1.92	58.85	23.08	25.64	75.00	0.03	0.00	0.00	0.02	0.07	

\* Based on 2002 Peer Mortgage Data: Southeast Region 1.

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

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by the number of owner occupied housing units in the area based on 1990 Census information.

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT															Geography: FLORIDA					Evaluation Period: JULY 1, 2000 TO DECEMBER 31, 2002				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*													
	#	% of Total**	% 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									
<b>Full Review:</b>																								
Miami MSA	17	89.47	3.26	0.00	12.86	5.88	40.83	64.71	43.05	29.41	0.15	0.00	0.21	0.21	0.10									
<b>Limited Review:</b>																								
Fort Lauderdale MSA	2	10.53	1.11	0.00	14.39	0.00	58.85	100.00	25.64	0.00	0.03	0.00	0.00	0.05	0.00									

\* Based on 2002 Peer Mortgage Data: Southeast Region 1.

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

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 1990 Census information.

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE		Geography: FLORIDA				Evaluation Period: JULY 1, 2000 TO DECEMBER 31, 2002					Market Share (%) by Geography*				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans					
<b>Full Review:</b>															
Miami MSA	47	77.05	3.26	0.00	12.86	2.13	40.83	17.02	43.05	80.85	0.04	0.00	0.00	0.02	0.06
<b>Limited Review:</b>															
Fort Lauderdale MSA	14	22.95	1.11	0.00	14.39	7.14	58.85	28.57	25.64	64.29	0.01	0.00	0.02	0.01	0.02

\* Based on 2002 Peer Mortgage Data: Southeast Region 1.

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

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 1990 Census information.

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY																	
Geography: FLORIDA																	
Evaluation Period: JULY 1, 2000 TO DECEMBER 31, 2002																	
MA/Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*						
	#	% of Total**	% of MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>																	
Miami MSA	46	82.14	13.42	30.43	21.25	28.26	36.01	34.78	29.33	6.53	4.66	5.30	3.03	6.78	1.85		
<b>Limited Review:</b>																	
Fort Lauderdale MSA	10	17.86	1.36	20.00	15.78	50.00	58.91	20.00	23.95	10.00	1.80	6.25	1.89	1.37	1.54		

\* Based on 2002 Peer Mortgage Data: Southeast Region 1.

\*\* Multifamily loans originated and purchased in the MA/AA as a percentage of all multifamily loans originated and purchased in the rated area.

\*\*\* Percentage of multifamily units is the number of multifamily housing units in a particular geography divided by number of multifamily housing units in the area based on 1990 Census information.

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES		Geography: FLORIDA				Evaluation Period: JULY 1, 2000 TO DECEMBER 31, 2002					Market Share (%) by Geography*				
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp
	#	% of Total**	% of Businesses ***	% BANK Loans	% of Businesses ***	% BANK Loans	% of Businesses ***	% BANK Loans	% of Businesses ***	% BANK Loans					
<b>Full Review:</b>															
Miami MSA	1,839	93.83	8.82	3.21	17.32	29.96	31.73	12.72	42.13	54.11	0.92	0.49	1.50	0.42	1.14
<b>Limited Review:</b>															
Fort Lauderdale MSA	121	6.17	4.52	3.31	14.92	11.57	50.37	33.06	30.19	52.07	0.07	0.09	0.02	0.05	0.13

\* Based on 2002 Peer Small Business Data: US and PR.

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

\*\*\* Source Data - Dun and Bradstreet (2002).

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS		Geography: FLORIDA					Evaluation Period: JULY 1, 2000 TO DECEMBER 31, 2002					Market Share (%) by Geography*				
MA/Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans						
<b>Full Review:</b>																
Miami MSA	7	100.00	3.51	0.00	11.79	14.29	36.29	28.57	48.41	57.14	2.59	0.00	20.00	3.45	1.43	
<b>Limited Review:</b>																
Fort Lauderdale MSA	0	0.00	2.78	0.00	17.75	0.00	51.63	0.00	27.84	0.00	0.00	0.00	0.00	0.00	0.00	

\* Based on 2002 Peer Small Business Data: US and PR.

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

\*\*\* Source Data - Dun and Bradstreet (2002).

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: FLORIDA				Evaluation Period: JULY 1, 2000 TO DECEMBER 31, 2002					Market Share*				
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****					
<b>Full Review:</b>															
Miami MSA	111	68.10	23.32	6.12	16.40	6.12	19.19	4.09	41.09	83.67	0.08	0.11	0.05	0.03	0.11
<b>Limited Review:</b>															
Fort Lauderdale MSA	52	31.90	19.63	1.96	18.27	5.88	22.51	9.81	39.59	82.35	0.04	0.00	0.01	0.03	0.07

\* Based on 2002 Peer Mortgage Data: Southeast Region 1.

\*\* As a percentage of loans with borrower income information available. No information was available for 5.98% of loans originated and purchased by BANK.

\*\*\* Percentage of Families is based on the 1990 Census information.

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

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT		Geography: FLORIDA				Evaluation Period: JULY 1, 2000 TO DECEMBER 31, 2002					Market Share*				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****					
<b>Full Review:</b>															
Miami MSA	17	89.47	23.32	41.18	16.40	23.53	19.19	0.00	41.09	35.29	0.16	0.26	0.63	0.00	0.05
<b>Limited Review:</b>															
Fort Lauderdale MSA	2	10.53	19.63	0.00	18.27	50.00	22.51	50.00	39.59	0.00	0.03	0.00	0.15	0.00	0.00

\* Based on 2002 Peer Mortgage Data: Southeast Region 1.

\*\* As a percentage of loans with borrower income information available. No information was available for 0.00% of loans originated and purchased by BANK.

\*\*\* Percentage of Families is based on the 1990 Census information.

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

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE		Geography: FLORIDA					Evaluation Period: JULY 1, 2000 TO DECEMBER 31, 2002					Market Share*				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****						
<b>Full Review:</b>																
Miami MSA	47	77.05	23.32	0.00	16.40	2.38	19.19	11.90	41.09	85.72	0.04	0.00	0.00	0.02	0.06	
<b>Limited Review:</b>																
Fort Lauderdale MSA	14	22.95	19.63	0.00	18.27	33.33	22.51	25.00	39.59	41.67	0.01	0.00	0.03	0.01	0.01	

\* Based on 2002 Peer Mortgage Data: Southeast Region 1.

\*\* As a percentage of loans with borrower income information available. No information was available for 8.16% of loans originated and purchased by BANK.

\*\*\* Percentage of Families is based on the 1990 Census information.

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

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: FLORIDA			Evaluation Period: JULY 1, 2000 TO DECEMBER 31, 2002				
MA/Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share*	
	#	% of Total**	% 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
<b>Full Review:</b>									
Miami MSA	1,839	93.83	54.92	30.89	71.56	13.32	15.12	0.92	1.11
<b>Limited Review:</b>									
Fort Lauderdale MSA	121	6.17	57.50	53.72	45.45	27.27	27.27	0.07	0.15

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\* Based on 2002 Peer Small Business Data: US and PR.

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

\*\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2002).

\*\*\*\* 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 0.05% of small loans to businesses originated and purchased by the bank.

Table 12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS		Geography: FLORIDA		Evaluation Period: JULY 1, 2000 TO DECEMBER 31, 2002					
MA/Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share*	
	#	% of Total**	% of Farms***	% BANK Loans****	\$100,000 or less	> \$100,000 to \$250,000	> \$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
Miami MSA	7	100.00	90.71	57.14	14.29	57.14	28.57	2.59	1.37
<b>Limited Review:</b>									
Fort Lauderdale MSA	0	0.00	92.33	0.00	0.00	0.00	0.00	0.00	0.00

\* Based on 2002 Peer Small Business Data: US and PR.

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

\*\*\* Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2002).

\*\*\*\* 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 0.00% of small loans to farms originated and purchased by the bank.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS									
Geography: FLORIDA									
Evaluation Period: JULY 1, 2000 TO DECEMBER 23, 2003									
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
Miami MSA	5	\$1,950	96	\$2,589	101	\$4,539	9%	0	0
Statewide	0	0	14	\$43,500	14	\$43,500	83%	0	0
<b>Limited Review:</b>									
Fort Lauderdale MSA	3	\$344	14	\$3,748	17	\$4,092	8%	0	0

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\* '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 that are tracked and recorded by the institution's financial reporting system.

Table 15. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS																	
Geography: FLORIDA																	
Evaluation Period: JULY 1, 2000 TO DECEMBER 31, 2002																	
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full Review:</b>																	
Miami MSA	85.44%	6	75%	0%	17%	33%	50%	1	0	0	0	0	+1	9.18	19.43	39.47	31.91
<b>Limited Review:</b>																	
Fort Lauderdale MSA	14.56%	2	25%	0%	0%	50%	50%	0	1	0	0	0	-1	3.25	18.55	54.95	23.17

STATE OF NEW YORK

Table 1. Lending Volume

LENDING VOLUME												
Geography: NEW YORK												
Evaluation Period: JULY 1, 2000 TO DECEMBER 31, 2002												
MA/Assessment Area (2002):	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
<b>Full Review:</b>												
New York MSA	100.00	13	14,380	89	34,926	0	0	7	8,900	109	58,206	100.00

\* Loan Data as of December 31, 2002. Rated area refers to either the state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is From July 01, 2000 to December 23, 2003.

\*\*\* Deposit Data as of June 30, 2002. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE		Geography: NEW YORK				Evaluation Period: JULY 1, 2000 TO DECEMBER 31, 2002					Market Share (%) by Geography*				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans					
<b>Full Review:</b>															
New York MSA	1	100.00	2.00	0.00	7.82	0.00	29.17	0.00	61.00	100.00	0.00	0.00	0.00	0.00	0.00

\* Based on 2002 Peer Mortgage Data: Northeast Region 2.

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

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 1990 Census information.

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY		Geography: NEW YORK				Evaluation Period: JULY 1, 2000 TO DECEMBER 31, 2002					Market Share (%) by Geography*				
MA/Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp
	#	% of Total**	% of MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans					
<b>Full Review:</b>															
New York MSA	12	100.00	17.58	0.00	22.90	41.67	26.47	25.00	33.02	33.33	0.06	0.00	0.00	0.00	0.25

\* Based on 2002 Peer Mortgage Data: Northeast Region 2.

\*\* Multifamily loans originated and purchased in the MA/AA as a percentage of all multifamily loans originated and purchased in the rated area.

\*\*\* Percentage of multifamily units is the number of multifamily housing units in a particular geography divided by number of multifamily housing units in the area based on 1990 Census information.

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES		Geography: NEW YORK				Evaluation Period: JULY 1, 2000 TO DECEMBER 31, 2002					Market Share (%) by Geography*				
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp
	#	% of Total**	% of Businesses ***	% BANK Loans	% of Businesses ***	% BANK Loans	% of Businesses ***	% BANK Loans	% of Businesses ***	% BANK Loans					
<b>Full Review:</b>															
New York MSA	89	100.00	7.06	0.00	16.50	4.48	23.86	4.48	50.54	91.04	0.01	0.00	0.00	0.00	0.02

\* Based on 2002 Peer Small Business Data: US and PR.

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

\*\*\* Source Data - Dun and Bradstreet (2002).

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE		Geography: NEW YORK					Evaluation Period: JULY 1, 2000 TO DECEMBER 31, 2002					Market Share*				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****						
<b>Full Review:</b>																
New York MSA	1	100.00	24.98	0.00	15.22	0.00	18.24	0.00	41.56	100.00	0.00	0.00	0.00	0.00	0.00	

\* Based on 2002 Peer Mortgage Data: Northeast Region 2.

\*\* As a percentage of loans with borrower income information available. No information was available for 0.00% of loans originated and purchased by BANK.

\*\*\* Percentage of Families is based on the 1990 Census information.

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

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: NEW YORK			Evaluation Period: JULY 1, 2000 TO DECEMBER 31, 2002				
MA/Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share*	
	#	% of Total**	% 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
<b>Full Review:</b>									
New York MSA	89	100.00	62.88	1.12	14.61	28.09	57.30	0.01	0.00

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\* Based on 2002 Peer Small Business Data: US and PR.

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

\*\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2002).

\*\*\*\* 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 0.00% of small loans to businesses originated and purchased by the bank.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS									
			Geography: NEW YORK		Evaluation Period: JULY 1, 2000 TO DECEMBER 31, 2003				
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
New York MSA	0	0	9	1,116	9	1,116	12	0	0
Statewide	0	0	7	8,100	7	8,100	88	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 that are tracked and recorded by the institution's financial reporting system.

Table 15. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS																	Geography: NEW YORK				Evaluation Period: JULY 1, 2000 TO DECEMBER 31, 2002			
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population										
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography										
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp							
<b>Full Review:</b>																								
New York MSA	100	1	100	0.00	0.00	0.00	100	0	0	0	0	0	0	14.32	20.00	29.69	35.62							