

## **Public Disclosure**

**May 8, 2000**

# **Community Reinvestment Act Performance Evaluation**

**Eagle National Bank of Miami  
Charter Number - 14804**

**701 Brickell Avenue, Suite 1250  
Miami, Florida 33130**

**Office of the Comptroller of the Currency**

**South Florida Field Office  
5757 Blue Lagoon Drive, Suite 200  
Miami, Florida 33126**

**Note: This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.**

## General Information

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority, when examining financial institution's subject to its supervision, to assess the institutions record of meeting the credit needs of its entire community, including low-and-moderate income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

This document is an evaluation of the CRA performance of **Eagle National Bank of Miami** prepared by the **Office of the Comptroller of the Currency**, the institution's supervisory agency, as of **May 8, 2000**. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.

**Institution's CRA Rating:** Performance is rated **"Satisfactory"**.

We evaluated the CRA performance of **Eagle National Bank of Miami (Eagle)** using the small bank performance criteria. Our evaluation covered the period from June 1997 to March 31, 2000. Satisfactory performance is supported by:

- The bank's average loan to deposit ratio is reasonable based on the bank's performance context and in comparison to similarly situated institutions in its assessment area.
- The majority of the new loans sampled were originated within the bank's assessment area. This sample focused on new loans generated since the last CRA examination. The majority of the bank's loan portfolio is domestic in nature and the majority of that lending is within the bank's assessment area.
- The distribution of loans to businesses of different sizes (lending to small businesses) is reasonable. The distribution of home mortgage loans to borrowers of different income levels is reasonable due to the bank's efforts to make community development and multi-family housing loans in low-and-moderate income neighborhoods.
- The business, home mortgage and community development loans originated in the assessment area reflected a reasonable dispersion among census tracts of different income levels, including low-and-moderate income census tracts.

## DESCRIPTION OF INSTITUTION

Eagle National Bank of Miami (Eagle) is a community bank headquartered in Miami, Florida. The bank is owned by Eagle National Holding Company, with assets totaling \$238 million. Eagle has minimal activity with its subsidiaries or affiliates.

The main office and three branches are all located in Miami-Dade County and are generally accessible to most areas of the community. Two of the offices are located in low-income census tracts. Eagle offers a full range of banking products and services and has recently emphasized an increase in domestic lending, which includes lending to businesses and consumers. The bank also engages in international trade finance activity. Their main product lines are commercial/commercial real estate loans, international lending and community development type loans.

There are currently no legal, financial or other factors that impede the bank's ability to meet the credit needs in its assessment area. The last CRA evaluation was dated June 9, 1997 and performance was rated satisfactory. The bank was profitable during 1999 and for the first quarter 2000.

As of March 31, 2000, Eagle had total assets of \$228 million. Loans totaled \$123 million and deposits totaled \$150 million. The percentage of net loans to total assets was 53%. The **dollar composition** of the loan portfolio is as follows: commercial and commercial real estate (44%), loans to support trade finance (41%), domestic residential real estate (15%) and loans to individuals is less than 1%.

Currently, the main loan product is commercial/commercial real estate lending comprising 44% of the portfolio. Previously the bank was heavily involved in international lending to support trade finance. This continues to be a specialty product. That is why the portion of loans to foreign entities is high at 41% of the loan portfolio. Management plans to continue to increase domestic lending while maintaining international lending at present levels. This plan was implemented since our last CRA examination and our sample of the major new lending products bear this out.

## **DESCRIPTION OF MIAMI-DADE COUNTY ASSESSMENT AREA**

Eagle's assessment area includes the entire, Miami-Dade County Metropolitan Statistical Area (MSA). The assessment area meets the requirements of the regulation and does not arbitrarily exclude low-or-moderate income geographies.

According to the 1990 U.S. Census, Miami-Dade County has a total population of approximately 1.9 million people and 485,213 families. Of these families, 23% are low-income families, 16% are moderate-income families, 19% are middle income families and 42% are upper income families. The 1999 updated median family income of the MSA is \$42,400, with 17% of the households living below the poverty level. Owner occupied housing totals 49% and rental occupied housing totals 41%. The weighted average median housing value is \$100,500.

Note: A low income census tract has a median family income of less than 50% of the MSA median family income, a moderate income tract has 50% to 80%, a middle income tract has 80% to 120%, and an upper income tract has 120% or more of the MSA median family income.

The assessment area consists of 267 census tracts which are distributed as follows: 36 or 13% are low income tracts, 57 or 21% are moderate income tracts, 96 or 36% are middle income tracts, and 75 or 28% are upper income tracts. There are 3 census tracts that are non-designated.

Miami-Dade County's economy has posted moderate growth since the early 1990's and projections indicate continued moderate growth in the foreseeable future. The county's diversified economy includes manufacturing, service, trade, financial, agricultural, and real estate. The largest of these business sectors are services, trade and manufacturing. Given Miami's strategic location, it has emerged as a major financial and trading center for Latin America. Competition among the financial service providers is very strong. Eagle's competition comes from locally owned community banks, branches of multinational and regional banks, as well as agencies and branches of foreign banks.

We contacted two community groups prior to this assessment to gain an understanding of their perspective of community credit needs. These contacts included a community housing development organization and an economic development organization. The contacts indicated that there is a need for the production of quality, affordable housing (construction, sale, and rental) for low and moderate income families. Needs also exist in fostering economic development in the low-income communities through grants, loans and contributions.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

### LOAN TO DEPOSIT RATIO

**Conclusion:** Eagle's quarterly average loan to deposit ratio since the last CRA examination is reasonable and **meets standards for "satisfactory" performance** for this category.

#### **Support of Conclusion:**

Eagle's quarterly average loan to deposit ratio since the last CRA examination was 64%. This ratio has improved from 48% at the last CRA examination. This is comparable to a group of similarly sized and situated banks in the assessment area with average loan to deposit ratios of 66%. This peer group is made up of banking institutions of similar size and location serving the same communities.

Eagle's loan to deposit ratio for the period reviewed ranged from 50% to 81%. The quarterly average loan to deposit ratio of the comparable banks ranged from 33% to 74%. The most recent quarterly loan to deposit ratio is 81% and reflects well in comparison to the peer.

### LENDING IN THE ASSESSMENT AREA

**Conclusion:** Lending within the bank's assessment area is reasonable, the bank **"meets the standards for satisfactory performance"**. The majority of the loans in the bank are within the bank's assessment area.

The bank's main loan product is commercial/commercial real estate lending and our sample of new lending for this product show a substantial majority of those loans are within the assessment area. Commercial/commercial real estate loans total 44% of the loans outstanding.

The bank's second main loan product is lending to foreign banking institutions to support trade finance. This comprises 41% of the loan portfolio. The bank maintains a specialty in lending to support trade finance. This portion of the portfolio is not within the bank's assessment area.

## **Support of Conclusions:**

Since the last CRA examination the bank's loan growth has been in domestic lending activities mainly through business loans, residential real estate/ and multi-family/community development type loans. Therefore, we selected a sample based on these products.

The following depicts the results of the sample of business loans, HMDA loans, and multi-family/community development loans generated between July 1997 and March 31, 2000. This sample was given weight in our conclusion of lending within the assessment area since it is where the bank's growth is centered.

### ***Business Loans***

(Sample size - 21)

#### **BY NUMBER OF LOANS**

**INSIDE** Assessment Area

16 or 76%

**OUTSIDE** Assessment Area

5 or 24%

#### **BY DOLLAR AMOUNT OF LOANS**

**INSIDE** Assessment Area

\$6,224,578 or 83%

**OUTSIDE** Assessment Area

\$1,232,000 or 17%

### ***HMDA Loans (All)***

Generated in 1998, 1999 and 1<sup>st</sup> Quarter 2000

#### **NUMBER OF LOANS**

**INSIDE** Assessment Area

65 or 92%

**OUTSIDE** Assessment Area

6 or 8%

#### **BY DOLLAR AMOUNT OF LOANS**

**INSIDE** Assessment Area

\$14,841,000 or 87%

**OUTSIDE** Assessment Area

\$2,132,000 or 13%

## *Multi-family Community Development Loans*

Generated in 1999 and 1<sup>st</sup> Quarter 2000

### BY NUMBER OF LOANS

**INSIDE** Assessment Area

**OUTSIDE** Assessment Area

14 or **100%**

-0- or **0%**

### BY DOLLAR AMOUNT OF LOANS

**INSIDE** Assessment Area

**OUTSIDE** Assessment Area

\$14,651,094 or **100%**

\$0 or **0%**

### **LENDING TO BORROWERS OF DIFFERENT INCOMES AND TO BUSINESSES OF DIFFERENT SIZES**

**Conclusion:** Eagle's lending to borrowers of different incomes and businesses of different sizes is reasonable, it meets the standards for **"Satisfactory" performance**. We reviewed the distribution of our sample of business loans, HMDA loans and multi-family loans for the same period described previously.

#### **Support of Conclusion:**

The following table summarizes the distribution of our sample of 21 business loans made by Eagle in their assessment area during the evaluation period.

#### **Distribution of Business Loans Originated in the Assessment Area July 1997 through March 2000**

<b>Loan Type</b>	<b># Loans within the Assessment Area</b>	<b>% of Sample</b>	<b>\$ amount (000s) within the Assessment Area</b>	<b>% of Sample</b>
<b>Small Business (a)</b>	<b>11</b>	<b>52%</b>	<b>1,922</b>	<b>24%</b>
<b>Large Business</b>	10	48%	6,078	76%
<b>TOTAL</b>	<b>21</b>	<b>100%</b>	<b>8,000</b>	<b>100%</b>

**(a) Loans to businesses with gross annual revenues less than \$1 million.**

### **Business Loan Sample**

Business loans are the primary loan product that Eagle National Bank of Miami generates in their assessment area. Business loans include commercial and commercial real estate.

Our sample of 21 business loans originated within the assessment area shows that 52% by number and 24% by dollar volume were made to small businesses. In the assessment area, 74% of all businesses are small businesses. This distribution does not include the bank's activity supporting small import and export businesses in its assessment area through its letters of credit activities.

Eagle has also made efforts to meet the housing needs of the community by providing financing for multi-family real estate projects that provide affordable housing. Affordable housing was an identified need indicated through the community contacts made.

### **Distribution of HMDA Loans Originated within the Assessment Area Based on Borrower Income 1998, 1999 and 1<sup>st</sup> Quarter 2000**

<b>Income Levels</b>	<b>Distribution of 1-4 Family Residential Mortgage Loans # of Loans as % of Total</b>	<b>Distribution of 1-4 Family Residential Mortgage Loans \$ of Loans as % of Total</b>	<b>% of Families in these Income Levels in the Assessment Area</b>
<i>Low Income</i>	<b>5%</b>	<b>1%</b>	<b>23%</b>
<i>Moderate Income</i>	<b>11%</b>	<b>2%</b>	<b>16%</b>
Middle Income	6%	2%	<b>19%</b>
Upper Income	69%	57%	<b>42%</b>
Not Available	9%	38%	N/A
<b>TOTAL</b>	100%	100%	100%

### **Residential Mortgage Loans**

Residential real estate loans were the next major product category of loans we reviewed. The distribution of Eagle's residential loans to borrowers of different income, especially among low-and-moderate income borrowers, reflects reasonable penetration.

### **Multi-Family Housing Loans**

Lending within the community is further supported by their community development multi-family housing loans. Of the multi-family loans we reviewed, 50% in number and 83% in dollar amount were loans made for Section 8 tenants. Section 8 housing helps support low-and-moderate income individuals who can't qualify for home purchase.



## GEOGRAPHIC DISTRIBUTION OF LOANS

**Conclusion:** Loans originated in the assessment area reflect reasonable dispersion among census tracts of different income levels, the bank meets the standards for “**Satisfactory**” performance in this category.

### **Support of Conclusion:**

Our review of the business and residential loan sample indicated penetration in low-and-moderate income census tracts in areas surrounding the bank’s branches. There were no gaps in lending to low-and-moderate income geographies near bank branches. The geographies where the bank has no penetration are not readily accessible to their branches.

### **Business Loan Sample**

The following table shows the geographic distribution of our sample of 21 business loans totaling \$7,999,578 made in the assessment area during our evaluation period. The table shows that a reasonable percentage of loans were originated in low-and-moderate income census tracts of the assessment area relative to the percentage of businesses located in each tract income category in the assessment area.

**Distribution of Business Loans Made from July 1997 Through March 2000  
Compared to the  
Distribution of Businesses in Each Tract Income Category**

Income Level Of Census Tract	Distribution of Bank Loans in the Census Tract (Number of Loans)	Distribution of Bank Loans in the Census Tract (\$ Amount of Loans)	Distribution of owner occupied housing in the assessment area
<i>Low</i>	<b>14%</b>	<b>8%</b>	<b>10%</b>
<i>Moderate</i>	<b>14%</b>	<b>12.5%</b>	<b>19%</b>
Middle	24%	32.5%	31%
Upper	48%	47%	40%
<b>TOTAL</b>	100%	100%	100%

### **Multifamily Loan Sample**

The following table shows the geographic distribution of our sample of multi-family and community development loans totaling \$14,651,094 made in the assessment area during the

evaluation period. The table shows that a reasonable percentage of loans were originated in low-and-moderate income census tracts of the assessment area relative to the percentage of businesses located in each tract income category in the assessment area.

**Distribution of Multifamily and Community Development Loans  
1999 Through March 2000  
Compared to the  
Distribution of Businesses in Each Tract Income Category**

<b>Income Level Of Census Tract</b>	<b>Distribution of Bank Loans in the Census Tract (Number of Loans)</b>	<b>Distribution of Bank Loans in the Census Tract (\$ Amount of Loans)</b>	<b>Distribution of Businesses in Each Tract Income Category</b>
<b>Low</b>	<b>29%</b>	<b>17%</b>	<b>10%</b>
<b>Moderate</b>	<b>7%</b>	<b>12%</b>	<b>19%</b>
Middle	43%	50%	31%
Upper	21%	21%	40%
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

**HMDA loans**

The following table shows the geographic distribution of the HMDA loans originated in the assessment area during our evaluation period. The table shows a reasonable percentage of loans were made in low- and moderate-income census tracts relative to the geographies in the assessment area.

**Distribution of HMDA Loans Made from 1998 Through March 2000  
Compared to the  
Percentage of Owner Occupied Housing in the Assessment Area**

<b>Income Level Of Census Tract</b>	<b>Distribution of Bank Loans in the Census Tract (Number of Loans)</b>	<b>Distribution of Bank Loans in the Census Tract (\$ Amount of Loans)</b>	<b>Distribution of Owner occupied housing in the Assessment Area</b>
<i>Low</i>	<b>9%</b>	<b>18%</b>	<b>3%</b>
<i>Moderate</i>	<b>34%</b>	<b>20%</b>	<b>13%</b>
Middle	18%	11%	41%
Upper	38%	51%	43%
<b>TOTAL</b>	100%	100%	100%

**RESPONSE TO COMPLAINTS**

Eagle has not received any complaints regarding its CRA performance during this evaluation period.

**COMPLIANCE WITH ANTI-DISCRIMINATION LAWS AND REGULATIONS**

In our fair lending review, we sampled 13 diverse applications and 10 denied applications (adverse action notices for consumer and denied files for businesses). Our sample and other procedures did not find any evidence of disparate treatment. No violations of the substantive provisions of the anti-discrimination laws and regulations were identified. Fair lending policies, procedures and training are satisfactory.