



SMALL BANK

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

PUBLIC DISCLOSURE

May 12, 2005

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Executive National Bank
Charter Number 15974**

**9600 North Kendall Drive
Miami, FL 33176**

**Comptroller of the Currency
South Florida (miami)
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, 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.

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

We evaluated Executive National Bank's ("ENB") CRA performance using the small bank performance criteria. Our evaluation period covered the period of August 2, 1999, the date of the last CRA examination, to April 30, 2005, although we focused on lending activity from January 1, 2003 through April 30, 2005. The primary reasons supporting this rating are:

- The bank's loan-to-deposit ratio meets the standard for satisfactory performance.
- Lending in the bank's assessment area exceeds the standard for satisfactory performance.
- The borrower distribution of loans exceeds the standard for satisfactory performance.
- The geographic distribution of loans meets the standard for satisfactory performance.

DESCRIPTION OF INSTITUTION

ENB is an intrastate community bank headquartered in Miami, Florida. The bank has no operating affiliates and is wholly owned by Executive Banking Corporation, a one-bank holding company, also located in Miami. In addition to the main office located in Kendall (western suburb of Miami), the bank operates four branch offices in Miami-Dade County including, the South Miami, Tamiami, Doral, and Brickell Avenue branches. The Doral branch is new since the last examination, having opened in January 2001. The areas surrounding each of the offices are made up almost exclusively of middle- and upper-income geographies. According to the 2000 Census, four of the bank's offices are located in upper-income geographies and one (Brickell Avenue) is located in a middle-income geography.

The bank offers a variety of deposit and loan products for individuals and businesses, as described in the CRA Public File. The bank's primary business focus is commercial lending, with a particular emphasis on multi-family housing loans. ENB also originates a large number of loans to condominium associations in its assessment area, however the 2000 Census does not contain information as to the geographies in which such buildings are located. Therefore, no type of CRA analysis was possible for these loans.

As of December 31, 2004 the bank had total assets of \$249 million and total deposits of \$176 million. Total loans, which represent 47% of total assets, equaled \$118 million and consisted of 39% residential real estate (including multi-family homes) loans, 33% commercial real estate loans, 21% commercial and industrial loans, and 7% consumer loans.

There are no legal, financial, or other factors to impede the bank's ability to meet the credit needs in its assessment area. At its last CRA examination, dated August 2, 1999, the bank was rated satisfactory.

DESCRIPTION OF THE ASSESSMENT AREA

ENB's assessment area is comprised of all of Miami-Dade County, which is equivalent to Metropolitan Division 33124 (Miami-Miami Beach-Kendall, FL). The assessment area meets regulatory requirements and does not arbitrarily exclude any low- or moderate-income areas.

Based on the 2000 Census, the assessment area consists of 347 geographies (census tracts) of which 27 (8%) are low-income, 99 (29%) are moderate-income, 114 (33%) are middle-income, and 104 (30%) are upper-income. The greatest concentration of low- and moderate-income geographies can be found in the City of Miami.

The assessment area is a densely populated urban center, and according to the 2000 Census, the total population is 2.25 million. Of the 852,000 housing units in the assessment area, 53% are owner-occupied. The largest concentrations of owner-occupied housing units are in the middle- and upper-income geographies. In the low- and moderate-income geographies, the level of renter occupancy is high (69% and 56%, respectively). These geographies also represent high levels of households below the poverty level (47% and 27%, respectively), indicating a need for affordable rental housing. The need for affordable housing in the assessment area is considered critical by community organizations contacted as part of CRA examinations for institutions operating in Miami-Dade County.

Housing costs in Miami-Dade County are high and continually growing. In 2004, the National Association of Realtors estimated the median sales price of an existing single-family home in the Miami Metropolitan area to be approximately \$300,000. When compared with a HUD Adjusted Median Family Income of \$45,400 for 2004 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. Local real estate organizations point out that as housing prices increase in the assessment area, owners are converting rental units to condominiums, which are selling at prices that are not affordable to low- and moderate-income people. As this occurs, the supply of affordable rental units is shrinking, and rents are beginning to increase.

The Miami-Dade economy is diverse. Major industries include real estate development, trade businesses with Latin America, tourism and banking. There are many service businesses in the area as well. 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.

Banking competition within the assessment area is intense. In addition to community and mid-size banks, branches of the largest banks in the country, and their mortgage affiliates, operate in Miami-Dade County.

CONCLUSIONS ABOUT PERFORMANCE CRITERIA

Loan-to-Deposit Ratio

ENB's loan-to-deposit ratio meets the standard for satisfactory performance.

The bank's quarterly average loan-to-deposit ratio since the last CRA examination is 66%. This ratio is consistent with the 67% average ratio for four similarly situated banks operating within the bank's assessment area, but somewhat lower than the 78% average for a national peer group of similarly sized banks. Consideration was also given to the level of the bank's community development loans. Since the last examination, the bank originated 16 community development loans in its assessment area totaling \$8.7 million. All community development loans were multi-family housing loans that helped provide affordable rental housing in the bank's assessment area. Affordable housing, particularly rental housing, is an important need in the assessment area.

Lending in Assessment Area

ENB's level of lending inside its assessment area exceeds the standard for satisfactory performance.

A substantial majority of the bank's loans, by both number and dollar, were originated inside the bank's assessment area. Overall, 96% by number and 90% by dollar of loans were originated in Executive's assessment area.

| Table 1 - Lending in Assessment Area | | | | | | | | | | |
|--------------------------------------|-----------------|----|---------|---|-------|------------------|----|---------|----|--------|
| Loan Type | Number of Loans | | | | | Dollars of Loans | | | | |
| | Inside | | Outside | | Total | Inside | | Outside | | Total |
| | # | % | # | % | | \$ | % | \$ | % | |
| Small Business | 72 | 97 | 2 | 3 | 74 | 26,416 | 90 | 3,048 | 10 | 29,464 |
| Multi-Family | 52 | 95 | 3 | 5 | 55 | 24,594 | 89 | 2,894 | 11 | 27,488 |
| Totals | 124 | 96 | 5 | 4 | 129 | 51,010 | 90 | 5,942 | 10 | 56,952 |

Source: HMDA reported loans (2003, 2004, through April 30, 2005). Small business loans (January 1, 2003-April 30, 2005) Dollars in thousands..

Of the multi-family loans noted above, 16 loans totaling \$8.7 million, qualify as community development loans that meet affordable housing needs in the assessment area. The loans represent 205 rental housing units that are affordable to low- and moderate- income residents. Affordable rental housing units are an important need in the assessment area. Many multi-family buildings are being renovated and converted to owner-occupied condominium units selling at prices that are not affordable to low- and moderate-income people, thus reducing the overall volume of affordable rental housing.

Lending to Borrowers of Different Incomes and to Businesses of Different Sizes

ENB's lending to businesses of different sizes exceeds the standard of satisfactory performance.

According to HMDA reporting rules, borrower income information is not gathered for multi-family housing loans therefore it is not possible to evaluate the borrower distribution of the multi-family residential real estate loans reviewed at this examination.

The bank's level of lending to businesses of different sizes within the assessment area is more than reasonable. In terms of both number and dollars, the level of the bank's loans to small businesses (revenues equal to or less than \$1 million) exceeds the level of small businesses in the assessment area.

| Business Revenues (or Sales) | ≤\$1,000,000 | >\$1,000,000 | Unavailable/ Unknown | Total |
|------------------------------|--------------|--------------|-------------------------|-------|
| % of AA Businesses | 60.40 | 5.40 | 34.20 | 100% |
| % of Bank Loans in AA by # | 73.91 | 8.70 | 17.39 | 100% |
| % of Bank Loans in AA by \$ | 79.40 | 12.03 | 8.59 | 100% |

Source: Loan sample (January 1, 2003-April 30, 2005); Dunn and Bradstreet data.

Geographic Distribution of Loans

Overall, ENB's geographic distribution of loans meets the standards of satisfactory performance. The geographic distribution of multi-family loans is more than reasonable, while the geographic distribution of small loans to businesses is not reasonable when considering the distribution of businesses operating in the assessment area.

The geographic distribution of multi-family housing loans is more than reasonable. The bank's level of multi-family lending in low-income geographies exceeds the level of multi-family units in such geographies. In moderate-income geographies, the percentage of the bank's multi-family loans significantly exceeds the level of multi-family housing units in the moderate-income geographies of the assessment area.

| Census Tract Income Level | Low | | Moderate | | Middle | | Upper | |
|------------------------------|---|----------------------------|---|----------------------------|---|----------------------------|---|----------------------------|
| | % of AA Multi- Family Housing Units | % of Number of Loans | % of AA Multi- Family Housing Units | % of Number of Loans | % of AA Multi- Family Housing Units | % of Number of Loans | % of AA Multi- Family Housing Units | % of Number of Loans |
| Multi-Family | 6.85 | 9.62 | 35.49 | 48.07 | 30.24 | 28.85 | 27.42 | 13.46 |

Source: HMDA reported loans 2003, 2004, April 30, 2005; 2000 U.S. Census data.

The geographic distribution of loans to businesses is not reasonable when considering the

distribution of businesses operating in the assessment area. However, it is consistent with the distribution of the bank’s branch offices. The level of lending to businesses in low-income geographies is less than the level of businesses located in such geographies. The level of lending to businesses in moderate-income geographies is significantly less than the level of businesses located in the moderate-income geographies of the assessment area.

The bank has no branch office locations in low- or moderate-income geographies. One branch office (Brickell) is located in a middle-income geography while the rest are located in upper-income geographies. Businesses borrowing from the bank appear to be clustered around branch office locations.

| Table 3A - Geographic Distribution of Loans to Businesses in the Assessment Area | | | | | | | | |
|---|--------------------|----------------------|--------------------|----------------------|--------------------|----------------------|--------------------|----------------------|
| Census Tract Income Level | Low | | Moderate | | Middle | | Upper | |
| Loan Type | % of AA Businesses | % of Number of Loans | % of AA Businesses | % of Number of Loans | % of AA Businesses | % of Number of Loans | % of AA Businesses | % of Number of Loans |
| Small Business | 5.29 | 1.39 | 22.59 | 8.33 | 32.53 | 12.50 | 39.58 | 77.78 |

Source: Small Business Loans (January 1, 2003-April 30, 2005); D & B data.

Responses to Complaints

The bank has not received any complaints regarding its CRA performance since the last examination.

Fair Lending or Other Illegal Credit Practices Review

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