



INTERMEDIATE SMALL BANK

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

PUBLIC DISCLOSURE

November 14, 2005

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

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

**8200 NW 33rd Street
Doral, FL 33122**

**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.

The Lending Test is rated: "Satisfactory".

The Community Development Test is rated: "Outstanding".

The major factors that support this rating include:

- Since the last examination, the banks' average quarterly loan-to-deposit ratio is excellent.
- A substantial majority of loan originations are within the bank's assessment area.
- The distribution of loans among businesses of different sizes is poor.
- The geographic distribution of loans reflects excellent distribution throughout the assessment area.
- The level and responsiveness of community development lending, investments and services is excellent and had a positive impact on the bank's assessment area.

SCOPE OF EXAMINATION

This Performance Evaluation assesses the bank's performance under the Lending and Community Development Tests. In evaluating the bank's lending performance, we reviewed loans to businesses, the bank's primary loan product. With the exception of multi-family housing loans, the bank has minimal residential mortgage loan activity subject to filing under the HMDA. Most multi-family housing loans were included in the review of community development loans.

The evaluation period ranged from May 8, 2000, the date of the last CRA examination, to November 14, 2005. However, the Lending Test concentrated on activity from January 1, 2003 to October 31, 2005. In 2003, the bank was considered a small bank under the CRA and was not required to report loans to businesses. Therefore, a sample of loans was used for 2003. In 2004 and until September 1, 2005, the bank was considered a large bank and was required to report loans to businesses under the CRA. These reports were used for our evaluation.

This evaluation is based on accurate data. Loan reports and community development loans, investments and services submitted by bank management were verified to ensure accuracy and that they met the regulatory definition for community development, where applicable.

DESCRIPTION OF INSTITUTION

Eagle National Bank (Eagle) is an intrastate community bank headquartered in Miami, Florida. The bank has no operating affiliates and is wholly owned by Eagle National Holding Company, also located in Miami. The bank operates four branches in Miami-Dade County including one in

the bank's headquarters location. Two branches are located in Doral, one in Aventura, and one in the City of Miami. Since the last examination, the bank closed two branches in Miami-Dade County and opened its headquarters branch in Doral. None of this activity impacted low-or moderate-income geographies.

The bank offers a variety of deposit and loan products for businesses and individuals, as described in the CRA Public File. However, the bank's primary lending strategy is loans to businesses, which comprises 75% of the bank's loan portfolio. To assist in meeting its obligations under the CRA, the bank placed an emphasis on multi-family housing loans and other community development loan opportunities.

As of September 30, 2005 the bank had total assets of \$273 million and total deposits of \$186 million. Total loans, which represent 68% of total assets, equaled \$187 million and consisted of 42% commercial and industrial loans, 33% commercial real estate loans, 11% residential real estate loans (1 to 4 family homes), 7% multi-family real estate loans, and 7% other loans (including consumer and loans to banks in foreign countries). Tier 1 Capital totaled \$22.5 million.

It is important to note that 25% of the bank's deposits, or \$46.5 million, are from foreign customers. Although the bank lends to business entities outside the United States, such lending is very limited (\$14.5 million) and represents only 8% of the bank's total loan portfolio, indicating that portions of domestic loans were funded with foreign deposits. Our evaluation of the bank's performance takes this factor into consideration.

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 May 8, 2000, the bank was rated satisfactory. At that time, the bank was evaluated using the Small Bank CRA Examination procedures. This is the bank's first examination using the Intermediate Small Bank CRA Examination procedures.

DESCRIPTION OF ASSESSMENT AREA

Eagle'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 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 tracts 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. However, 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 a community organization contacted as part of the examination.

Housing costs in Miami-Dade County are high and continually increasing. 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. By August 2005, that figure had risen to \$356,900. When 2004 prices are 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 low-or moderate-income individuals and families.

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. As of June 30, 2005, there were 76 banks in Miami-Dade County operating 584 branches.

There are a wide range of opportunities for community development lending, investments, and services throughout the bank's Miami-Dade assessment area. However, larger institutions in the assessment area 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 Empowerment Zone that targets economic development with the goal of revitalizing the area by stimulating and retaining jobs. There are 20 areas designated as Targeted Urban Areas ("TUA") that are the focus for the Urban Economic Revitalization Plan for Miami-Dade County. Types of community development investments available in the assessment area 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.

CONCLUSIONS ABOUT PERFORMANCE CRITERIA

LENDING TEST

The bank's performance under the Lending is rated "Satisfactory".

Loan-to-Deposit Ratio

Eagle's loan-to-deposit ratio is more than reasonable given the institution's size, financial

condition, assessment area credit needs, and performance context factors related to the level of deposits from foreign customers, as discussed in the “Description of Institution”.

The bank’s quarterly average loan-to-deposit ratio since the last CRA examination is 92%. This ratio exceeds the 65% quarterly average ratio for four similarly situated banks operating within the bank’s assessment area. Eagle’s ratio also exceeds the 79% average quarterly ratio for a national peer group of similarly sized banks.

Lending in Assessment Area

A substantial majority of loan originations are in the bank’s assessment area. Overall, 85% (144 of 169 loans) of the number of loans and 79% (\$75 million of \$95 million) of the dollar volume of loans originated during the evaluation period were originated in Eagle’s assessment area. Of the 25 loans originated outside the bank’s assessment area, 68% by number and 59% by dollar, were originated in neighboring Broward County, which is adjacent to the bank’s Aventura office.

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

The distribution of borrowers reflects, given the demographics of the assessment area, poor penetration among businesses of different sizes.

In terms of both number and dollars, the level of the bank’s loans to small businesses (businesses with revenues of \$1 million or less) is lower than the level of small businesses in the assessment area.

Table 1 - Borrower Distribution of Loans to Businesses in 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 #	38.19	61.11	<1	100%
% of Bank Loans in AA by \$	33.16	66.84	<1	100%

Source: Loan sample- 2003, loan originations January 1, 2004-October 31, 2005); Dunn and Bradstreet data.

Geographic Distribution of Loans

The geographic distribution of loans reflects excellent dispersion throughout the assessment area.

In low-income geographies, the percentage of the bank’s loan originations exceeds the level of businesses located there. The level of lending to businesses in moderate-income geographies is equivalent to the level of businesses located in the moderate-income geographies of the assessment area.

Table 2 - 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
Loans to Businesses	5.29	8.33	22.59	22.22	32.53	30.55	39.58	38.89

Source: Loan sample- 2003, loan originations January 1, 2003-October 31, 2005; D & B data.

Reponses to Complaints

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

Community Development Test

The bank’s performance under the Community Development Test is rated “Outstanding”.

The bank’s community development performance demonstrates excellent responsiveness to community development needs in its assessment area through community development loans, qualified investments, and community development services, considering the bank’s capacity and the need and availability of opportunities for community development in the bank’s assessment area.

Number and Amount of Community Development Loans

Considering the bank’s capacity, Eagle had an excellent level of community development loans. During the evaluation period, Eagle originated 16 community development loans totaling \$5.7 million. All of the loans supported affordable housing initiatives for low-and moderate-income persons. Proceeds from 10 community development loans totaling \$5.2 million were used to either purchase or improve at least 183 affordable rental units in the bank’s assessment area. One loan was to a community development corporation operating in Miami for the construction of three affordable owner-occupied housing units. The three homes represent phase one of a 13-unit development.

In addition to the eleven direct community development loans, the bank has five loans that represent the bank’s pro-rata share of loans made by a lending consortium. The consortium makes financing available to non-profit community development corporations (“CDCs”) for the construction of affordable housing in the bank’s assessment area.

Number and Amount of Qualified Investments

Considering the bank’s capacity, Eagle had a good level of qualified community development investments. During the evaluation period, the bank made four investments totaling \$760

thousand. Of the total, \$10,000 (two investments of \$5,000 each) represents the bank's investment in the above-mentioned CDC. Member investments are used to operate the CDC. Other investments are in an investment fund that specializes in CRA qualified investments. The bank's first investment of \$500 thousand is allocated to a security backed by a mortgage on a 160-unit affordable senior citizen housing complex in a low-income geography of Miami-Dade County. The second \$250 thousand investment is allocated to Miami Beach Redevelopment Agency bonds. The agency's stated purpose is to rehabilitate specifically designated portions of Miami Beach, including portions of Miami-Dade County's Enterprise Zone.

Extent to which the Bank Provides Community Development Services

The bank provides a good level of community development services through its branches, products, and activities with local organizations that support qualified community development activities.

Of Eagle's four branches, the Biscayne Branch, representing 25% of the bank's branches, is located in a moderate-income geography. This compares favorably with the fact that 22.59% of businesses and 28.61% of the population in the bank's assessment area are located in moderate-income geographies. (The bank has no branches in low-income geographies, however, only 4.89% of the assessment area population resides in low-income geographies and 5.29% of businesses are located there.) It should also be noted that the Biscayne Branch is located in the Wynwood neighborhood of Miami-Dade's federal Empowerment Zone. The Empowerment Zone is a federal designation to create economic opportunity and revitalization in economically distressed communities.

Eagle offers a full-range of consumer and commercial banking products and services as noted in the bank's Public File. Of particular importance to low- and moderate-income individuals, the bank offers free checking accounts requiring a minimal opening account balance. With the exception of the Doral headquarters branch, the branches offer extended hours on Friday evenings as well as night drop and ATM facilities.

Community development services are also provided through the bank's association with a Miami community association that assists low- and moderate-income persons. Employees of the Biscayne Branch provide one-on-one homeownership counseling to low- and moderate-income individuals and families referred by the organization. Topics include the mortgage loan process, credit scores, and how to correct existing credit issues. In addition, employees have provided technical support to a Miami community development corporation that embarked on its first affordable housing construction project, and a bank officer serves on the Board of the Florida Export Finance Corporation, a not-for-profit corporation headquartered in Miami, with an economic development mandate to expand employment and income opportunities, particularly in designated development zones such as Miami's Empowerment and Enterprise Zones.

Bank's Responsiveness, through Community Development Activities, to Community Development Lending, Investment, and Services Needs

The bank's community development activities are highly responsive to the assessment area's most critical need—affordable housing. Community contacts continually rank affordable

housing as the most pressing need in Miami-Dade County. Housing prices have risen significantly over the past several years, far in excess to increases in family income, making affordable housing an even more significant issue. The bank's community development loans and investments help to provide affordable housing alternatives to low- and moderate-income persons in the bank's assessment area.

Fair Lending or Other Illegal Credit Practices Review

We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.