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Comptroller of the Currency  
Administrator of National Banks

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Washington, DC 20219

## **PUBLIC DISCLOSURE**

**04/21/97**

# **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

**Executive National Bank  
Charter Number 15974**

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

**Office of the Comptroller of the Currency**

**Miami Duty Station  
5757 Blue Lagoon Drive, Suite 200  
Miami, Fl. 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 institutions subject to its supervision, to assess the institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.*

*This document is an evaluation of the Community Reinvestment Act (CRA) performance of **Executive National Bank** prepared by the Office of the Comptroller of the Currency, the institution's supervisory agency, as of (THIS DATE S/B SAME AS IN FRONT COVER), 1997. 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:** This institution is rated Satisfactory.

Executive's National Bank's performance was evaluated using the small bank performance criteria. Satisfactory performance is supported by the bank's average loan-to-deposit ratio, with the majority of the bank's loans made within its assessment area. The distribution of loans to borrowers of different income levels and businesses of different sizes is reasonable based on the demographics surrounding each of the bank's branches.

The following table indicates the performance level of Executive National Bank with respect to each of the five performance criteria.

SMALL INSTITUTION ASSESSMENT CRITERIA	<u>EXECUTIVE NATIONAL BANK</u> PERFORMANCE LEVELS		
	Exceeds Standards for Satisfactory Performance	Meets Standards for Satisfactory Performance	Does not meet Standards for Satisfactory Performance
Loan to Deposit Ratio		X	
Lending in Assessment Area		X	
Lending to Borrowers of Different Incomes and to businesses of Different sizes		X	
Geographic Distribution of Loans		X	
Response to Complaints	No complaints were received since the prior examination.		

## DESCRIPTION OF INSTITUTION

Executive National Bank (Executive) is a community bank headquartered in Kendall, a suburb within the Greater Miami area of Dade County, Florida. As of December 31, 1996 it had total assets of \$173 million. The loan portfolio consists of commercial loans (46%), real estate loans (35%), and loans to individuals (18%). The bank's major product lines are commercial and real estate loans to professionals and small businesses, and instalment loans to individuals. During 1995 the bank started its own International Department and offers

trade credit lines to correspondent banks. This activity facilitates trade with Latin America and the Caribbean Basin.

The bank has four offices in Dade County. The main office and one branch are located in Kendall area, a well established community almost exclusively composed of middle and upper income geographies. The bank's third branch, located in the Brickell Avenue financial district near downtown Miami, caters almost exclusively to the bank's international clientele. The bank's fourth branch, which opened in November, 1996, is located within the city limits of South Miami, an affluent area of the county.

There are currently no legal impediments that hinder the bank's ability to meet the credit needs of its assessment area in a manner consistent with its resources and business focus. The bank's last CRA evaluation was dated April 10, 1995. It was rated "Satisfactory Record of Meeting Community Credit Needs".

## **DESCRIPTION OF ASSESSMENT AREA**

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

Dade County's economy is stable. Competition from locally owned community banks, branches of multinational and regional banks, as well as foreign owned banks is strong.

The Dade County MSA consists of 267 census tracts. Thirteen percent of the assessment area's census tracts are low income tracts, 21% are moderate income, 36% are middle income, and 28% are upper income tracts. The median family income is \$31,113. Within the assessment area 40% of the families are low and moderate income, 19% are middle income and 41% fall into the upper income category.

Three recent contacts with community organizations operating in Dade County indicated a need for small business and affordable housing loans.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA :**

### **Loan to Deposit Ratio**

Executive's average loan to deposit ratio between March, 1995 and December, 1996 is considered satisfactory at 75%. The average loan to deposit ratio of a population of similarly sized institutions was 67% for the same period. This indicates a lending performance for Executive that is comparable to that of its peer group.

### **Lending in Assessment Area**

The majority of the bank's loans are located within the boundaries of its assessment area. As of December 31, 1996 Executive had approximately \$104MM in loans outstanding. Of these, \$74MM or 71% were made in the assessment area.

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

The bank's loans are reasonably distributed among borrowers of different incomes given the demographics of the census tracts surrounding the bank's branches. Of the 677 or \$23,228,735 in instalment and residential mortgage loans made, or referred to other institutions during 1996, the bank reports the following breakdown among borrowers of different income levels:

Borrower Income Level	Number of loans	\$ Amount	% Loans	% of \$ Amount
Low and Moderate	67	1,743,000	10%	8%
Middle	115	2,124,618	17%	9%
Upper	495	19,361,117	73%	83%

Low and Moderate income borrowers are those that have annual income of 80% or below of the median family income for the MSA. Middle and Upper income borrowers have annual family income above 80% of the median for the MSA. The above distribution is considered reasonable because the majority of the census tracts surrounding the bank's branches are considered middle and upper income.

The distribution of loans to businesses of different sizes is also reasonable. This analysis was conducted based on the size of the loans because the bank does not record revenues on business loans. Of the 216 business loans originated during 1996, 156 loans, or 72%, were loans to small businesses as defined by loan amounts under \$100,000. This is consistent with the bank's orientation and target market.

### **Geographic Distribution of Loans**

The distribution of loans among census tracts of different income levels within the bank's assessment area shows a reasonable penetration, considering the location of the bank's branches.

As of December 31, 1996, Executive had 1,994 loans, or \$73,759,000, outstanding within its assessment area. Of these, 122 loans, or \$5,2345,000 (7%), are in low and moderate income tracts. The remainder are in the middle and upper income tracts.

While the volume of lending in low and moderate income tracts does not compare favorably with the percentage of low and moderate tracts in the assessment area (34%), this is explained by the fact that a substantial majority of the bank's loans are located in census tracts immediately surrounding each of their branches. As indicated above, these geographies are

designated as middle and upper income by the census records, reflecting the mostly affluent population residing in these areas.

### **Response to Complaints**

Executive has not received complaints regarding its CRA activities.

### **Compliance with Antidiscrimination Laws and Regulations**

The December 31, 1996 compliance examination noted no evidence of discrimination in the bank's lending practices.