

PUBLIC DISCLOSURE

05/27/97

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Eastern National Bank
Charter Number 15748**

**799 Brickell Plaza
Miami, Florida 33131**

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 **Eastern National Bank** prepared by the Office of the Comptroller of the Currency, the institution's supervisory agency, as of May 27, 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.

Eastern National Bank's performance was evaluated using the small bank performance criteria. The bank was evaluated using this criteria because at the end of the last calendar year (1996) the bank was considered a small bank under the regulation per 12 C.F.R. 25.21 (a)(3). The satisfactory rating is supported by the bank's average loan-to-deposit ratio, the percentage of loans made within the assessment area, and the reasonable distribution of loans to borrowers of different income levels and businesses of different sizes.

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

SMALL INSTITUTION ASSESSMENT CRITERIA	<u>EASTERN 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

Eastern National Bank (Eastern) is a community bank headquartered in Miami, Florida. As of 12/31/96, the bank had total assets of \$282 million. The loan portfolio, which totaled \$217 million as of 12/31/96, is comprised of real estate loans (55%), commercial loans (38%), and loans to individuals (7%). The bank's strategic focus and expertise is to serve the financial needs of the small to mid-size companies within the Dade County area. A full range of business and consumer banking products and services are offered to support the bank's strategic focus. The bank recently began offering residential mortgage loans in response to customer requests and to expand its current list of products.

Eastern has five offices in Dade County. The main office is located in the Brickell financial district in Downtown Miami. The other four branches are well dispersed throughout the county with the southernmost branch in Kendall, a residential suburb, and the northernmost branch in Hialeah, a mixed residential/light industrial area.

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 February 28, 1995. It was rated "Satisfactory Record of Meeting Community Credit Needs".

DESCRIPTION OF ASSESSMENT AREA

Eastern's assessment area includes the entire Dade County Metropolitan Statistical Area (MSA). According to demographic information from the 1990 census, Dade County has a total population of 1.9 million persons and 485,213 families. The median family income is \$31,113.

The characteristics of the 267 census tracts within the county are as follows: 36 are low income (14%); 57 are moderate income (14%); 96 are middle income (36%); and, 75 are upper income (28%). Of the 485,213 families within Dade County, 113,171 are low income (23%), 79,563 are moderate income (16%), 93,090 are middle income (19%), and 199,367 are upper income families (41%).

Dade County's economy is stable with an unemployment rate of 4%. Eastern's competition from locally owned community banks, branches of multinational and regional banks, as well as foreign owned banks is considered strong.

Information from interviews with three community contacts were used during this review. The first contact is an organization that fosters job creation and retention through financing and promoting businesses. This contact indicated that small businesses that can provide jobs need assistance from institutions or organizations that are willing to accept the risk associated with financing these businesses. The second and third community contacts, which are facilitators between public/governmental agencies and financial organizations, stated that there is a need for loans to finance owner occupied affordable housing.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA :

Loan to Deposit Ratio

Eastern's average loan to deposit ratio between March, 1995 and December, 1996 at 75% is considered satisfactory. This level is comparable to that of other similarly situated institutions whose average loan-to-deposit ratio over the same time period was 70%.

Lending in Assessment Area

As of December 31, 1996, Eastern had approximately \$190 million in loans outstanding. Of these, \$167 million or 88% were made within the assessment area of Dade County.

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

During 1996, Eastern originated approximately \$25 million in loans to individuals. As indicated in the following table, lending volumes were reasonably distributed among the different income categories and compare favorably to the percentage of families in the applicable income category within the assessment area.

Borrower Income Level	\$ Amount Originated within 1996	% of \$ total	% of Income Category within Assessment Area
Low and Moderate	6,829,000	27%	40%
Middle	2,994,000	12%	19%
Upper	15,262,000	61%	41%

During 1996, Eastern originated a considerable amount of loans to small businesses, defined as those businesses with less than \$1 million in annual revenues. During 1996, Eastern originated approximately \$67 million in business loans. Of these, almost \$46 million, or 69%, were to small businesses. In number of loans, the bank originated 245 business loans in 1996 and 183 or 75% were to small businesses.

Geographic Distribution of Loans

The distribution of loans among tracts of different income levels within the bank's assessment area shows reasonable penetration among the different tracts. As of December 31, 1996, Eastern had 1,781 loans, or \$166,812,694, outstanding within the assessment area. Of these, 331 loans, or \$42,004,334 (25%), are in low and moderate income tracts. The remainder are in the middle and

upper income tracts. The dollar volume of lending in low and moderate income tracts compares favorably with the percentage of low and moderate income tracts in the assessment area (34%).

Response to Complaints

Eastern has not received complaints regarding its CRA activities.

Compliance with Antidiscrimination Laws and Regulations

The March 31, 1997 compliance examination noted no evidence of discrimination in the bank's lending practices.