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Comptroller of the Currency  
Administrator of National Banks

**SMALL BANK**

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## **PUBLIC DISCLOSURE**

**September 28, 2005**

# **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

**Landmark Bank, N.A.  
Charter Number: 23658**

**6300 N E 1st Street  
Fort Lauderdale, Florida 33334**

**Comptroller of the Currency  
9800 NW 41<sup>st</sup> Street  
Miami, Florida 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 Landmark Bank, N. A.'s (“Landmark”) CRA performance using the small bank performance criteria. Our evaluation covered the period April 20, 2000, the date of the last CRA examination, to September 28, 2005, although we focused on lending activity from January 1, 2003 through August 30, 2005. The primary reasons supporting this rating are:

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

## **DESCRIPTION OF INSTITUTION**

Landmark, established in 1998, is an intrastate community bank headquartered in Fort Lauderdale (Broward County), Florida. Giant Holdings, Inc., also headquartered in Fort Lauderdale, wholly owns the bank. Landmark’s headquarters office, located in an upper-income census tract, is the only banking location. The bank offers a variety of consumer and commercial deposit services at its office, but deposits are primarily (77%) obtained through giantbank.com, the Internet banking division of Landmark. This method of deposit gathering attracts customers from throughout the United States. Of the deposits obtained through giantbank.com, approximately 29% are from the state of Florida and approximately 14% are from the bank’s Florida assessment area.

A variety of consumer and commercial loan products are offered at the bank’s office however, the bank’s primary business focus is business lending, including multi-family housing loans. Consumer loans, including home mortgage, home equity, and automobile loans are also offered at giantbank.com through a co-branded program with Lending Tree, Inc. The bank does not originate any loans from this program.

A complete listing of the products and services offered by the bank can be found in its CRA Public File.

As of June 30, 2005 the bank had total assets of \$282 million and total deposits of \$239 million. Total loans, which represent 86% of total assets, equaled \$243 million and consisted of 64% commercial real estate loans, 29% multi-family housing loans, 5% single-family residential real estate loans, and 3% other commercial 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 April 20, 2000, the bank was rated satisfactory.

## **DESCRIPTION OF THE ASSESSMENT AREA**

Landmark's assessment area is comprised of all of Broward County, which is equivalent to Metropolitan Division ("MD") 22744, and a portion of MD 48424 (Palm Beach, FL) that includes 44 geographies in the city of Boca Raton. The assessment area meets regulatory requirements and does not arbitrarily exclude any low- or moderate-income areas.

At this examination, the number of loans in the Boca Raton portion of the assessment area was not sufficient enough for a meaningful analysis. Therefore, our conclusions are based only on the bank's performance in the Broward County assessment area, which is the most significant portion of the bank's overall assessment area.

### **Broward County**

Based on the 2000 Census, the assessment area consists of 279 geographies (census tracts) of which 13 (5%) are low-income, 71 (25%) are moderate-income, 117 (42%) are middle-income, and 78 (28%) are upper-income.

The assessment area is densely populated, and according to the 2000 Census, the total population is 1.6 million, a 29% increase since the 1990 Census. Of the 654 thousand occupied housing units in the assessment area, 69% are owner-occupied. Multi-family housing units constitute 46% of the housing stock in Broward County. Condominium units are popular, particularly in the Fort Lauderdale area. Housing costs are high and continually growing. In June 2005, the Florida Association of Realtors estimated the median sales price of an existing single-family home in Broward County to be approximately \$378 thousand. However, real estate listing for condominium units feature prices lower than those of single-family homes. When compared with the county's HUD Adjusted Median Family Income of \$58,100 for 2005 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.

The Broward County economy is strong. Major industries include real estate development, tourism, and the service industry. There are approximately 166 thousand businesses located in the county of which 66% are considered small business (annual revenues less than or equal to \$1 million). The banking industry in Broward County is very competitive. As of June 30, 2004 (the most recent date available) FDIC data showed 54 institutions operating 426 offices in Broward County. These institutions include national, regional, and community banks headquartered in the area.

According to a community contact conducted for this examination, there is a significant need for affordable housing in the assessment area. Housing prices make it difficult for families to own homes near to the areas in which they work. Also, there is a need to provide financing for small

businesses, particularly start-ups, and a stated need for access to business capital.

### **Palm Beach County**

The Palm Beach assessment area, which is immediately adjacent to the Broward County assessment area, is small and consists of only 44 geographies. None of the geographies is low-income, 3 (7%) are moderate-income, 17 (39%) are middle-income, and 23 (52%) are upper-income. (One geography has no income reported.)

According to the 2000 Census, the total population in the assessment area approximates 197 thousand. The assessment area primarily (70%) contains owner-occupied housing units. As in the Broward County assessment area, housing costs are high. The economy of the assessment area is consistent with that of Broward County. Of the approximately 30 thousand businesses in the assessment area, about 64% are considered small business.

## **CONCLUSIONS ABOUT PERFORMANCE CRITERIA**

### **Loan-to-Deposit Ratio**

Landmark’s loan-to-deposit ratio exceeds the standard for satisfactory performance.

The bank’s quarterly average loan-to-deposit ratio since the last CRA examination is 94%. This ratio is higher than the 83% average ratio for four similarly situated banks operating within the bank’s assessment area, and higher than the 78% average for a national peer group of similarly sized banks. The ratio is also higher than the 83% quarterly average loan-to-deposit ratio reported at the last CRA examination.

### **Lending in Assessment Area**

Landmark’s level of lending inside its assessment area meets the standard for satisfactory performance.

A majority of the bank’s loans, by both number and dollar, were originated inside the bank’s assessment area. Overall, 87% by number and 86% by dollar of loans were originated in Landmark’s assessment area.

**Table 1 – Lending in Assessment Area**

Loan Type	Number of Loans				Total	Dollars of Loans				Total
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Business Loans	179	85	32	15	211	122,095	81	29,279	19	151,374
Multi-Family	93	92	8	8	101	75,730	95	3,667	5	79,397
Totals	272	87	40	13	312	197,825	86	32,946	14	230,771

Source: HMDA reportable loans 2003, 2004, through August 30, 2005. Business loans (January 1, 2003-August 30,

2005). Dollars in thousands.

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

Landmark’s lending to borrowers of different incomes and to businesses of different sizes meets the standard of satisfactory performance, based on lending to businesses. According to Home Mortgage Disclosure Act (“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 reasonable. In terms of number of loans, the level of the bank’s loans to small businesses (revenues equal to or less than \$1 million) is less than the level of small businesses in the assessment area. In terms of the dollar amount of loans, the level of the bank’s loans to small businesses exceeds the level of small businesses in the assessment area.

<b>Table 2 - Borrower Distribution of Loans to Businesses in Broward Assessment Area</b>				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Businesses	63.70	4.59	31.70	100.00
% of Bank Loans in AA by #	54.55	31.82	13.64	100.00
% of Bank Loans in AA by \$	70.08	29.22	.70	100.00

*Source: Sample of 22 loans originated January 1, 2003-August 30, 2005; D&B data.*

### **Geographic Distribution of Loans**

Overall, Landmark’s geographic distribution of loans meets the standards of satisfactory performance. The geographic distribution of business loans is reasonable and the geographic distribution of multi-family loans is more than reasonable. The performance of business loans is more significant to the overall conclusion because business loans represent a larger portion of the bank’s lending evaluated at this examination.

The geographic distribution of loans to businesses is reasonable when considering the distribution of businesses operating in the assessment area and the fact that the bank has only one office, which operates in an upper-income geography. The level of lending to businesses in low-income geographies exceeds 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.

<b>Table 3 - Geographic Distribution of Loans to Businesses in Broward Assessment Area</b>								
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
Business Loans	5.05	18.18	23.05	9.09	44.09	45.45	27.81	27.27

*Source: Sample of 22 loans originated January 1, 2003 and August 30, 2005; D & B data.*

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

<b>Table 3A - Geographic Distribution of Multi-Family Real Estate Loans in Broward Assessment Area</b>								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan type	% 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	2.17	12.90	32.58	33.33	48.64	40.00	16.61	10.75

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

### **Reponses 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.