



Office of the
Comptroller of the Currency
Washington, DC 20219

WHOLESALE BANK

PUBLIC DISCLOSURE

August 5, 2019

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Safra National Bank of New York
Charter Number: 20948

546 Fifth Avenue
New York, NY 10036

Office of the Comptroller of the Currency

340 Madison Avenue
4th Floor
New York, NY 10017-2613

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.

Table of Contents

Overall CRA Rating.....	1
Description of Institution.....	2
Scope of the Evaluation.....	3
Discriminatory or Other Illegal Credit Practices Review.....	4
State Rating:	
State of New York.....	5
State of Florida.....	11
Appendix A: Summary of MMSA and State Ratings.....	A-1
Appendix B: Definitions and Common Abbreviations.....	B-1

Overall CRA Rating

Institution's CRA Rating: This institution is rated Satisfactory.

The major factors that support this rating include:

- The institution demonstrates an adequate level of community development (CD) loans, CD services, and qualified investment activity, particularly investments that are not routinely provided by private investors.
- The institution demonstrates no use of innovative or complex qualified investments, CD loans, or CD services.
- The institution exhibits adequate responsiveness to credit and CD needs in its Assessment Areas (AAs).

Description of Institution

Safra National Bank of New York (“Safra” or “the bank”) is a wholesale bank that is headquartered in New York, NY. The bank and its subsidiaries are wholly-owned by Safra National Bank New York Holdings Limited, a Gibraltar based holding company. Safra is a member of the J. Safra Group, an international network of financial institutions controlled by the Joseph Safra family. The bank’s wholly-owned subsidiaries and affiliates include Safra Securities LLC (registered broker dealer), J. Safra Asset Management Corporation (investment advisor), and 3050 Aventura Owner, LLC (to hold premises). While subsidiaries and affiliates of the bank did not have a significant impact on the bank’s capacity for community reinvestment, Safra’s management requested all affiliate-related activities to be considered in evaluating its performance. Accordingly, our review of the bank’s CRA-related activity includes qualifying investment activity of affiliates, Safra Securities LLC and J. Safra Asset Management Corporation. The affiliates’ qualifying activity is limited to 10 time deposits placed with minority-owned institutions.

Safra provides banking services to a diverse client base made up primarily of high net worth individuals and large international corporations located primarily in Latin America and domestically. The core business of the bank is international private banking. The bank offers commercial and retail deposit accounts and a range of custody services, trading and execution services, trade finance services, and commercial real estate financing services. The primary credit product offered is commercial loans fully secured by securities and real-estate collateral. Few personal and mortgage loans are made to accommodate wealthy pre-existing private banking clients.

In addition to the main branch located in New York, the bank maintains a branch in Miami, Florida. During March 2017, the bank consolidated its Miami, FL branches by closing the Brickell Branch and moving operations into the Aventura Branch. The services of the Miami branch are geared mainly to international private banking and custodial services. All lending and trading activities remain centralized and conducted through the New York branch. For this evaluation, the states of New York and Florida are the two rating areas. The bank has a total of two AAs, one in each state. Both AAs include the geographies surrounding the branch locations. The bank does not have any ATMs.

The major credit need in both AAs, including low- and moderate-income neighborhoods, is affordable housing. Safra operates in a highly competitive banking market. Large financial institutions have an established presence in both the New York and Florida AAs and provide strong competition with the bank for community development (CD) activities.

As of December 31, 2018, the bank’s total assets were \$8.2 billion, consisting of \$3 billion in loans, \$3.2 billion in investment securities, and \$1.3 billion in interest bearing bank balances. The loan portfolio consisted of 44 percent real estate loans, 31 percent commercial and industrial loans, and 25 percent other loans.

Table 1: Financial Information (000s)

	Year-end 2016	Year-end 2017	Year-end 2018	Average for Evaluation Period
Tier 1 Capital	544,781	620,303	677,749	614,278
Total Income	219,126	344,781	323,390	295,765
Net Operating Income	58,471	114,953	92,997	88,807
Total Assets	7,461,647	8,214,862	8,185,272	7,953,927

Source: Consolidated Report of Condition and Income and bank reported data.

The OCC designated Safra as a wholesale bank in 1997. A wholesale bank is evaluated pursuant to the community development test, which assesses a bank's record of meeting AA credit needs through CD lending, qualified investments, or CD services, as applicable. Aside from restrictions imposed by Safra's wholesale designation, scope of operations, and business strategy, there are no additional legal, financial, or other constraints that would impede the bank's ability to help meet the credit needs in its AAs. No known merger and acquisition activity occurred during the evaluation period that may impact the scope of the bank's operations. More weight has been placed on the bank's performance in the New York AA given the centralized nature of operations and the bank's New York presence.

Scope of the Examination

Evaluation Period/Products Evaluated

In evaluating the bank's performance under the CRA, we reviewed CD activities from January 1, 2016 through December 31, 2018. We reviewed the level and nature of qualified investments, CD lending, and CD services presented by Safra. At the bank's request, we also considered qualified investments provided by its affiliates. In the prior evaluation dated June 13, 2016, we rated the bank Satisfactory.

For purposes of this evaluation, bank delineated assessment areas located within the same metropolitan statistical area (MSA), multistate metropolitan statistical area (MMSA), or combined statistical area (CSA) are combined and evaluated as a single assessment area. Similarly, bank delineated non-MSA assessment areas within the same state are combined and evaluated as a single area.

The evaluation rates the overall CRA performance of Safra National Bank based on the performance in the States of New York and Florida. The ratios of financial measures contained in this public evaluation were determined by allocating bank capital, income, and assets to the states and subsequent assessment areas, where feasible and reasonable. The allocation is based on the amount of banking deposits contained in each of the states and assessment areas. According to the Federal Deposit Insurance Corporation's (FDIC) *Summary of Deposits*, as of June 30, 2018, bank deposits total \$6.08 billion. From the total, \$4.73 billion, or 78 percent, is attributed to the New York AA and \$1.35 billion, or 22 percent, is from the Florida AA. As such, we allocated 78 percent of income and capital to New York and 22 percent to Florida.

The bank has adequately addressed the needs of its assessment area, and therefore, outside of assessment area CD services were considered in evaluating its performance.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 C.F.R. §25.28(c) or §195.28(c), respectively, in determining a national bank's or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any assessment area by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Bureau of Consumer Financial Protection, as applicable.

The OCC has not identified that this institution or any affiliate whose loans have been considered as part of the institution's lending performance has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

The OCC will consider any information that this institution engaged in discriminatory or other illegal credit practices, identified by or provided to the OCC before the end of the institution's next performance evaluation in that subsequent evaluation, even if the information concerns activities that occurred during the evaluation period addressed in this performance evaluation.

State Rating

State of New York

CRA Rating for New York: Satisfactory

The major factors that support this rating include:

- The institution demonstrates an adequate level of CD loans, CD services, and qualified investment activity in its New York AA, particularly investments that are not routinely provided by private investors.
- The institution demonstrates no use of innovative or complex qualified investments, CD loans, or CD services in its New York AA.
- The institution exhibits adequate responsiveness to credit and CD needs in the New York AA.

Description of Assessment Area(s)

Safra's New York headquarters are located in an urban area of midtown Manhattan. The New York AA contains the immediate counties surrounding its Manhattan branch: Kings, Bronx, Queens, New York, Westchester, Richmond, and Rockland. Safra's AA meets the requirements of the regulation and does not arbitrarily exclude any low- or moderate-income areas. The counties are contiguous and are all part of the New York-Jersey City-White Plains, NY-NJ Metropolitan Division (MD 35614) located in the New York-Newark-Jersey City, NY-NJ-PA Metropolitan Statistical Area (MSA 35620).

The AA is situated in a highly competitive financial services market with competition from national, regional and local financial institutions. As of June 30, 2018, the FDIC Deposit Market Share Report lists deposits for Safra's New York branch at \$4.73 billion, a 0.26 percent market share that ranks 32nd among 201 institutions in the market. Comparatively, JP Morgan Chase Bank, Bank of America, and Citibank account for the three largest market shares in this AA, with total deposits of \$581.6 billion in 880 offices (31.9 percent market share), \$131.3 billion in 417 offices (7.2 percent), and \$111.3 billion in 241 offices (6.1 percent), respectively.

According to the U.S. Bureau of Labor Statistics, the unemployment rate in MD 35614 at December 31, 2018 was 3.9 percent. Major employers include Montefiore Health Systems, Mount Sinai Health System, JPMorgan Chase, and Bank of America. Top industry sectors are education and healthcare services and professional and business services.

Due to updates made to demographic information during the evaluation period, we evaluated the Bank's 2016 performance independently of 2017-2018 performance metrics. For 2016, performance was compared to the 2010 U.S. Census data as well as 2016 Dun & Bradstreet

(D&B) Data. For 2017 - 2018, bank performance was compared to 2015 American Community Survey (ACS) Census data and 2018 D&B Data.

2016 New York Assessment Area

According to the 2010 census, the bank's New York AA had a total population of 9.44 million, and included 2,455 census tracts, with low- and moderate-income geographies accounting for 14.05 percent and 27.17 percent, respectively.

The New York AA continues to be characterized by a low level of homeowner occupancy – homeowner occupancy for the AA was 33.89 percent, and homeowner occupancy was even lower in low- and moderate-income geographies at 7.92 percent and 20.40 percent, respectively. This was significantly below the national homeownership rate of 63.7 percent as of December 31, 2016. Housing stock in low- and moderate-income geographies within the AA consists of older homes, with median ages ranging from 65 to 69, lower property values (\$366,476 to \$465,218 compared to the weighted median average housing price of \$525,073), and lower monthly gross rent (median gross rent ranged from \$776 to \$1,019 compared to \$1,131). These properties demonstrate the continuing need for affordable housing in the AA.

Affordable housing continues to present a challenge for low- and moderate-income families within the AA. The percentage of housing units in the AA where monthly owner costs or monthly renter costs exceeded 30 percent of income was 13.67 percent and 28.30 percent, respectively. In comparison, the weighted average of median family income was \$72,143, and the weighted average of median household income was \$60,682. Due to high costs, 57.62 percent of housing units were rental occupied units, compared to 33.89 percent of housing units that were owner-occupied. A total of 8.49 percent of the housing units were reported as vacant. Multifamily and 1-4 family were the primary housing types in the AA, comprising 56.04 percent and 43.75 percent of total housing types in the AA, respectively.

Demographic data for the NY AA is described below in Table 2:

Table 2: New York Assessment Area Description - 2016

	Number	Low	Moderate	Middle	Upper
Tracts	2,455	14.05%	27.17%	28.92%	27.05%
Families	2,153,703	29.33%*	16.39%*	16.28%*	38.00%*
Businesses	588,346	9.40%**	20.42%**	21.77%**	45.76%**

Source: Demographic Data – 2010 ACS, Dun & Bradstreet Data. *Represents families by income level. **Represents non-farm businesses by income level of census tract.

2017/2018 New York Assessment Area

According to 2015 ACS data, the New York AA has a total population of 9.71 million and includes 2,455 census tracts, of which 14.58 percent are low-income geographies and 26.48 percent are moderate-income geographies.

Access to affordable housing continues to be challenging for low- and moderate-income families within the AA. The percentage of housing units where monthly owner costs or monthly renter

costs exceed 30 percent of income was 12.51 percent and 30.22 percent respectively. The weighted average of median housing prices was \$529,975, and the weighted average monthly gross rent was \$1,345. In contrast, the weighted average of median family income in the AA was \$77,066 and the weighted average of median household income was \$65,462. Due to high costs, 58.63 percent of housing units are rental occupied units, and 32.58 percent of housing units are owner-occupied. Multifamily and 1-4 family continue to be the primary housing type in the AA, with multifamily and 1-4 family units comprising 56.61 percent and 43.15 percent, respectively, of total housing types.

Due to high costs, the New York AA's homeownership rate (32.58 percent) remains significantly below the national homeownership rate of 64.2 percent as of December 31, 2017 and 64.8 percent as of December 31, 2018, and is even lower in low- and moderate-income geographies at 7.59 percent and 20.96 percent, respectively. On the contrary, the level of renter occupancy in those geographies remains high at 85.40 percent and 70.63 percent for low- and moderate-income tracts, indicating a continuing need for affordable housing. Housing within low- and moderate-income tracts within the AA remains characterized by older homes, with median ages ranging from 67 to 70 years; lower property values (median property values ranged from \$330,898 to \$431,649 compared to the weighted average of median housing for the AA of \$529,975); and lower monthly rents (median gross rents ranged from \$921 to \$1,202 compared to the weighted median average monthly gross rent of \$1,345).

Refer to Table 2 below for demographic information about the New York AA:

Table 2: New York Assessment Area Description – 2017/2018

	Number	Low	Moderate	Middle	Upper
Tracts	2,455	14.58%	26.48%	27.82%	28.23%
Families	2,177,717	30.22%*	15.56%*	15.38%*	38.84%*
Businesses	627,585	9.78%**	18.99%**	19.62%**	49.15%**

Source: Demographic Data – 2015 ACS, Dun & Bradstreet Data. *Represents families by income level. **Represents non-farm businesses by income level of census tract.

Community contacts from the AA indicated the need for affordable rents, job training resources, education gaps, and after-school youth programs. According to the contact, gentrified neighborhoods have increased rental prices making affordable rental properties difficult to find. Opportunities for local financial institutions include affordable housing, economic development activities and counseling services and other programs specifically for first time homebuyers.

Conclusions About Performance

Summary

Safra demonstrates an adequate level of CD performance through qualified investments, CD loans, and CD services in the New York AA. These activities demonstrated adequate responsiveness to the credit and development needs of the community despite being neither innovative nor complex. During the evaluation period, Safra extended approximately \$6.61 million in CD loans and \$16.18 million in qualified investments and donations. These activities

aggregate to approximately \$22.79 million and represent 4.77 percent of the bank's average Tier 1 Capital. The bank participated in a reasonable amount of CD services. The level of activity was adequate based on the bank's scope of operations, strategic direction, competitive pressures, available opportunities in the AA and its wholesale designation.

- The level of CD performance in meeting the needs of the community based on the bank's capacity is adequate. A majority of the CD investments contributed to affordable housing needs. During the evaluation period, the amount of qualified CD investments totaled \$16.18 million or 2.63 percent of the bank's average Tier 1 Capital. The level of CD lending is adequate as Safra originated 5 CD loans totaling \$6.61 million or 1.38 percent of the bank's average Tier 1 Capital. The level of CD services is reasonable as the Board members continue to participate in leadership roles in nonprofit organizations that provide educational and economic needs of low- and moderate-income individuals.
- The bank demonstrates no use of innovative or complex qualified investments, CD loans, or CD services.
- The bank demonstrates adequate responsiveness to the credit and development needs of the community. A majority of the qualified CD loans and services offered during the evaluation period addressed the needs of low- and moderate-income individuals within the New York AA.

Qualified Investments

Safra demonstrates an adequate level of qualified CD investments not routinely provided by private investors. The qualified investments support efforts to provide affordable housing and educational resources to low- and moderate-income individuals. Qualified investment that benefitted the AA totaled \$16.18 million or about 3.38 percent of average Tier 1 Capital.

Total qualified investments originated during the current period equal \$15.35 million. They consist of the following:

- Safra originated three investments totaling \$11.91 million during the evaluation period to provide affordable housing.
- Safra, Safra Securities, LLC, and J. Safra Asset Management have nineteen certificates of deposit in minority-owned financial institutions totaling \$3.23 million.
- Safra made 24 donations totaling \$209 thousand during the evaluation period that directly benefitted the NY AA. The charitable contributions supported community services such as health and educational services. Safra made some of their largest charitable contributions to Everfi Financial Literacy Training, College of New Rochelle, and Michal Ann Russell Jewish Community Center.

Total qualified investments include four certificates of deposits with minority-owned financial institutions that total \$830 thousand made by Safra and affiliates during the prior period.

Table 3b: Qualified Investment Activity (000s)

	Benefits New York AA**
Originated Investments	\$15,347
Originated Grants	\$0
Prior-Period Investments that Remain Outstanding	\$830
Total Qualified Investments	\$16,177
Unfunded Commitments*	\$0

* "Unfunded Commitments" means legally binding investment commitments that are tracked and recorded by the bank's financial reporting system. ** Investments included in the Benefits AA column are located in the AA or in the broader statewide or regional area that includes the AA.

Table 4b: Qualified Investment Percentages

	Benefits New York AA (%)*
Total Investments/Average Tier 1 Capital	3.38%
Total Investments/Average Total Income	7.03%

* Investments included in the Benefits AA column are located in the AA or in the broader statewide or regional area that includes the AA.

CD Lending

Safra demonstrates an adequate level of CD lending within the New York AA. The bank originated four loans totaling \$4.06 million and refinanced one \$2.55 million loan during the evaluation period that qualified under the regulatory definition of CD. The total CD lending volume of \$6.61 million benefitted LMI individuals and families within the New York AA. The two largest CD loans include the following:

- Safra refinanced a \$2.55 million loan for two adjoining commercial real estate properties that generates a majority of rental income from The Visiting Nurse Service of New York, a not-for-profit home health care organization that provides services primarily in LMI communities.
- Safra extended \$1.47 million pro rata loan on a residential building providing affordable housing units where 20 out of the 50 units in the apartment building are rent-stabilized or rent controlled. Approximately 7.8 percent of rental income is derived from rent-controlled or rent-stabilized units. Bank management determined which units qualified for affordable housing credit by analyzing average rents by apartment type, and then excluding any that exceeded 20 percent of the median monthly income for the New York AA.

Table 5b: CD Lending Percentages

	Benefits AA (%)*
Total CD Lending/Average Tier 1 Capital	1.38%
Total CD Lending/Average Total Income	2.87%

* CD loans included in the Benefits AA column are located in the AA or in the broader statewide or regional area that includes the AA.

CD Services

Several members of the Board continue to participate in leadership roles of nonprofit organizations that provide educational and economic benefits to low-and moderate-income individuals. The services address the community needs of the AA as indicated by our discussion with community contacts and our review of community information. Examples of members of the Board serving in leadership capacities included:

- Chief Executive Officer and Board of Director member, Simoni Morato continues to serve as a Board member for The Brazilian-American Chamber of Commerce in New York. This organization, located in a moderate income tract, is an independent, not-for-profit business organization which is partnered with one of its member organizations, Legions of Good Will USA, to provide programs that assist low- and moderate-income individuals and families in the New Jersey and New York region.
- Stephen Gardner, a member of the bank's Board of Directors, continues to serve as a member of the David Schwartz Foundation. The David Schwartz Foundation is a not-for-profit organization that provides grants and contributions to various educational charities and religious organizations such as the Albert Einstein College of Medicine Cancer Center (AECC). Epidemiological research at AECC focuses on factors that contribute to the excess burden of cancer in LMI communities, such as obesity, viral infections, and co-morbid illness.
- Anne Vitale, a member of the bank's Board of Directors, served as a member of the Board of the College of New Rochelle (CNR) during the evaluation period, retiring from her role in late 2016. The CNR School of Arts and Sciences, and the CNR School of New Resources provided educational services to low- and moderate-income individuals at school campuses located in the bank's New York MSA (e.g. Harlem, Co-Op City Bronx).

State Rating

State of Florida

CRA Rating for Florida: Satisfactory

The major factors that support this rating include:

- The institution demonstrates an adequate level of qualified investment activity in the state of Florida that are not routinely provided by private investors, an adequate level of CD services, and a poor level of CD lending.
- The institution demonstrates no use of innovative or complex qualified investments or CD services in the state of Florida.
- The institution exhibits adequate responsiveness to credit and CD needs in the state of Florida.

Description of Assessment Area(s)

Safra's Florida AA is Miami-Dade County, which comprises the entire Miami - Miami Beach – Kendall, FL Metropolitan Division (MD 33124), located within the Miami-Fort Lauderdale-Pompano Beach, FL Metropolitan Statistical Area (MSA 33100). Safra's designated Florida AA satisfies the regulatory requirements outlined in 12 CFR 25. The AA includes geographies in which the main office is located, and consists of one or more contiguous political subdivisions that do not arbitrarily exclude low- and moderate-income geographies. Safra has one branch in Miami, Florida, which is located in Aventura, the northern area of Miami. The bank closed its second Florida branch, which was also located in Miami, in June 2017. According to the FDIC *Summary of Deposits* report dated June 30, 2018, deposits for the Florida branch were \$1.35 billion, representing 22 percent of the bank's total deposits. Within the Miami-Dade County deposit market, Safra ranks 18th out of 63 institutions, with a market share of 1.05 percent. Comparatively, Bank of America, Wells Fargo Bank, and Citibank account for the three largest market shares of this AA with total deposits of \$18.39 billion at 72 offices (14.32 percent market share), \$15.98 billion at 68 offices (12.44 percent), and \$12.17 billion at 30 offices (9.48 percent), respectively.

According to the U.S. Bureau of Labor Statistics, the unemployment rate in the Miami-Dade County AA as of December 31, 2018 was 3.5 percent, which was 40 basis points below the national unemployment rate of 3.9 percent. Major employers include the University of Miami, Jackson Health System, Publix Super Markets Inc., Baptist Health Systems of Southern Florida, and American Airlines. Top industry sectors are education and health services, professional and business services, retail trade, leisure and hospitality services, and government per Moody's Analytics.

Due to updates made to demographic information during the evaluation period, we evaluated the Bank's 2016 performance independent of 2017-2018 performance metrics. For year 2016, performance was compared to the 2010 U.S. Census data as well as 2016 D&B Data. For years

2017-2018, performance was compared to 2015 American Community Survey (ACS) Census data and 2018 D&B Data.

2016 Miami-Dade County AA

According to the 2010 Census, the Miami-Dade County AA had a total population of 2.5 million, and included 518 census tracts, with low- and moderate-income tracts accounting for 5.98 percent and 25.48 percent of the AA, respectively, with 18.02 percent of households falling below the poverty line.

The AA's level of homeowner occupancy is 49.00 percent, and remains well below the national homeownership rate of 63.7 percent as of December 31, 2016. Further, the level of homeowner occupancy in low- and moderate-income geographies is very low at 14.34 percent and 36.86 percent, respectively, while the level of renter occupancy in low- and moderate-income geographies is high at 70.26 percent and 50.75 percent, respectively. Low- and moderate-income geographies contain nearly three quarters of households below the poverty level at 44.21 percent and 26.60 percent, respectively, indicating a need for affordable rental housing.

Affordable housing in this AA remains a challenge for most LMI families. The percentage of housing units in the AA where monthly housing costs or monthly renter costs exceeded thirty percent of income was 24.55 percent and 21.58 percent, respectively. The weighted average of median housing for the AA was \$295,738, and the weighted average of monthly gross rent for the AA was \$1,042. By comparison, the 2016 weighted average of FFIEC Updated MSA median family income was \$48,100 and the weighted average median household income was \$49,418. Multifamily and 1-4 family units were the primary types of housing in the Miami-Dade County AA, comprising 41.00 percent and 57.50 percent of total housing types, respectively, with a reported 15.61 percent vacancy rate.

Housing stock in the low- and moderate-income geographies is characterized by disproportionately lower levels of owner occupancy, older homes with median home age ranging from 48 to 54 years, lower property values (\$188 thousand to \$208 thousand compared to a weighted average median housing price of \$296 thousand), lower monthly rents (\$701 to \$910 compared weighted average monthly gross rents of \$1,042), and slightly lower vacancy rates (15.40 percent and 12.39 percent compared to the AA's vacancy rate of 15.61 percent). These characteristics provide some insight into the demand for affordable housing in these communities and were considered when evaluating the bank's CD lending and investment opportunities.

Refer to Table 2 for demographic information about the 2016 Miami AA:

Table 2: Florida Assessment Area Description

	Number	Low	Moderate	Middle	Upper
Tracts	518	5.98%	25.48%	32.05%	33.20%
Families	571,889	23.23%*	17.00%*	18.29%*	41.48%*
Businesses	333,816	3.14%**	21.77%**	26.88%**	46.40%**

Source: Demographic Data – 2015 ACS, Dun & Bradstreet Data. *Represents families by income level. **Represents non-farm businesses by income level of census tract. Do not add to 100% due to rounding. 17 Census Tracts are not income categorized.

2017/2018 Miami-Dade County AA

This AA has total population of 2.64 million, and includes 519 census tracts, with low- and moderate-income tracts accounting for 5.98 percent and 25.48 percent respectively.

The AA's level of homeowner occupancy is 45.34 percent, and remains well below the national homeownership rate of 64.2 percent as of December 31, 2017 and 64.8 percent as of December 31, 2018. Further, the level of homeowner occupancy in low- and moderate-income geographies remains very low at 16.88 percent and 35.35 percent, respectively, while the level of renter occupancy in low- and moderate-income geographies is high at 70.35 percent and 53.60 percent, respectively. Low- and moderate-income geographies host high levels of households below the poverty level at 48.63 percent and 30.25 percent, respectively, indicating a need for affordable rental housing.

Affordable housing in this AA continues to present a challenge for most moderate- and low-income families. The percentage of housing units in which monthly owner costs and monthly renter costs exceeds thirty percent of income was 18.39 percent and 24.09 percent, respectively. The weighted average of median housing was \$244,010, and the weighted average monthly gross rent was \$1,155. In comparison, the 2017 weighted average of FFIEC Updated MSA median family income and the weighted average median household income were \$52,300 and \$49,509. Multifamily and 1-4 family units remained the primary types of housing in the AA, comprising 42.55 percent and 56.09 percent of total housing types, respectively with a reported 15.69 percent vacancy rate.

Housing stock in the low- and moderate-income geographies continues to be characterized by disproportionately lower levels of owner occupancy, older homes with median home age ranging from 48 to 49 years, lower property values (\$101 thousand to \$142 thousand compared to a weighted average median housing price of \$244 thousand), lower monthly rents (\$776 to \$973 compared weighted average monthly gross rents of \$1,155), and lower vacancy rates (12.77 percent and 11.05 percent compared to the AA's vacancy rate of 15.69 percent). These characteristics provide some insight into the demand for affordable housing in these communities and were considered when evaluating the bank's CD lending and investment opportunities.

Refer to Table 2 for demographic information about the 2017/2018 Miami AA:

Table 2: Florida Assessment Area Description

	Number	Low	Moderate	Middle	Upper
Tracts	519	5.78%	27.75%	28.90%	34.10%
Families	572,388	24.02%*	16.55%*	16.88%*	42.55%*
Businesses	346,484	3.09%**	21.27%**	25.81%**	47.47%**

Source: Demographic Data – 2015 ACS, Dun & Bradstreet Data. *Represents families by income level. **Represents non-farm businesses by income level of census tract. Do not add to 100% due to rounding. 18 Census Tracts are not income categorized.

A community contact from Miami-Dade County reiterated the need for affordable housing. According to the contact, affordable housing units have significantly declined due to a massive influx of foreign buyers pricing out local homebuyers. Opportunities for participation from local financial institutions include down-payment assistance for first time home buyers and providing

financial literacy training in areas to improve spending habits and available financial assistance to home-buyers.

Conclusions About Performance

Summary

Safra exhibits adequate responsiveness to the credit and development needs of the community through qualified investments and CD services. During the evaluation period, Safra did not originate or purchase any CD loans. As a wholesale institution, the bank is not required to participate in all three elements of the CD test. The levels of qualified investments were significant enough to compensate for the lack of CD lending. The overall number and dollar volume of the bank's qualified investments increased significantly in comparison with the performance of the prior evaluation. The bank provided one qualifying CD service.

- The level of CD performance and responsiveness to the credit and development needs of the community based on the bank's capacity is adequate. The increased level of CD investments contributed to efforts to provide affordable housing within the AA. During the evaluation period, the bank extended \$12.43 million in qualified investments and donations representing 9.11 percent of the average Tier 1 Capital.
- The bank demonstrates no use of innovative or complex qualified investments, CD loans, or CD services.
- The bank exhibits adequate responsiveness to credit and CD needs in the AA.

Qualified Investments

Safra provided an adequate level of qualified CD investments not routinely provided by private investors. The qualified investments made by the bank supported efforts to provide affordable housing and provide community services to low- and moderate-income individuals.

The total amount of qualified investments increased since the prior evaluation to \$12.4 million due to a \$10.8 million Fannie Mae investment loan pool purchased during the current evaluation period. The investment loan pool consists of 13 multifamily affordable housing properties with an agreement to rent 100 percent of the units to low- or moderate-income families. Other qualified investments include a prior period Fannie Mae investment loan pool with \$1.48 million that remains outstanding and donations totaling to \$127 thousand.

The bank made 14 charitable contributions totaling \$127 thousand. The charitable contributions supported community services that were targeted to low- or moderate-income individuals. Some of these charitable contributions include:

- Safra made two contributions totaling \$24 thousand to Everfi Financial Literacy Training. The program provides financial education training to schools within the bank's AA including designated LMI schools.

- Safra made three contributions totaling \$27.5 thousand to Habitat for Humanity. The not-for-profit organization is devoted to building decent and affordable housing for LMI individuals.
- Safra made two contributions totaling \$20 thousand to Miami Senior High School where the majority of the students qualify for subsidized lunches. The contributions were utilized to assist LMI families with college visits during the admission process.

Table 3b: Qualified Investment Activity (000s)

	Benefits Miami-Dade County AA**
Originated Investments	\$10,945
Originated Grants	\$0
Prior-Period Investments that Remain Outstanding	\$1,482
Total Qualified Investments	\$12,427
Unfunded Commitments*	\$0

* “Unfunded Commitments” means legally binding investment commitments that are tracked and recorded by the bank’s financial reporting system. ** Investments included in the Benefits AA column are located in the AA or in the broader statewide or regional area that includes the AA.

Table 4b: Qualified Investment Percentages

	Benefits Miami-Dade County AA (%)*
Total Investments/Average Tier 1 Capital	9.11%
Total Investments/Average Total Income	18.93%

* Investments included in the Benefits AA column are located in the AA or in the broader statewide or regional area that includes the AA.

CD Lending

Safra did not originate any CD loans in the Miami-Dade County AA during this evaluation period, which represents poor responsiveness to community credit and CD needs. However, the bank’s historic CRA strategy has been to focus on CD investments to address CD needs in this AA. CD lending efforts are focused in the New York AA, where all lending expertise and activity is centralized. The bank has no other significant impediments or restrictions that would prevent the bank from making CD loans within the AA.

Table 5b: CD Lending Percentages

	Benefits Miami-Dade County AA (%)*
Total CD Lending/Average Tier 1 Capital	0.00%
Total CD Lending/Average Total Income	0.00%

* CD loans included in the Benefits AA column are located in the AA or in the broader statewide or regional area that includes the AA.

CD Services

Safra demonstrates an adequate level of community development services in the bank's Miami-Dade County AA. During the evaluation period, the bank presented one qualifying service that meets the definitions outlined in interagency guidance. SVP Uzi Hardoon serves as a Board member for the Michael-Ann Russell Jewish Community Center (MARJCC) in Miami. The MARJCC is a not-for-profit organization that provides meal service and wellness programs to all Florida seniors in conjunction with the State of Florida's Alliance for Aging, Miami-Dade County Department of Human Services, the Health Foundation of South Florida, and the United-Way of Miami-Dade. Additionally, the organization provides need-based scholarships to the MARJCC's Early Childhood Education Center for the children of low- and moderate-income families.

Appendix A: Summary of MMSA and State Ratings

RATINGS		Safra National Bank of New York	
Overall Bank:		Overall Bank Rating	
Safra NB		Satisfactory	
State/MMSA Name		State/MMSA Rating	
State of New York		Satisfactory	
State of Florida		Satisfactory	

Appendix B: Definitions and Common Abbreviations

The following terms and abbreviations may be used in this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

Affiliate: Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. For example, a bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Aggregate Lending (Aggt.): The number of loans originated and purchased by all reporting lenders (HMDA or CRA) in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the assessment area.

Census Tract (CT): A small, relatively permanent statistical subdivision of a county delineated by a local committee of census data users for the purpose of presenting data. Census tracts nest within counties, and their boundaries normally follow visible features, but may follow legal geography boundaries and other non-visible features in some instances, Census tracts ideally contain about 4,000 people and 1,600 housing units.

Combined Statistical Area (CSA): A geographic entity consisting of two or more adjacent Core Based Statistical Areas with employment interchange measures of at least 15. An employment interchange measure is a measure of ties between two adjacent entities. The employment interchange measure is the sum of the percentage of workers living in the smaller entity who work in the larger entity and the percentage of employment in the smaller entity that is accounted for by workers who reside in the larger entity.

Community Development (CD): Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; or activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas.

Community Reinvestment Act (CRA): the statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its entire community, including LMI areas, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

Consumer Loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, other secured consumer loans, and other unsecured consumer loans.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into ‘male householder’ (a family with a male householder and no wife present) or ‘female householder’ (a family with a female householder and no husband present).

Full-Scope Review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that conduct business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants, the amount of loan requested, the disposition of the application (e.g., approved, denied, and withdrawn), the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

Home Mortgage Loans: A closed-end mortgage loan or an open-end line of credit as these terms are defined under §1003.2 of this title, and that is not an excluded transaction under §1003.3(c)(1) through (10) and (13) of this title.

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Limited-Scope Review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

Low-Income Individual: Individual income that is less than 50 percent of the area median income.

Low Income Geography: A census tract with a median family income that is less than 50 percent.

Market Share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the assessment area.

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. The median is the point at which half of the families have income above, and half below, a range of incomes. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above, and half below, a range of incomes.

Metropolitan Division: As defined by Office of Management and Budget, a county or group of counties within a Core Based Statistical Area that contains an urbanized population of at least 2.5 million. A Metropolitan Division consists of one or more main/secondary counties that represent an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area: An area, defined by the Office of Management and Budget, as a core based statistical area associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

Middle-Income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of a geography

Moderate-Income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of a geography.

Multifamily: Refers to a residential structure that contains five or more units.

Owner-Occupied Units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Qualified Investment: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose CD.

Rating Area: A rated area is a state or multi-state metropolitan statistical area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multi-state metropolitan statistical area, the institution will receive a rating for the multi-state metropolitan statistical area.

Small Loan(s) to Business(es): A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) instructions. These loans have

original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans.

Small Loan(s) to Farm(s): A loan included in ‘loans to small farms’ as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

Tier 1 Capital: The total of common shareholders’ equity, perpetual preferred shareholders’ equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

Upper-Income: Individual income that is at least 120 percent of the area median income, or a median family income that is at least 120 percent, in the case of a geography.