



Comptroller of the Currency
Administrator of National Banks

SMALL BANK

South Florida Field Office
5757 Blue Lagoon Drive, Suite 200
Miami, Florida 33126

PUBLIC DISCLOSURE

August 2, 1999

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
South Florida Field Office
5757 Blue Lagoon Drive, Suite 200
Miami, Florida 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 August 2, 1999. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.*

INSTITUTION RATING

INSTITUTION'S CRA RATING: This institution is rated Satisfactory

Executive National Bank's (Executive) CRA performance was evaluated using the small bank performance criteria. We analyzed the bank's lending activity for 1998 and through June 30, 1999. The bank's last CRA evaluation was performed in April, 1997. The bank was also rated "Satisfactory" at that examination.

Executive's satisfactory CRA performance is supported by:

- < A reasonable average loan to deposit ratio since the last CRA examination;
- < A substantial majority of the bank's loans being in their assessment area, and;
- < A reasonable distribution of loans by geography and to individuals of different income levels and businesses of different sizes, based on the demographics surrounding the branch offices.

Executive has not received any complaints regarding its CRA performance since the last evaluation.

We used the small bank assessment criteria to evaluate Executive's performance. Overall, Executive's performance levels meet the standards for Satisfactory Performance.

DESCRIPTION OF INSTITUTION

Executive National Bank is a community bank headquartered in Miami-Dade County. Its main office is located in western suburb of the county known as Kendall, Florida. The bank is owned by a one bank holding company, Executive Banking Corporation. The bank has three branches, apart from the main office, which are located in South Dade, South Miami, and in the Brickell Avenue financial district. ATMs are available at most of the branch locations. The areas surrounding each of the branches are made up almost exclusively of middle and upper income geographies.

The bank offers an array of lending and deposit products and services typical of a community bank. As of June 30, 1999, the bank's Total Assets equaled \$209 million. Their loan portfolio totaled \$94 million or 45% of total assets, as of the same period. The portfolio includes commercial and commercial real estate loans (58%), residential mortgage loans and home equity lines (25%) and other consumer instalment loans (17%).

There are no legal impediments that affect the bank's ability to meet the credit needs in its assessment area.

DESCRIPTION OF ASSESSMENT AREA

Executive's assessment area is comprised of the entire Metropolitan Statistical Area (MSA) of Miami-Dade County. This assessment area meets the definition of the CRA and does not reflect illegal discrimination or arbitrarily exclude low or moderate income geographies.

The Miami-Dade County MSA is comprised of 267 census tracts (CTs) of which 35% are considered low and moderate income CTs. Another 36% are middle income, and 28% are upper income. Of the 692 thousand households within the MSA, 29% are designated low and moderate income while 38% and 33% are designated middle and upper income, respectively. Almost 18% of all households within the MSA are below the poverty level. The updated median family income for the MSA is \$42,400.

Miami-Dade County's economy is stable and competition from other financial institutions is strong, primarily from larger community banks as well as the local affiliates of regional and multinational banks. There are more than 150 banks, savings and loans associations, and international banks in the area.

Major industries include tourism, import/export business, financial services, health care, and real estate development. The largest employers in the MSA include: The Dade County Public School system, the

Metro-Dade County and State of Florida governments, and Publix Supermarkets. There has been significant population growth in the last few years, especially from Latin America and the Caribbean. A review of 3 community contact reports conducted by the regulatory agencies during 1998 and 1999 indicate a need for affordable housing, economic development, and small business lending.

All of the bank's branches are located within upper income census tracts. Because the majority of loans are generated from around the branches, the bank's higher loan penetration in the middle and upper income CTs is reasonable. Also, the bank has historically served the credit needs of the medical and legal professionals surrounding the bank's main office. These borrowers also tend to be of upper and middle income levels. Through the years, this customer group has been stable source of business for the bank.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Loan to Deposit Ratio

Executive's quarterly average loan to deposit ratio between June, 1997 and June, 1999 is satisfactory at 77%. This compares favorably to similarly sized institutions whose average loan to deposit ratio over the same period is 71%.

Lending in the Assessment Area

A substantial majority of Executive's loans outstanding are inside the assessment area. As of June 30, 1999, Executive had approximately \$94 million in total loans outstanding. Of these, \$78 million or 83% are to borrowers located within the boundaries of the assessment area.

Lending activity since the last CRA examination also support satisfactory performance in this category. A substantial majority of the loans made during the evaluation period were inside the assessment area. The following tables shows the percentage of loans that were approved inside the assessment area for the two years prior this examination, by dollar volume and number of loans. All types of loans are included:

	1998	1997
\$ Amount of Loans	78%	73%
Number of Loans	89%	86%

In actual numbers, the bank approved a total of 998 loans, aggregating to approximately \$45 million in 1997, of which 856, or \$33 million were from borrowers within their assessment area. In 1998, the

bank approved \$48 million made up of 934 borrowers, of which \$37 million, or 830 borrowers came from within its assessment area. These figures were compiled by their external consumer compliance consultant from the bank's loan application registers as part of their independent evaluation of CRA performance.

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

Executive's loans are reasonably dispersed among borrowers of different income levels and businesses of different sizes. This conclusion is based on the demographics of the census tracts surrounding the bank's branches. Of the 1176 or \$36 million in instalment and residential loans made since the last CRA examination through June 30, 1999, the bank reported the following breakdown among borrowers of different income levels:

Borrower Income Level	Number of Loans	% of Total Loans	\$ Amount (000's)	% of \$ Amount
Low & Moderate	289	25%	5,521	15%
Middle	236	20%	3,251	9%
Upper	651	55%	27,111	76%

Low and moderate income borrowers are those that have annual income less than 80% of the median family income for the MSA. Middle and Upper income borrowers have annual family income above 80% of the median income. 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. Formal reports on small business lending activity were not available. Hence, the analysis was conducted based on the size of the loans because the bank does not record revenues on small business loans (i.e. businesses with annual revenues under \$1 million). Based on loan activity reports, the bank generated 399 business loans during 1998 and through June 30, 1999. Of these, 248 loans or 62%, were loans to small businesses as defined by loan amounts under \$100,000. This is consistent with the bank's business strategy 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 June 30, 1999, Executive had 1,932 loans, or \$78 million outstanding within its assessment area. The following table illustrates the geographic distribution of loans by income level of the geography.

	# of Loans	% of Total Loans	\$ Amount (000's)	% of Total Loans
Low	15	1%	\$ 2,593	4%
Moderate	67	4%	\$ 6,990	9%
Middle	295	15%	\$ 6,969	9%
Upper	1528	79%	\$59,764	77%

While the dollar volume of lending in low and moderate income tracts (13% of total loans) does not compare favorably with the percentage of low and moderate tracts in the assessment area (35%), 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, reflecting the mostly affluent population residing in these areas.

Response to Complaints

Executive has not received any complaints regarding its CRA performance.

Compliance with Antidiscrimination Laws and Regulations

We performed a Fair Lending review in conjunction with this evaluation. We completed a comparative file analysis of Home Equity Lines of Credit and home purchase/refinance mortgage loans approved during 1999 for possible discrimination in loan terms offered on a prohibitive basis. In addition, we reviewed adverse action notices issued for the products named above to ascertain the bank's level of compliance with fair lending regulations.

We noted no evidence of discrimination in the bank's lending practices. The bank provides comparable loan terms to all applicants, without regards for any prohibitive basis. Home-related loan products have standardized underwriting guidelines, which are applied uniformly to all applicants.

