



Office of the  
Comptroller of the Currency  
Washington, DC 20219

# INTERMEDIATE SMALL BANK

## PUBLIC DISCLOSURE

September 10, 2018

## COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

First National Bank of South Miami  
Charter Number 15000

5750 Sunset Drive South Miami, FL 33143

Office of the Comptroller of the Currency

9850 N.W. 41 Street Suite 260 Miami, FL 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, and should not 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.

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## Overall CRA Rating

**This institution is rated: Satisfactory.**

**The Lending Test is rated: Satisfactory.**

**The Community Development Test is rated: Satisfactory.**

The First National Bank of South Miami (FNBSM) has a satisfactory record of meeting community credit needs. This conclusion is based on the following:

- The Bank's loan-to-deposit ratio (LTD) is reasonable,
- A majority of loans were originated within the Bank's assessment area (AA),
- The distribution of loans among businesses of different sizes reflects a reasonable distribution,
- The geographic distribution of business loans reflects reasonable distribution throughout the AA, and
- The overall level and responsiveness of community development (CD) lending, investments, and services is adequate.

## Definitions and Common Abbreviations

The following terms and abbreviations are used throughout 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. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

**Aggregate Lending:** The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

**Census Tract (CT):** A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan areas. Census tracts generally have a population between 1,200 and 8,000 people, with an optimal size of 4,000 people. Their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

**Community Development:** 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; activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas; or loans, investments, and services that support, enable or facilitate projects or activities under HUD Neighborhood Stabilization Program criteria that benefit low-, moderate-, and middle-income individuals and geographies in the bank's assessment area(s) or outside the assessment area(s) provided the bank has adequately addressed the community development needs of its assessment area(s).

**Community Reinvestment Act (CRA):** the statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, 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, home equity 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 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), loan pricing, the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

**Home Mortgage Loans:** Such loans include home purchase, home improvement and refinancings, as defined in the HMDA regulation. These include loans for multifamily (five or more families) dwellings, manufactured housing and one-to-four family dwellings other than manufactured housing.

**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 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 income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

**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 MA/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. 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 it and half below it.

**Metropolitan Area (MA):** Any metropolitan statistical area or metropolitan division, as defined by the Office of Management and Budget, and any other area designated as such by the appropriate federal financial supervisory agency.

**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.

**Other Products:** Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

**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 community development.

**Rated Area:** A rated area is a state or multi-state metropolitan 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 area, the institution will receive a rating for the multi-state metropolitan 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 One 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.

## Description of Institution

FNBSM is an intrastate community bank headquartered in South Miami, Florida and established in 1952. The Bank is a wholly owned subsidiary of First Miami Bancorp Incorporated, a one-bank holding company with total assets of \$121.4 million as of December 31, 2017. The holding company operates from the Bank's location. The Bank has one operating subsidiary, First National South Miami Safe Deposit Company, which operates out of the Bank's office. The subsidiary, which does not influence the Bank's capacity to lend or invest in the community, is a department of the Bank that provides safe deposit services to consumers and businesses in the Bank's market area. There are no legal, financial, or other factors impeding the Bank's ability to help meet the credit and CD needs in its AA. FNBSM received an overall rating of "Satisfactory" during its previous CRA performance evaluation dated March 30, 2015.

FNBSM is a full-service bank offering traditional loan and deposit products and services to individuals and businesses, as well as internet banking services and automated teller machines (ATMs). As of December 31, 2017, the Bank had total assets of \$699.7 million, net loans of \$514.8 million, tier one capital of \$67.5 million, and a net income of \$3.8 million. Net loans represented 73.6 percent of total assets. The Bank has five branch offices including the main office (The Falls, The Palace Renaissance, Doral, Coral Gables, and the Main Office) all located in Miami-Dade County. Three of the offices are in upper-income geographies, and two are in middle-income geographies. Four of the offices are adjacent to moderate-income geographies.

FNBSM offers a variety of credit products including commercial real estate, commercial, consumer, residential (home equity loans and lines of credit), and small business loans. The Bank's business strategy focuses on commercial lending. The Bank offers deposit products such as checking, savings, NOW, money market, and time deposit accounts. The loan portfolio is comprised of 19.8 percent residential, 75.0 percent commercial real estate, 5.0 percent commercial and industrial, and 0.2 percent consumer loans based on the analysis of the Federal Financial Institutions Examination Council's (FFIEC) consolidated Reports of Condition and Income (Call Report) data gathered from December 31, 2017.

The Bank operates in a highly competitive market within Miami-Dade County. The Bank ranks 31<sup>st</sup> out of 65 banks in the county with a deposit market share of approximately 0.4 percent according to the Federal Deposit Insurance Corporation's (FDIC) Summary of Deposits-Market Share Report as of June 30, 2017. Total banking offices in the county total 660 including FNBSM's five offices.

## **Scope of the Evaluation**

### **Evaluation Period/Products Evaluated**

We evaluated FNBSM's performance using the Intermediate Small Bank performance criteria, which includes the Lending Test and the evaluation of the Bank's performance in providing CD loans and services in the AA. This performance evaluation covers activities from March 30, 2015 through December 31, 2017; however, the lending test evaluation period covers originations from January 1, 2015 through December 31, 2017. The evaluation is based on accurate data and focuses on all business loans originated during the evaluation period. Loan reports, CD loans, investments, and services, submitted by Bank management were verified to ensure accuracy and to ensure applicable activities met the regulatory definition for CD.

This evaluation focuses on business lending, which is the Bank's primary business focus. Residential loans are offered by the Bank, but the residential lending is concentrated in investment properties that are non-owner occupied and business related. Thus, the analysis of residential lending would not yield a meaningful result given the low volume of owner occupied properties.

### **Data Integrity**

This evaluation is based on accurate data. In February 2018, we completed a data integrity examination that included random sampling of records from the HMDA Loan Application Register and a business loan sample from internal reports for the years of 2015, 2016, and 2017. The HMDA data sampled had no errors. We also reviewed the CD loans, investments, and services submitted by the Bank to ensure the loans, investments, and services met the regulatory definition for CD. We excluded some items submitted for consideration, because the activities did not meet the definition or purpose of CD.

### **Selection of Areas for Full-Scope Review**

FNBSM has designated Miami-Dade County as its AA and this area received a full scope review. This AA, which is equivalent to Metropolitan Division (MD) 33124, meets the requirements of the CRA regulation and does not arbitrarily exclude low- and moderate-income (LMI) geographies. Please refer to Appendix A for additional information. MD 33124 is part of the Metropolitan Statistical Area (MSA) 33100 that is comprised of the counties of Miami-Dade, Broward, and Palm Beach.

### **Ratings**

In rating lending performance, the rating was based on the lending in the years 2015 and 2016 that were under the 2010 United States Census. The lending volume for

2017 was not large enough to perform a meaningful analysis considering there were only six eligible loans inside the Bank's AA out of the seventeen business loans originated or purchased in 2017. The 2017 year would have been analyzed separately due to the American Community Survey (ACS) Census that occurred in 2015 but became effective for the year 2017. Due to strong competition from larger banks in the market and underwriting considerations, the Bank's business lending prospects in Miami-Dade County were limited. As a result, the Bank originated more of its loans outside the AA in the state of Florida.

Our conclusions related to CD loans and qualified investments are based on the number and dollar amounts made during the evaluation period. In addition, we considered the responsiveness to community credit needs and the degree to which investment instruments are not routinely provided by private investors.

## **Discriminatory or Other Illegal Credit Practices Review**

Pursuant to 12 CFR 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 Consumer Financial Protection Bureau, as applicable.

The OCC has not identified that this institution 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.

## Conclusions with Respect to Performance Tests

### LENDING TEST

The Bank's performance under the Lending Test is rated "Satisfactory". The LTD ratio is reasonable, a majority of loans are in the Bank's AA, and the geographic and borrower loan distribution are reasonable.

#### Loan-to-Deposit Ratio

- FNBSM's LTD ratio is reasonable and meets the standard for satisfactory performance.

The LTD ratio is calculated on a bank-wide basis. Based on the quarterly average LTD ratios from first quarter 2015 through fourth quarter 2017, the Bank's quarterly LTD ratio averaged 70.6 percent. The Bank's LTD ratio falls outside the range of the average quarterly LTD ratios of five similarly situated institutions listed in the table below based on asset size operating in the MSA for the same period. However, the Bank's LTD is considered reasonable. The similarly situated banks had individual quarterly average ratios ranging from 71.3 percent to 97.8 percent.

Institution Name	Assets As of 12/31/2014	Average LTD%
Helm Bank USA	\$815,940	71.3
Apollo Bank	\$656,980	81.9
International Finance Bank	\$513,877	86.3
Professional Bank	\$634,287	90.6
Marquis Bank	\$612,744	97.8

Source: The Federal Financial Institutions Examination Council's (FFIEC) Consolidated Reports of Condition and Income (Call Report) data gathered from January 1, 2015 to December 31, 2017.

#### Lending in Assessment Area

Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Business	18	60.0	12	40.0	30	21,369	45.5	25,605	54.5	46,974
<b>Total</b>	18	60.0	12	40.0	30	21,369	45.5	25,605	54.5	46,974

Source: 01/01/2015-12/31/2017 Loan Sample

- A majority of the Bank's lending activity is located inside its AA and meets the standard for satisfactory performance.

This analysis is performed at the bank-wide level rather than at the AA level. As illustrated in Table D, 60.0 percent of the Bank's business loans by number and 45.5 percent by dollar originated during the evaluation period are in the AA. More weight was given to the number of loans in rating the Bank's performance.

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

Refer to Table R in appendix C for the facts and data used to evaluate the borrower distribution of the Bank's loan originations and purchases. Tables P, T, and V were not included because the Bank had no applicable mortgage, farm, or consumer loans.

- The Bank's lending to businesses of different sizes exhibits a reasonable distribution and performance that meets the standard for satisfactory performance.

The percentage of the Bank's loans to businesses with gross annual revenues of \$1 million or less (small businesses) by number of loans is somewhat lower than the percentage of small businesses in the AA but exceeds the aggregate business lending in the MSA 33100. Comparisons for this analysis were made at the MSA level rather than at the MD level.

### **Geographic Distribution of Loans**

Refer to Table Q in appendix C for the facts and data used to evaluate the geographic distribution of the Bank's loan originations and purchases. Tables O, S, and U were not included because the Bank had no applicable mortgage, farm, or consumer loans.

- The geographic distribution of loans within the AA exhibits reasonable distribution and meets the standard for satisfactory performance.

In low-income geographies, the percent of the Bank's loans exceeds both the percentage of businesses located in low-income geographies and the aggregate data. The geographic distribution of loans to businesses in moderate-income geographies is somewhat lower than the percentage of businesses located in moderate census tracts and the aggregate data. Comparisons for this analysis were made at the MSA level rather than at the MD level.

There were no unexplained conspicuous gaps in lending considering the Bank has a limited number of offices serving a large AA that makes it difficult to penetrate all areas of the AA.

### **Responses to Complaints**

The Bank has not received any complaints regarding its CRA performance during the evaluation period.

## **COMMUNITY DEVELOPMENT TEST**

The Bank's performance under the Community Development Test is rated "Satisfactory". The Bank's CD performance demonstrates an adequate responsiveness to CD needs in its AA through a combination of CD loans, investments, and services.

### **Number and Amount of Community Development Loans**

- FNBSM originated an adequate level of CD loans that demonstrates an adequate responsiveness to CD needs in the Bank's AA.

FNBSM originated 11 CD loans totaling \$8.0 million in the AA during the evaluation period. The Bank participates in the Small Business Administration's (SBA) 504 lending program and originated or renewed 10 loans totaling \$4.6 million under the program during the evaluation period. In addition, the Bank renewed a \$3.4 million loan to finance affordable housing in the AA.

### **Number and Amount of Qualified Investments**

- CD investments represent adequate responsiveness to the AA's needs, given the Bank's size, capacity to provide such investments, and the level of opportunities in the AA.

While no qualified investments were purchased during the evaluation period, \$6 million in Government National Mortgage Association and Federal National Mortgage Association mortgage back securities were purchased in prior periods and are still held by the Bank. All of the underlying mortgages were made to LMI income borrowers and are collateralized by properties located in the AA.

Donations made by the Bank during the evaluation period were significant and totaled \$685,905 to 12 organizations that serve LMI individuals and geographies. These organizations include Step Up for Children, which is a state approved nonprofit scholarship funding organization that helps administer two scholarships for Florida school children including the Florida Tax Credit Scholarship Program for low-income families.

### **Extent to Which the Bank Provides Community Development Services**

- The Bank provides adequate CD services throughout the AA and is responsive to the needs of the AA, particularly as it relates to SBA lending.

The Bank provides products that are considered responsive to LMI individuals and small businesses, although there are no offices located in LMI geographies. FNBSM offers

low cost checking and savings account products geared toward LMI individuals and small businesses. These products include personal and business accounts with low minimum balance requirements to open and low monthly maintenance fees.

Responsive loan products that can assist LMI customers include participation in the SBA 504 loan program and lending for the purpose of LMI housing. There is a significant need for affordable housing in the AA.

The Bank provides many services to its customers, including check card services and free 24-hour internet bill paying and telephone banking, as well as onsite ATM access at all locations. Customers are not charged for ATM transactions conducted at the Bank's retail offices. The Bank has five branch offices including the main office (The Falls, The Palace Renaissance, Doral, Coral Gables, and the Main Office) all located in Miami-Dade County. Three of the offices are in upper-income geographies, and two are in middle-income geographies. Four of the offices are adjacent to moderate-income geographies. FNBSM's branch offices and drive-thru facilities are open from 9:00 AM until 4:00 PM Monday through Thursday, and all offices have extended hours until 6:00 PM on Friday. The Falls location and drive-thru is open on Saturdays from 9:00 AM until 1:00 PM. The South Miami drive-thru is open on Saturdays from 9:00 AM until 1:00 PM.

Bank personnel engage in CD services that are responsive to community needs. During the evaluation period, several Bank officers and employees served organizations whose mission or specific activity meets the definition of CD throughout the AA. Service hours to these organizations totaled over 4,733 during the evaluation period.

# Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the metropolitan and nonmetropolitan areas that received comprehensive examination review (designated by the term “full-scope”) and those that received a less comprehensive review (designated by the term “limited-scope”).

<b>Time Period Reviewed</b>	Lending Test (excludes CD loans): 1/1/2015 to 12/31/2017 Investment, and Service Tests and CD Loans: 1/1/2015 to 12/31/2017	
<b>Financial Institution</b>	<b>Products Reviewed</b>	
First National Bank of South Miami (FNBSM) Miami, Florida	Small loans to businesses, community development loans, investments, and services.	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
None		
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
MSA 33100 (Miami-Ft. Lauderdale-Palm Beach, FL)	Full-Scope	Miami-Dade County only

## Appendix B: Community Profiles for Full-Scope Areas

### MIAMI-FT. LAUDERDALE-PALM BEACH ASSESSMENT AREA (MSA 33100)

The full-scope AA consists of all of the Miami-Ft. Lauderdale-Palm Beach MSA, which includes all of the contiguous counties of Miami-Dade, Broward, and Palm Beach. The Census Bureau has designated each of the three counties in the full-scope AA as a Metropolitan Division (“MD”).

Table A – Demographic Information of the Assessment Area						
Assessment Area: MSA 33100 Miami-Ft Lauderdale-West Palm Beach FL						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	1,219	6.2	28.2	29.5	33.6	2.5
Population by Geography	5,861,000	5.8	28.9	31.5	33.4	0.4
Housing Units by Geography	2,484,604	5.5	27.9	30.9	35.3	0.3
Owner-Occupied Units by Geography	1,248,038	2.6	23.2	32.9	41.2	0.2
Occupied Rental Units by Geography	799,004	10.1	36.4	30.1	22.9	0.5
Vacant Units by Geography	437,562	5.6	25.9	26.7	41.2	0.6
Businesses by Geography	797,472	4.2	21.8	28.2	44.6	1.2
Farms by Geography	12,328	4.6	24.0	29.5	41.5	0.4
Family Distribution by Income Level	1,330,793	23.1	17.0	17.7	42.2	0.0
Household Distribution by Income Level	2,047,042	25.1	15.7	16.6	42.6	0.0
Median Family Income MSA - 33100		\$57,606	Median Housing Value			\$227,861
FFIEC Adjusted Median Family Income for 2017		\$59,917	Median Gross Rent			\$1,194
Households Below Poverty Level		16%	Families Below Poverty Level			13.5%
<i>Source: 2015 ACS Census and 2017 D&amp;B Data Due to rounding, totals may not equal 100.0 (* The NA category consists of geographies that have not been assigned an income classification.</i>						

MSA 33100 had a total population of approximately six million people, with the largest concentration of population in the Miami-Dade County. According to the 2015 Census, MSA 33100 consisted of 1,219 geographies distributed as follows: 76 (6.2 percent) low-income, 344 (28.2 percent) moderate-income, 360 (29.5 percent) middle-income, 410 (33.6 percent) upper-income and 37 (2.5 percent) no income designation.

The poverty level is high at 16.0 percent of the households and 13.5 percent of the families. LMI people have difficulty purchasing homes given the high housing costs and the added costs of insurance and taxes. Rents are also high for rental properties. The average monthly gross rent is \$1,194. LMI people and particularly low-income people would need assistance through subsidy programs for purchasing a home as well as for rental housing. Based on the adjusted

median family income, low-income is considered less than 50 percent of the median family income which would be an income of less than \$29,959 per year. Moderate income is less than 80 percent of the medium income but not less than 50 percent of the median family income for incomes of \$29,959 to less than \$47,934. The median home value in 2017 was \$227,861 and is down from \$284,593 in 2016. Community contacts indicate that the need for affordable housing is a critical need in the AA as well as capital for small businesses and entrepreneurs and financial literacy. FNBSM has been responsive to the community needs and has originated small business loans and participated in CD services to address the needs of the AA

MSA 33100 was severely impacted by the housing crisis that had its beginnings in 2006 and 2007 leading to the national recession that ended in 2009. Recovery has been sluggish on through the evaluation period but improving when considering the increased employment, the decrease in foreclosure filings, the increase in home sales, and other financial market indicators such as increased business profits. According to the Bureau of Labor Statistics, the State of Florida unemployment rate during the evaluation period as of December 2015, 2016, and 2017 was 5.1 percent, 4.7 percent, and 3.9 percent, respectively and represents a declining trend in unemployment. As presented in the table below, the unemployment rates of the U.S. and the counties that make up the MSA are also on a declining trend.

	<b>December 2015</b>	<b>December 2016</b>	<b>December 2017</b>
<b>United States</b>	5.0	4.7	4.1
<b>State of Florida</b>	5.1	4.7	3.9
<b>Miami-Dade County</b>	5.5	4.9	4.5
<b>Broward County</b>	4.6	4.2	3.4
<b>Palm Beach County</b>	4.7	4.3	3.5

Competition for financial services including deposits, home mortgage and business lending within the MSA is intense and includes several branches of nationwide and regional banks, local community banks, credit unions, mortgage companies, and other nonbank financial service providers. As of June 30, 2017, the FDIC reports FNBSM's deposits in the MSA to total \$535.3 million. FNBSM ranked 39<sup>th</sup> out of 99 banks with an approximate 0.2 percent market share. For Miami-Dade County, the Bank ranked 31<sup>st</sup> out of 65 banks with an approximate 0.4 percent deposit market share. Banks dominating the deposit market share for the MSA are Bank of America, National Association (NA) (17.04 percent), Wells Fargo Bank, NA (15.67 percent), and JPMorgan Chase Bank, NA (8.56 percent) ranking first, second, and third, respectively with a total 41.3 percent of the deposit market share.

Based on aggregate HMDA data reported for 2017, the home mortgage market in the AA is dominated by Wells Fargo Bank, NA, Quicken Loans, and Caliber Home Loans, Incorporated respectively ranking first at approximately 10.2 percent, second at 5.1 percent, and third at 4.3 percent with a combined market share of approximately 19.5 percent.

Based on aggregate 2017 Community Reinvestment Act data (business loan reporting) for lenders in the MSA, credit card banks dominate the business lending market with American Express Bank, FSB (Federal Savings Bank) ranking first at approximately 25.6 percent,

Citibank, NA ranking second at approximately 19.2 percent, and Bank of America, NA ranking third at approximately 12.9 percent. These banks dominate the market with a total lender market share by count of loans of approximately 57.7 percent. The total lender share shrinks to approximately 34.5 percent when considering the total lender share by dollar.

The five largest employers in the AA include Publix Super Markets (38,241 employees), Baptist Health South Florida (16,191 employees), University of Miami (14,664 employees), Tenet Health Corporation (12,170 employees), and Jackson Health System of Miami (11,410 employees).

There are numerous nonprofit organizations located in the AA. These organizations provide various services to LMI people or small businesses, such as, affordable housing opportunities, financial literacy training, support for economic development activities, etc. Opportunities exist for banks to make donations, originate or purchase loans, partner with the nonprofit organizations with a CD mission or purpose in loans relationships to LMI individuals or small businesses, conduct literacy workshops, and more. Investment opportunities are highly competitive with banks purchasing investments to support the markets of affordable housing for LMI individuals and small business lending.

## Appendix C: Tables of Performance Data

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### Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan areas are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the lending test tables, the following are applicable: (1) purchased loans are treated as originations/purchases; (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/assessment area. Deposit data are compiled by the FDIC and are available as of June 30<sup>th</sup> of each year. Tables without data are not included in this PE. Tables are identified by both letters and numbers, which results from how they are generated in supervisory analytical systems. The following is a listing and brief description of the tables included in each set:

**Table O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents aggregate peer data for the years the data is available.

**Table P. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MA/assessment area. The table also presents aggregate peer data for the years the data is available.

**Table Q. Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. Because small business data are not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank’s assessment area.

**Table R. Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenue** - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by

the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. The table also presents aggregate peer data for the years the data is available.

**Table S. Assessment Area Distribution of Loans to Farms by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. Because small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.

**Table T. Assessment Area Distribution of Loans to Farms by Gross Annual Revenues** - Compares the percentage distribution of the number of small loans (less than or equal to \$500,000) originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm. The table also presents aggregate peer data for the years the data is available.

**Table U. Assessment Area Distribution of Consumer Loans by Income Category of the Geography** – Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households throughout those geographies.

**Table V. Assessment Area Distribution of Consumer Loans by Income Category of the Geography** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of households by income level in each MA/assessment area.

**Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** 2015-2016

Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
MSA 33100 Miami-Ft Lauderdale-West Palm Beach FL (partial)	23	30,975	100.0	765	3.4	8.7	3.2	21.8	13.0	20.5	30.3	21.7	28.5	43.7	56.5	46.8	0.8	0.0	0.9
<b>Total</b>	23	30,975	100.0	765	3.4	8.7	3.2	21.8	13.0	20.5	30.3	21.7	28.5	43.7	56.5	46.8	0.8	0.0	0.9

Source: 2010 Census; 01/01/2015 - 12/31/2016 Bank Data, 2016 CRA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0

**Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues** 2015-2016

Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
MSA 33100 Miami-Ft Lauderdale-West Palm Beach FL (partial)	23	30,975	100.0	765	90.7	60.9	48.5	3.8	39.1	5.5	0.0
<b>Total</b>	23	30,975	100.0	765	90.7	60.9	48.5	3.8	39.1	5.5	0.0

Source: 2010 Census; 01/01/2015 - 12/31/2016 Bank Data, 2016 CRA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0