

PUBLIC DISCLOSURE

July 26, 1996

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Delta National Bank and Trust Company of Florida
Charter #20612
1221 Brickell Avenue, Fifth Floor
Miami, Florida 33131**

**COMPTROLLER OF THE CURRENCY
MIAMI DUTY STATION
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 **Delta National Bank and Trust Company of Florida** prepared by the Office of the Comptroller of the Currency, as of July 26, 1996. The agency evaluates performance in assessment area(s) as they are delineated by the institution, rather than individual branches. This assessment area evaluation may include the visits to some, but not necessarily all of the institution's branches. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.

INSTITUTION'S CRA RATING: This institution is rated Satisfactory

Delta National Bank and Trust Company of Florida's Community Reinvestment Act (CRA) performance was assessed for the four-year period since last CRA examination on June 30, 1992. Performance since the institution was designated a Wholesale Bank in January of 1996 was given significantly more weight. Community development loans and investments aggregate \$3.7 million, representing approximately 2% of total assets and 36% of total capital. The level of loans and investments is consistent with the bank's status as a wholesale institution, its business plan and its financial capacity.

DESCRIPTION OF INSTITUTION:

Delta National Bank and Trust Company of Florida (Delta) was chartered on November 2, 1984. The bank's business plan focuses on the cash management, investment and trust service needs of customers referred by affiliate institutions in Brazil and other countries. Delta requested and received a Wholesale Bank designation effective January 18, 1996.

Delta operates out of a single office located on the fifth floor of a downtown Miami office building. The bank has no external sign and does not advertise locally. Delta does not make traditional consumer or commercial loans. Loans granted since the bank commenced operations are entirely for the purpose of meeting tax planning needs of customers of the bank's Brazilian affiliate. Virtually all are fully secured by cash deposits.

Delta's deposits are almost entirely from sources outside of the United States. As of 3/31/96, Delta had total assets of \$168 million and total capital of \$10 million. There are no financial or legal impediments to CRA performance.

Delta is affiliated by common ownership with a network of financial and other domestic or foreign organizations in New York, Chicago, Washington D.C., Miami, Germany, England, Colombia, Argentina, Spain, Cayman Islands, Chile, Paraguay, Uruguay, Bolivia, Panama and Brazil. The bank's most significant affiliate, and the source of the majority of its business, is Banco Real, S.A., Sao Paulo Brazil. Banco Real is Brazil's third largest financial institution. As of March 31, 1996, total U.S. banking assets of the affiliated organizations aggregate \$404 million.

DESCRIPTION OF THE ASSESSMENT AREA:

Delta designated Dade County, Florida as the area within which its Community Reinvestment Act performance is to be assessed. The assessment area meets the requirements of the regulation and does not arbitrarily exclude low or moderate income geographies. It matches the boundaries of the Miami, Florida Metropolitan Statistical Area (MSA) and encompasses 267 census tracts including 36 (14%) low income tracts, 57 (21%) moderate income tracts, 96 (36%) middle income tracts, 75 (28%) upper income tracts and 3 (1%) tracts which were unpopulated as of the 1990 census. According to the census, the area has a population of 1.9 million. Of 485 thousand families, 23% are low income, 17% are moderate income, 19% are middle income and 41% are upper income. Housing and other living costs in the area are higher than the state and national averages. HUD estimated that the 1996 median family income is \$38,300.

Information on opportunities for community service and credit needs within the assessment area was developed from discussions with bank management and review of community contacts performed by the OCC and other regulatory agencies prior to this examination. No community contacts were initiated in conjunction with this examination. The primary credit need within the area is funding for the purchase and rehabilitation of low and moderate income housing. There is a relatively well established network of governmental and private action groups available to assist in development of low and moderate income communities. Governmental lending, grant and subsidy programs are available to help make programs for low and moderate income individuals economically feasible. Investments specifically targeted to low or moderate income areas are less common and demand is high.

CONCLUSIONS WITH RESPECT TO PERFORMANCE

COMMUNITY DEVELOPMENT INVESTMENTS:

Investments are Delta's primary means of meeting community development needs. The bank has total qualified investments of approximately \$3 million, representing 1.76% of total assets and 28.41% of total capital. Investments consist of:

Contributions to Housing, Crime Prevention and Educational organizations serving predominantly low or moderate income areas in the assessment area.	\$ 20,050
Deposits in Minority and Woman Owned Banks in the assessment area.	\$1,470,000
Bonds issued to support low and moderate income housing and medical services for low and moderate income residents of the assessment area.	\$1,471,767

COMMUNITY DEVELOPMENT LENDING:

The volume of community development lending is reasonable. The bank is not in the business of making traditional consumer or commercial loans. Incidental to its service to customers of foreign affiliates, Delta originated one letter of credit in the amount of \$34,650 which directly benefits a small business within the assessment area. Other loans, aggregating \$705 thousand, are participations purchased in qualified community development loans originated by other institutions. All purchased loans are for construction and/or rehabilitation of low or moderate income housing within the assessment area. Total loans of \$739,650 represent 0.4% of total assets and 7% of total capital.

COMMUNITY DEVELOPMENT SERVICES:

Delta's community development services are minimal. Delta's officers, directors and employees have limited contact with the public. During the period, the only qualified community development service was an employee assigned in 1993 to spend seven paid business days assisting in the preparation of applications for small business loans during the recovery for damage done by Hurricane Andrew.

COMPLIANCE WITH ANTIDISCRIMINATION LAWS AND REGULATIONS:

Our examination findings disclosed no violations of the substantive provisions of the antidiscrimination laws and regulations.

APPENDIX A

SCOPE OF EXAMINATION

The examination of Delta National Bank and Trust Company of Florida's Community Reinvestment Act performance was conducted in accordance with standard procedures for Wholesale Banks. All loans, investments and services presented by bank management were reviewed in detail to insure they qualified for consideration under the Community Development test. The examination included consideration of more subjective information on the bank and its assessment area including:

- Information retained by the Office of the Comptroller of the Currency regarding receipt and resolution of consumer complaints.
- Past history of Community Reinvestment Act and financial performance.
- Census and other demographic data regarding the bank's assessment area.
- Information obtained from contacts with assessment area representatives prior to the examination of this bank.