



PUBLIC DISCLOSURE

August 07, 2017

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Desjardins Bank, National Association
Charter Number 23852

1001 East Hallandale Beach Boulevard
Hallandale Beach, FL 33009

Office of the Comptroller of the Currency

Miami Field Office
9850 NW 41st 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.

Desjardins Bank, National Association's performance rating is supported by the following factors:

- A more than reasonable loan-to-deposit ratio;
- A majority of loans are inside the Bank's assessment area;
- The distribution of borrowers reflects a reasonable penetration among individuals of different income levels; and
- The geographic distribution of loans reflects excellent dispersion throughout the assessment area.

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

Desjardins Bank, National Association (Desjardins) is an intrastate community bank headquartered in Hallandale Beach, Florida. Desjardins is controlled by Desjardins FSB Holdings, Inc. (DFSB), a one-bank holding company. DFSB also operates Desjardins Florida Loan Center, Inc. (DFLC), formed for real estate holdings. Desjardins is affiliated with Fédération des caisses Desjardins du Québec (FCDQ), the largest financial cooperative group in Canada, with consolidated assets exceeding \$250 billion. The financial cooperative group includes Desjardins, along with other entities located in Canada. Affiliate activity is not relevant to this evaluation and such activity does not affect the Bank's ability to lend in its community.

The Bank operates four (4) full service branch locations in Florida. The main office in Hallandale Beach, a branch in Pompano Beach, and a branch in Lauderhill are all located in Broward County. A new branch was opened in Palm Beach County, in the city of Boynton Beach, on October 28, 2015. There were no branch closures during the evaluation period. ATMs are located at branch locations with two (2) ATMs at the Hallandale Beach branch and one ATM located at each of the remaining branches. Broward and Palm Beach Counties comprise the Bank's assessment area.

Desjardins offers a variety of deposit and loan products for businesses and individuals as described in the CRA Public File. Loan product types offered include residential real estate (single family and multi-family), consumer, and commercial loans. A substantial majority (over 90 percent) of the Bank's customers are Canadian citizens residing in or visiting Broward and Palm Beach Counties, as well as the bordering county of Miami-Dade, during the winter months. Most have permanent residences in Quebec, Ontario, New Brunswick, and Alberta. The customer base is composed mostly of retired Canadian citizens. Desjardins' primary business strategy is lending to these customers who typically purchase a second residence in the Bank's assessment area, commonly a reasonably priced condominium or single-family home.

As of December 31, 2016, Desjardins reported total assets of \$210 million. The loan portfolio totaled \$163 million and represented 77.50 percent of total assets. Components of Desjardins' loan portfolio include residential real estate loans (88 percent), consumer loans (9 percent), commercial real estate loans (2 percent), and commercial and industrial loans (1 percent). Deposits totaled \$164 million and the loan-to-deposit ratio was 99.32 percent. As of June 30, 2016, the Bank ranked 71st out of 101 institutions in the Miami-Ft. Lauderdale-Palm Beach MSA with a 0.07 percent market share. Approximately 82 percent of deposits were from foreign depositors (primarily Canadian customers), which indicates that, to a large extent, domestic loans are being funded by foreign deposits. As of December 31, 2016, tier 1 capital totaled \$28.9 million, or 13.71 percent of average assets.

There are no legal, financial, or other factors that impede the Bank's ability to meet the credit needs in its assessment area. Desjardins received a "Satisfactory" rating at the last evaluation dated April 30, 2012.

Scope of the Evaluation

Evaluation Period/Products Evaluated

We evaluated Desjardins' Community Reinvestment Act (CRA) performance using Small Bank performance criteria. The evaluation period ranges from April 30, 2012, the date of the last CRA evaluation, through August 6, 2017. In consideration of changes to demographics and geographies related to the 2015 census update effective in 2017, the Lending Test evaluation period is from January 1, 2014 through December 31, 2016.

The Bank's strategy is residential lending and the primary loan product is residential mortgages, particularly home purchase loans. Therefore, emphasis was placed on home purchase loans in evaluating the Bank's performance. Home improvement and home refinance loans were also evaluated; however, less consideration was placed on these products given the low level of lending volume. For the purpose of our analysis, these products were aggregated to determine the Bank's overall home mortgage lending performance. Consumer lending is not a primary lending product and is largely centered in letters of guarantee, which are used to facilitate residential transactions. As a result, our review of residential mortgage lending was able to provide for more meaningful analysis and consumer loans were not evaluated. The Bank originates commercial loans; however, commercial lending is not a primary business line for the Bank, and the commercial lending volumes during the evaluation period did not produce a meaningful analysis. Therefore, commercial lending was not evaluated under the Lending Test.

Data Integrity

We conducted a data integrity examination in May 2017 to test the accuracy of the Bank's publicly filed Home Mortgage Disclosure Act (HMDA) information. We found no material errors in key data pertinent to this evaluation; therefore, this performance evaluation is based on accurate data.

Selection of Areas for Full-Scope Review

The Bank has one (1) assessment area in Florida comprised of counties that are part of Metropolitan Divisions (MD) and a Metropolitan Statistical Area (MSA). Broward County (MD 22744) and Palm Beach County (MD 48424) were selected for full-scope review as they contain all branch locations and deposits, as well as the majority of lending activity. Refer to Appendix A for additional information regarding the assessment area receiving a full-scope review.

Ratings

The Bank's overall rating is based on those areas that received full-scope reviews. Broward County received the most weight given that the Bank's headquarters and the majority of branches and deposits are located in that area. Based on deposit data as of June 30, 2016, only 2.5 percent of deposits were in Palm Beach County. However, this is due to the recent opening of the Boynton Beach branch (the first and only Desjardins branch in Palm Beach County) in October 2015. Desjardins has historically originated loans in Palm Beach County as part of its

business strategy, which is reflected by the fact that 31 percent of all home mortgage loans were originated in this area during the evaluation period.

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. Based on full-scope reviews, the Bank's performance is good in Broward and Palm Beach Counties. Overall, the Bank's lending activity reflects adequate responsiveness to assessment area credit needs for home mortgage loans, but is overall considered good when considering performance context.

Multiple performance context factors had an impact on Desjardins' lending activity. During the evaluation period, the Bank opened a new branch in Palm Beach County, in the city of Boynton Beach, in October 2015. The Bank was challenged with strong competition in its assessment area with a large number of lenders reporting home mortgage loan activity. These lenders include non-bank lenders that do not take deposits in the assessment area as well as large banks with a nationwide presence that offer a wide variety of home mortgage loan products.

Economic recovery from the recession has been sluggish during the evaluation period but is improving, including declines in foreclosure rates, reduction of high unemployment rates, and improvement in homes with negative equity positions. More stringent underwriting practices also factored into loan production among banks as well as foreign investors purchasing residential properties with cash further reducing affordable housing for low- and moderate-income people. Obtaining subsidized residential lending for low- and moderate-income people could be difficult due to a sometimes lengthy loan process not timely enough to obtain an available property. Additionally, low- and moderate-income people are not likely to refinance if they have a subsidized loan because subsidy programs typically do not allow refinancing. All these factors impacted overall lending activity during the evaluation period for lenders in the Bank's assessment area. For further discussion on these and other performance context issues, please see the Market Profile in Appendix B.

Loan-to-Deposit Ratio

- **Desjardins' loan-to-deposit ratio is more than reasonable and exceeds the standard for satisfactory performance.**

Desjardins' quarterly average loan-to-deposit (LTD) ratio since the last CRA performance evaluation is 86.66 percent and exceeds the 77.71 percent quarterly average of other similarly situated banks in the Bank's assessment area for the evaluation period. Four similarly situated banks' average LTD ratios range from 63.58 percent to 85.86 percent. The similarly situated banks and their quarterly average LTD ratios are Flagler Bank (63.58 percent), American National Bank (80.23 percent), Transcapital Bank (81.19 percent), and Natbank, National Association (85.86 percent). The four community banks are similar in asset size and have main offices and branches in the assessment area. Natbank, NA is most similar as it also has a Canadian parent holding company and has a majority Canadian customer base.

Lending in Assessment Area

- **A majority of the number of loans made during the evaluation period were located inside the assessment area and meets the standard for satisfactory performance.**

A majority of the Bank's lending activity is located within its assessment area. The Bank originated 73.67 percent of its loans by number, and 71.57 percent by dollar volume inside the assessment area during the evaluation period. The distribution is illustrated in the table below.

Loan Type	Number of Loans				Total	Dollars of Loans				Total
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Purchase	184	72.44	70	27.56	254	41,260	68.84	18,677	31.16	59,937
Improvement	17	80.95	4	19.05	21	3,245	83.38	647	16.62	3,892
Refinance	20	80.00	5	20.00	25	7,776	84.37	1,441	15.63	9,217
Totals	221	73.67	79	26.33	300	52,281	71.57	20,765	28.43	73,046

Source: Data reported under HMDA 2014-2016; 2010 U.S. Census data.

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

- **The distribution of home mortgage loans to borrowers reflects a reasonable penetration among individuals of different income levels, given performance context.**

The following table shows the distribution of home mortgage loans based on borrower income. Desjardins made a total of 221 home mortgage loans in the Broward and Palm Beach County assessment area during the evaluation period for a total of \$52.3 million.

Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Home Mortgage	22.42	0.00	17.35	0.90	18.93	6.79	41.30	65.16

Source: Data reported under HMDA 2014-2016; 2010 U.S. Census data.

Of the 221 loans originated within the assessment area, 60 did not contain borrower income information.

The distribution of home mortgage loans to borrowers reflects a reasonable penetration among individuals of different income levels, given performance context. The Bank had no home mortgage loans to low-income borrowers. Home mortgage loans made to moderate-income borrowers is significantly below the percentage of moderate-income families in the MSA. This is very poor but adequate when considering performance context. During the evaluation period, performance context issues made it difficult to provide home mortgage loans to low-income borrowers in the assessment area. For this reason, more weight was given to lending to moderate-income borrowers in reaching our conclusions. While loan penetration to moderate-

income borrowers is low, the Bank has a lending presence that demonstrates their desire to lend to these borrowers.

The lack of affordable housing inventory is a contributor to the Bank's limited origination of loans to low- and moderate-income borrowers. The median housing value in MSA 33100 (Miami-Ft. Lauderdale-Palm Beach, FL) is above \$280,000, while poverty levels for Palm Beach, Broward, and Miami-Dade Counties are 11 percent, 12 percent, and 18 percent, respectively. Subsidies are still needed, particularly by low-income borrowers. High property taxes and homeowner's insurance costs also contribute to the inability of low-income and many moderate-income borrowers to become homeowners. Many lower priced homes are quickly purchased for cash by investors, further limiting the number of affordable homes available to low- and moderate-income buyers. The lower rates offered on the Federal Housing Authority (FHA) product offered by larger lenders is also a competitive factor that challenges Desjardins' ability to originate to moderate-income buyers that meet FHA guidelines.

While performance context factors had a negative impact on home mortgage lending overall during the evaluation period, it had the most negative impact on lenders' ability to originate refinance loans as a large number of potential borrowers no longer qualified. In the Bank's overall MSA, large numbers of homes were in a negative equity position as home prices declined drastically during the recession. High unemployment rates, which impacted low- and moderate-income people the most, contributed to the issue, along with the tightening of loan underwriting criteria by the secondary market and banks reduced the volume of refinance loans. In addition, the demand for refinance loans by low-income families is generally very limited. Many times low-income families have taken advantage of various subsidy programs and special mortgage products that have very low interest rates that would not make it necessary for them to refinance for a lower interest rate. Furthermore, some special programs do not allow for refinancing.

During the evaluation period, Desjardins extended multifamily loans in the assessment area that are reported under HMDA. These multifamily loans assisted the Bank to further address the affordable housing need in the assessment area considering the documented rents are within the U.S. Department of Housing and Urban Development (HUD) fair market rents. The Bank originated 45 loans in the Broward and Palm Beach County assessment area, which supported 79 housing units with documented rents below the HUD-determined fair market rent rate. The number of housing units exceeds the number of loans given the nature of multifamily dwellings and the fact that some loans were secured by multiple properties. Such housing is more affordable for low- and moderate-income individuals because they can obtain rent subsidies to reduce out-of-pocket housing costs.

Geographic Distribution of Loans

- **The geographic distribution of home mortgage loans within the assessment area reflects excellent dispersion and exceeds the standard for satisfactory performance.**

The following table shows the geographic distribution of home mortgage loans originated in the Broward and Palm Beach County assessment area during the evaluation period.

Table 3 - Geographic Distribution of Home Mortgage Loans in the Assessment Area								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan type	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans
Home Mortgage	2.06	3.62	23.11	28.96	36.26	44.80	38.56	22.62

Source: Data reported under HMDA 2014-2016; 2010 U.S. Census data.

The geographic distribution of home mortgage loans exhibits excellent dispersion. Desjardins' home mortgage loan originations in low-income geographies exceeds the percentage of owner-occupied housing units located in those geographies. In moderate-income geographies, the percentage of the Bank's home purchase loans also exceeds the percentage of owner-occupied housing units in those geographies. There are no unexplained conspicuous gaps in the Bank's lending patterns. Geographies in the assessment area without loan penetration are due to Desjardins' limited number of offices and the large area served. These limitations prevent the Bank from penetrating all areas in the assessment area.

Responses to Complaints

In the period since the last evaluation, the Bank has not received any complaints regarding its CRA performance.

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”).

Time Period Reviewed	Lending Test (excludes CD loans): 01/01/2014 to 12/31/2016	
Financial Institution		Products Reviewed
Desjardins Bank, National Association (Desjardins) Hallandale Beach, Florida		Home Mortgage Loans
Affiliate(s)	Affiliate Relationship	Products Reviewed
None		
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
MD 22744 Ft. Lauderdale-Pompano Beach-Deerfield Beach	Full-Scope	
MD 48424 West Palm Beach-Boca Raton-Boynton	Full-Scope	

Appendix B: Community Profiles for Full-Scope Areas

MIAMI-FT. LAUDERDALE-PALM BEACH (MSA 33100)

The full-scope assessment area is contained within the Miami-Ft. Lauderdale-Palm Beach MSA, which includes the contiguous counties of Miami-Dade, Broward, and Palm Beach. Broward County (MD 22744) and Palm Beach County (MD 48424) represent the Bank's assessment area which was evaluated during this review. The assessment area meets the requirements of the CRA regulation and does not arbitrarily exclude low- and moderate-income geographies.

Overall, the MSA has a total population of approximately 5.6 million people, with the largest concentration of population in the Miami-Dade County portion of the MSA. The Census Bureau has designated each of the three counties in the MSA as a Metropolitan Division (MD). The accompanying table reflects the overall demographics of the Miami-Ft. Lauderdale-Palm Beach MSA and market discussions focus on each of the assessment area MDs individually.

Economic recovery from the recession has been slow during the evaluation period but is improving, including declines in foreclosure rates, reduction of high unemployment rates, and improvement in homes with negative equity positions. Obtaining subsidized residential lending for low- and moderate-income people could be difficult due to a sometimes lengthy loan process not timely enough to obtain an available property. Additionally, more stringent underwriting practices also factored into loan production among banks as well as foreign investors purchasing residential properties with cash further reducing affordable housing for low- and moderate-income people.

In low- and moderate-income geographies, the level of renter occupancy is high, representing 58 percent of housing units in low-income geographies and 38 percent of housing units in moderate-income geographies, based on 2010 U.S. Census data. These geographies also represent elevated levels of households below the poverty level (37 percent and 21 percent, respectively), indicating a demand for affordable rental housing.

Community credit needs in the assessment area were determined by reviewing CRA Performance Evaluations of other banks operating in the same assessment area and from recent community contacts with nonprofit community development organizations. We determined that the most pressing credit needs in the assessment area are affordable housing and affordable rental housing.

MSA 33100- Miami-Ft. Lauderdale-Palm Beach

Demographic Information for MSA 33100- Miami-Ft. Lauderdale-Palm Beach						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	1,216	5.84	25.90	33.31	32.81	2.14
Population by Geography	5,564,635	4.72	27.31	34.60	33.06	0.31
Owner-Occupied Housing by Geography	1,329,038	2.06	23.11	36.26	38.56	0.00
Business by Geography	764,572	3.38	21.79	30.26	43.71	0.86
Farms by Geography	11,984	2.98	22.67	31.57	42.48	0.30
Family Distribution by Income Level	1,317,377	22.42	17.35	18.93	41.30	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	523,897	7.99	39.17	34.65	18.17	0.02
Median Family Income FFIEC Adjusted Median Family Income for 2016 Households Below Poverty Level		57,777 56,694 14%	Median Housing Value Unemployment Rate (2010 US Census)		284,593 5.46%	

(*) The NA category consists of geographies that have not been assigned an income classification.

Source: 2010 US Census and 2016 FFIEC updated MFI

Broward County (MD 22744)

The population continues to grow as 2010 U.S. Census data indicates the population totaled 1.7 million, increasing by 8 percent since the 2000 U.S. Census. The Broward County MD consists of 361 geographies distributed as follows: 5 percent low-income; 27 percent moderate-income; 37 percent middle-income, and 30 percent upper- income. Based on the FFIEC estimated MFI, the average family income for the evaluation period was \$61,800 for 2014, \$63,300 for 2015, and \$60,900 for 2016. According to 2010 U.S. Census data, low-income families represent 22 percent of the families in the County, while moderate-income families represent 17 percent of the County. Households below the poverty level totaled 12 percent.

As with most metropolitan areas in Florida, the economy in this County has experienced a downturn due to the national and local recession. Desjardins' ability and opportunities to lend, especially to low- and moderate-income borrowers, has been impacted by this downturn. The entire State, and in particular Broward County, has experienced significant job losses, a volatile housing market with a record number of delinquencies, foreclosures and bankruptcies.

The unemployment rate in Broward County has fluctuated during the evaluation period with a high of 6.2 percent in January 2014, and trending lower at 4.4 percent as of December 2016, according to the Bureau of Labor Statistics. During the evaluation period, the Broward County unemployment rate remained below the state of Florida rate, which was 4.9 percent as of December 31, 2016. The Broward County unemployment rate was also lower than the 4.7 percent national rate.

Home values have shown an increasing trend based on data from Zillow.com. The median home value was \$222,000 in December 2016, compared with \$202,000 in December 2015, and \$174,000 in December 2014. The high median cost makes it difficult for low- and moderate-income families to own a home in the County without the help of loan subsidies. The high cost of property taxes and insurance premiums also make the cost of homeownership more expensive. Additionally, competitive pressure from cash-paying investors who purchase lower priced homes limits the opportunities for low-income buyers.

During the evaluation period, the trend in foreclosures decreased but is still considered high; in Broward County one in every 690 homes, based on June 2016 RealtyTrac statistics. June 2016 foreclosure filings in Broward County declined by 39 percent when compared with the same time the year prior. The state of Florida ranked 3rd in the country for foreclosures with 1 in every 764 homes being foreclosed as of June 2016.

Major industries in the County include tourism, real estate development, trade business with Latin America, health care, financial services, and retail services.

Strong competition exists for financial services within Broward County. Per the June 30, 2016 FDIC Deposit Market Share Report, there are 50 depository financial institutions in Broward County operating 474 offices. The Bank's deposits in Broward County totaled \$145.7 million with a market share of 0.28 percent. The Bank ranks 28th out of the depository financial institutions in the County. The competition is comprised primarily of large nationwide and regional banks. The top five competitors in order of their ranking are Bank of America, NA; Wells Fargo Bank, NA; JPMorgan Chase Bank, NA; Citibank, NA; and SunTrust Bank. These competitors control 64.57 percent of the deposit share within this County.

Palm Beach County (MD 48424)

The Palm Beach County population grew rapidly as 2010 U.S. Census data indicates the population totaled 1.3 million, an increase of nearly 17 percent since the 2000 U.S. Census. The MD consists of 337 geographies distributed as follows: 6 percent low-income; 25 percent moderate-income; 31 percent middle-income, and 35 percent upper-income. Palm Beach County has a combination of urban and rural low- and moderate-income markets with differing economics. Clusters of low- and moderate-income geographies can be found in cities such as West Palm Beach, Riviera Beach, Lake Worth, and Boynton Beach along the eastern boundaries of the county, as well as inland in rural areas around Lake Okeechobee such as Belle Glade and Pahokee.

Based on the FFIEC estimated MFI, the average family income for the evaluation period was \$63,300 for 2014, \$64,900 for 2015, and \$65,400 for 2016. According to 2010 U.S. Census data, low-income families represent 22 percent of the families in the County, while moderate-income families represent 18 percent of the County. Households below the poverty level totaled 11 percent.

Much of the data and economic conditions cited for the Broward County MD also cover the Palm Beach County MD. Palm Beach County was severely impacted by the housing crisis. Several

years have passed, but Palm Beach County continues to recover from the crisis. Data from the Bureau of Labor Statistics shows that from January 2014 to December 2016, the unemployment rate for the Palm Beach MD decreased from 6.4 percent to 4.6 percent as the economy continues to recover from the housing crisis and recession. The December 2016 unemployment rate is slightly below the State unemployment rate of 4.9 percent and the national unemployment rate of 4.7 percent.

Retiree in-migration has surpassed expectations and is expected to continue to accelerate as increases in asset prices have rebuilt household wealth resulting in the ability to retire. Due to this increasing retiree population, the County's economy is largely based in the healthcare services, hospitality and retail sectors.

Housing costs are high with the median list price of a single-family home of \$425,000 in December 2016, and increase from \$365,000 in January 2014 according to an assessment by Zillow.com.

Palm Beach County is home to two Fortune 500 companies and a wide range of corporate, regional and divisional headquarters. Major employers in the County include local governments, Publix Supermarkets, Tenet Healthcare, Florida Power & Light (FP&L), Wackenhut, Office Depot, area hospitals and Florida Atlantic University. In addition, the Port of Palm Beach was the second fastest-growing port in the United States in 2015.

Banking competition within Palm Beach County is high. In addition to community and mid-size banks, branches of the largest banks in the country operate in Palm Beach County. As of June 30, 2016, there were 57 deposit taking financial institutions in the county operating 475 branches. Desjardins has a deposit market share of 0.01 percent and is ranked 53rd in the market. The Bank's market share is impacted by the recent opening of the Boynton Beach branch (the first and only Desjardins branch in Palm Beach County) in October 2015. Overall deposit market share continues to be dominated by Wells Fargo Bank, NA and Bank of America, NA, with a combined market share of 37.51 percent.