



## **PUBLIC DISCLOSURE**

May 4, 2015

### **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

City National Bank of Florida  
**Charter Number 15977**

25 West Flagler Street  
Miami, FL 33130

Office of the Comptroller of the Currency

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

**Institution’s CRA Rating:** This institution is rated **Outstanding**.

The following table indicates the performance level of **City National Bank of Florida** with respect to the Lending, Investment, and Service Tests:

Performance Levels	(Name of Depository Institution) Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding	X	X	X
High Satisfactory			
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			

\* The lending test is weighted more heavily than the investment and service tests when arriving at an overall rating.

The major factors that support this rating include:

- Lending activity that reflects good responsiveness to the credit needs of the Bank’s assessment areas, given performance context.
- Good geographic distribution of loans with a substantial majority of loans within the Bank’s assessment area.
- Adequate distribution of loans among borrowers of different income levels and businesses of different sizes, as well as the extensive use of innovative lending practices in order to serve assessment area credit needs.
- An excellent level of community development (CD) lending that is responsive to CD credit needs and a significant positive impact on the overall Lending Test rating for each assessment area.
- An excellent level of qualified investments responsive to assessment area needs.
- Service delivery systems that are readily accessible to geographies and individuals of different income levels with an excellent level of community development services.

## 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 usually have between 2,500 and 8,000 persons, and 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 multi-family 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 the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definition of community development.

Activities that revitalize or stabilize-

- (i) Low-or moderate-income geographies;
- (ii) Designated disaster areas; or
- (iii) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, based on-
  - a. Rates of poverty, unemployment, and population loss; or
  - b. Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

**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 do 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 applications, the amount of loan requested, and the disposition of the application (e.g., approved, denied, and withdrawn). Beginning in 2004, the reports also include additional data on 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 multi-family (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 ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development 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 Metropolitan Statistical Area that contains a population of at least 2.5 million. A Metropolitan Division consists of one or more counties that represent an employment center or centers, plus adjacent counties associated with the main county or counties through commuting ties.

**Metropolitan Statistical Area:** An area, defined by the Office of Management and Budget, as having at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties, plus adjacent outlying counties having a high degree of social and economic integration with the central county 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) and the Thrift Financial Reporting (TFR) 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

City National Bank of Florida (CNB) is an intrastate commercial bank headquartered in Miami, Florida. The Bank is wholly owned by Bankia, S.A. (formerly Caja Madrid), one of Spain's largest financial institutions. The U.S. bank holding company, CM Florida Holdings has total assets of \$5.3 billion. CNB has no operating subsidiaries. In May 2013, Bankia announced that it had signed an agreement to sell CNB to Banco de Credito e Inversiones with an expected close by year-end 2015 pending regulatory approval.

As of December 31, 2014, CNB had total assets of \$5.3 billion. Deposits totaled \$4.2 billion and the total loan portfolio (net of unearned income), which represents 62 percent of total assets, was \$3.3 billion. The loan to deposit ratio was 79.61 percent. Components of the Bank's loan portfolio include commercial real estate loans (50 percent), residential real estate loans (26 percent), commercial and industrial loans (23 percent), and consumer loans (one percent). Tier one capital totaled \$630 million.

The Bank's strategic focus is commercial real estate lending, corporate cash management, and private banking. Two other lines of business are personal and business banking and corporate banking with a focus of providing existing clients comprehensive banking services. CNB originates small loans to businesses and uses its real estate lending expertise to originate community development loans. The Bank has a residential mortgage loan department that specializes in loans to low- and moderate-income borrowers. In addition to loan originations, CNB purchased residential loans in 2013 and 2014 to support lending goals for low- and moderate-income borrowers.

CNB offers a full range of financial products and services through a 26-branch network in Miami-Dade (16), Broward (5), and Palm Beach (3) Counties as well as in Orange County (2). Miami-Dade County represents the core of the Bank's business, with approximately 86 percent of total deposits as of June 30, 2014 and approximately 66 percent of the total number of loans analyzed as part of this examination.

There are no legal or financial factors impeding the Bank's ability to help meet the credit needs of its assessment area. However, the Bank faced some challenges during the recovery from the recession and the housing crisis as discussed throughout the Performance Evaluation. These factors were considered as part of this evaluation. The Bank's rating at the last CRA examination, dated May 29, 2012, was "Outstanding".

# Scope of the Evaluation

## Evaluation Period/Products Evaluated

This Performance Evaluation assesses the Bank's performance under the Lending, Investment, and Service Tests. In evaluating the Bank's lending performance, we reviewed residential mortgage loans subject to reporting under the Home Mortgage Disclosure Act (HMDA), small loans to businesses subject to reporting under the CRA, and community development loans. We also evaluated community development investments and community development services.

The Bank did not report any small loans to farms during the evaluation period. Therefore, tables for this product are not included in the Core Tables of this Report (Appendix C). We did not complete an analysis of home improvement loans given the low volume of originations would not yield a meaningful analysis and that the product is offered but not actively marketed by the Bank. However, we included the tables associated with home improvement loans. Multi-family housing loans provided a meaningful analysis for Miami-Dade County but not for the remaining assessment areas considering a low volume of multi-family loans in the other assessment areas. Multi-family loans that are also affordable housing are included in the analysis of community development loans.

The evaluation period for the Lending Test is January 1, 2012 through December 31, 2014. For the Investment and Service Tests the evaluation period is May 29, 2012, the date of the last CRA evaluation, through December 31, 2014. We generally take the evaluation period through May 4, 2015 for the Investment and Service Tests, but at Bank management's request, we ended the evaluation period consistent with the Lending Test ending date. This change had a neutral effect on the overall rating.

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

## Data Integrity

This evaluation is based on accurate data. In July 2014, we completed a data integrity examination that included sampling records from the Home Mortgage Disclosure Act (HMDA) Loan Application Register and sampling business loans from the CRA Data Collection for 2012, 2013, and 2014. Some errors were noted; however, corrections were made and the corrected data was used at this examination. We also reviewed the community development loans, investments, and services submitted by the Bank to ensure the loans, investments, and services met the regulatory definition for community development. We excluded some items submitted for consideration, because they did not meet the definition or purpose of community development.

## Selection of Areas for Full-Scope Review

The Bank has two assessment areas in Florida. The MSA 33100 (Miami-Ft. Lauderdale-Palm Beach, FL) assessment area will receive a full-scope review. It represents 99.57 percent of the Bank's deposits as of June 30, 2014 and 91.68 percent of the total number of loans analyzed at this examination.

MSA 33100 is comprised of three Metropolitan Divisions (MDs), including MD 33124 (Miami-Miami Beach-Kendall, FL) which consists of Miami-Dade County, MD 22744 (Fort Lauderdale-Pompano Beach-Deerfield, FL) which consists of Broward County, and MD 48424 (West Palm Beach-Boca Raton-Boynton Beach, FL) which consists of Palm Beach County. Each MD is referred to hereafter by its county name and is analyzed separately.

The remaining assessment area, a portion of MSA 36740 (Orlando-Kissimmee, FL) including only Orange and Osceola Counties received a limited-scope review. This assessment area represents 0.43 percent of the Bank's total deposits as of June 30, 2014 and 8.32 percent of the total number of loans analyzed at this examination. Refer to Appendix A for additional information regarding the assessment area receiving a full-scope review.

## **Ratings**

The Bank's overall rating is based primarily on those areas that received full-scope reviews. The Bank's overall rating is based on conclusions for the full-scope MSA 33100 (Miami-Ft. Lauderdale-Palm Beach, FL) assessment area and is a consolidation of conclusions reached for each of the MDs that comprise the MSA. We placed the most weight on performance in Miami-Dade County. Miami-Dade County represents 86.81 percent of the Bank's deposits in the overall MSA as of June 30, 2014 and 72.23 percent of the total number of MSA loans analyzed at this examination.

Small loans to businesses carried the most weight in our analysis considering the Bank's strategic focus is lending to businesses. For home mortgage loans, we gave the most weight to home purchase loans, which represent 74.15 percent of mortgage lending activity.

In determining conclusions related to lending activity, market share, home mortgage, and small business data, we used peer mortgage data for 2013 that was the most recent peer mortgage data available at the time of our evaluation.

## **Other**

We determined community credit needs in the assessment area by reviewing other local bank CRA Performance Evaluations and information from community contacts conducted by the Office of the Comptroller of the Currency during the evaluation period. The organizations provide services to the Bank's assessment areas. Community contacts included nonprofit organizations that support lending to small businesses, lending to low- and moderate-income (LMI) people, affordable housing, and community services to LMI people. Critical credit, banking, and service needs identified included the following:

- Affordable housing loans
- Affordable rental housing
- Small business loans
- Working capital loans
- Lines of credit for nonprofit organizations
- Deposit products with low fees
- Acquisition and construction money
- Asset building products that aid LMI people with saving, and micro consumer loans (less than \$2,000) with low and no predatory interest rates.

One significant observation highlighted from the contacts was the perception that area banks are uncomfortable with loosening underwriting standards in the aftermath of the Great Recession.

## **Fair Lending or Other Illegal Credit Practices Review**

Pursuant to 12 CFR 25.28(c), or 12 CFR 195.28(c), in determining a national bank's (bank) or Federal savings association's (FSA) CRA rating, respectively, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank or FSA, or in any assessment area by an affiliate whose loans have been considered as part of the bank's or FSA's lending performance.

The OCC did not identify evidence of discriminatory or other illegal credit practices with respect to this institution.

# Conclusions with Respect to Performance Tests

## LENDING TEST

### Conclusions for Areas Receiving Full-Scope Reviews

The Bank's performance under the Lending Test in Florida is rated "Outstanding", when considering the Bank's excellent level of community development lending in all assessment areas. Based on a full-scope review, the Bank's performance in MSA 33100 (Miami-Ft. Lauderdale-Palm Beach, FL) is excellent. Performance is excellent in Broward, Miami-Dade, and in Palm Beach Counties.

### Lending Activity

Refer to Table 1 Lending Volume in Appendix C for the facts and data used to evaluate the Bank's lending activity.

*Overall, the Bank's lending activity reflects good responsiveness to assessment area credit needs, given performance context. Home mortgage lending activity is adequate and small business lending activity is good, given performance context. Overall, the Bank's lending activity in the full-scope MSA 33100 (Miami-Ft. Lauderdale-Palm Beach, FL) assessment area is good, given performance context. Lending activity is good in Broward County, Miami-Dade, and Palm Beach Counties.*

Multiple performance context factors had an impact on the Bank's lending activity. Most importantly, CNB's primary business strategy is business lending. Historically it has not been a traditional retail focused institution and it does not actively market a variety of home mortgage products, as many other lenders do in the assessment area. Mortgage lending is not a primary business line, with the exception of the Bank's City Smart Community Mortgage product, which focuses on mortgage loans to low-and moderate-income borrowers. This strategy had a particular impact on the Bank's ability to originate refinance loans, as it does not have a large portfolio of existing borrowers for whom refinancing could be an option. The majority of existing borrowers have used some form of assistance to purchase their homes and many times these programs do not allow for refinancing or have provided such a low interest rate that it is not practical for the borrower to refinance.

The volume of City Smart Community Mortgage loans has been negatively impacted by the marketing of FHA loans, primarily by the larger banks. This product is more competitive, offering lower interest rates and terms than could be offered by CNB. During the evaluation, period the Bank did not have the staffing or expertise necessary to offer FHA loans.

In addition, the assessment area is highly competitive with a large number of lenders reporting home mortgage loan activity. These lenders include multiple 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, including FHA loans, against which CNB cannot compete. These large banks generally dominate the home loan market in all of the Bank's assessment areas.

Economic recovery from the recession has been sluggish but improving, including declines in foreclosure rates, reduction of high unemployment rates, and some improvement in homes with negative equity positions but all these factors impacted overall lending activity during the evaluation period for all lenders in the Bank's assessment areas. For further discussion on these and other performance

context issues, please see the Market Profile in Appendix C. For further discussion on the City Smart Community Mortgage product, please see the Product Innovation and Flexibility section of the Lending Test.

MD 22744 (Fort Lauderdale-Pompano Beach-Deerfield, FL)/Broward County

*Overall, lending activity in Broward County is good, given performance context.* Lending activity is adequate for home mortgage loans given performance context and excellent for small loans to businesses.

FDIC data as of June 30, 2014 shows that CNB had a deposit market share of 0.80 percent and was ranked 18<sup>th</sup> among 51 financial institutions reporting deposits in Broward County. Bank of America, National Association (NA) and Wells Fargo Bank, NA who rank 1<sup>st</sup> and 2<sup>nd</sup>, respectively, and have a combined deposit market share of 43 percent, dominated deposit market share.

Considering performance context, home mortgage lending activity is adequate. For home purchase loans, CNB's market share and rank is significantly below its deposit market share and rank. CNB's market share (by number), based on aggregate data from 2013 is 0.09 percent, and the Bank is ranked 100<sup>th</sup> of 456 lenders reporting home purchase loans in Broward County. For refinance loans, both the Bank's loan market share and rank are significantly below its deposit market share and rank. CNB has a refinance loan market share of 0.05 percent (by number) and is ranked 131<sup>st</sup> of 479 lenders reporting refinance loans in Broward County. In Broward County, the home purchase market is dominated by Wells Fargo, NA and Bank of America, NA who rank 1<sup>st</sup> and 2<sup>nd</sup>, respectively, with a combined market share of 25.80 percent. For refinance loans, the market is dominated by Wells Fargo, NA, JPMorgan Chase, NA and Bank of America, NA who rank 1<sup>st</sup>, 2<sup>nd</sup>, and 3<sup>rd</sup>, respectively, and have a combined market share of 36 percent.

Lending activity for small loans to businesses is excellent. The Bank's market share of small loans to businesses exceeds its deposit market share and its rank is near its deposit market share rank. Based on 2013 aggregate data the Bank's market share of small loans to businesses is 1.20 percent (based on dollar volume), and the Bank is ranked 16<sup>th</sup> of 115 lenders reporting such loans in the county. Market share and rank are based on the dollar volume of loans rather than number of loans because of the inclusion of credit card lenders in small loans to businesses reporting. Credit card lenders originate a large number of small loans to businesses, but the dollar volume is significantly smaller. For example, the top five reporters of small loans to businesses are all credit card lenders that combined have a market share of 75 percent based on number of loans but only 36 percent based on dollar volume. Therefore, a comparison based on dollar volume of loans is more meaningful.

MD 33124 (Miami-Miami Beach-Kendall, FL)/Miami-Dade County

*Overall, lending activity in Miami-Dade County is good, given performance context.* Lending activity is adequate for home mortgage loans, given performance context. Lending activity for small loans to businesses is good, given performance context.

Considering performance context, home mortgage lending activity is adequate. CNB's market share and rank for home mortgage loans is significantly lower than its deposit market share and rank for a comparable period, however, this performance is adequate when consideration is given to the performance context factors previously discussed.

FDIC data as of June 30, 2014 shows that CNB had a deposit market share of 3.22 percent and was ranked 9<sup>th</sup> among 68 financial institutions reporting deposits in Miami-Dade County. Deposit market share is dominated by Wells Fargo Bank, NA and Bank of America, NA who rank 1<sup>st</sup> and 2<sup>nd</sup>, respectively, and have a combined deposit market share of 26 percent.

For home purchase loans, CNB's market share (by number), based on aggregate data from 2013 is 0.55 percent, and the Bank is ranked 40<sup>th</sup> of 391 lenders reporting home purchase loans in Miami-Dade County. For refinance loans, the Bank has a market share of 0.16 percent (by number) and is ranked 67<sup>th</sup> of 423 lenders reporting refinance loans in Miami-Dade County. For multi-family loans, the Bank has a market share of 1.42 percent and is ranked 20<sup>th</sup> of 50 lenders.

In Miami-Dade County, the home purchase market is dominated by Wells Fargo, NA and JPMorgan Chase, NA who rank 1<sup>st</sup> and 2<sup>nd</sup>, respectively, with a combined market share of 24 percent. For refinance loans, the market is dominated by JPMorgan Chase and Wells Fargo, NA who rank 1<sup>st</sup>, and 2<sup>nd</sup>, respectively, with a combined market share of 28 percent. For multi-family loans, the market is dominated by Continental National Bank, Banco Popular North America, and Executive National Bank who rank 1<sup>st</sup>, 2<sup>nd</sup>, and 3<sup>rd</sup>, respectively, with a combined market share of 28.73 percent.

Lending activity for small loans to businesses is good. The Bank's market share of such loans is near its deposit market share and rank. Based on 2013 aggregate data the Bank's market share of loans to small businesses is 3.16 percent (based on dollar volume) and the Bank is ranked 12<sup>th</sup> of 101 lenders reporting such loans in Miami-Dade County. Market share and rank are based on the dollar volume of loans rather than number of loans because of the inclusion of credit card lenders in small loans to businesses reporting. Credit card lenders originate a large number of small loans to businesses, but the dollar volume is significantly smaller. For example, the top five reporters of small loans to businesses are all credit card lenders that combined have a market share of 77 percent based on number of loans but only 33 percent based on dollar volume. Therefore, a comparison based on dollar volume of loans is more meaningful.

#### MD 48424 (West Palm Beach-Boca Raton, FL)/Palm Beach County

*Overall, lending activity in the Palm Beach County is good, given performance context. Lending activity is adequate for home mortgage loans considering performance context and excellent for small loans to businesses.*

Considering performance context, home mortgage lending activity is adequate. CNB's market share and rank for home mortgage loans is significantly below its deposit market share and rank for a comparable period; however, this performance is considered adequate when consideration is given to performance context factors previously discussed.

FDIC data as of June 30, 2014 shows that CNB had a deposit market share of 0.36 percent and was ranked 32<sup>nd</sup> among 55 financial institutions reporting deposits in Palm Beach County. Deposit market share is dominated by Wells Fargo Bank, NA and Bank of America, NA who rank 1<sup>st</sup> and 2<sup>nd</sup>, respectively, and have a combined deposit market share of 37 percent.

For home purchase loans, CNB's market share (by number), based on aggregate data from 2013 is 0.06 percent, and the Bank is ranked 125<sup>th</sup> of 496 lenders reporting home purchase loans in the county. For refinance loans, the Bank has a market share of 0.05 percent (by number) and is ranked 224<sup>th</sup> of 456 lenders reporting refinance loans in the county. In Palm Beach County the home purchase market is

dominated by Wells Fargo and JPMorgan Chase, NA who rank 1<sup>st</sup> and 2<sup>nd</sup>, respectively, with a combined market share of 25 percent. For refinance loans the market is dominated by Wells Fargo and JPMorgan Chase who rank 1<sup>st</sup>, and 2<sup>nd</sup>, respectively, and have a combined market share of 26 percent.

Lending activity for small loans to businesses is excellent. The Bank's lender market share exceeds its deposit market share. The Bank's rank of small loans to businesses is near to the deposit market rank. Based on 2013 aggregate data the Bank's market share of small loans to businesses is 0.49 percent (based on dollar volume,) and the Bank is ranked 27<sup>th</sup> of 120 lenders reporting small loans to businesses in the county. Market share and rank are based on the dollar volume of loans rather than number of loans because of the inclusion of credit card lenders in the small loans to businesses reporting. Credit card lenders originate a large number of small loans to businesses, but the dollar volume is significantly smaller. For example, the top five reporters of small loans to businesses are all credit card lenders that combined have a market share of 72 percent based on number of loans but only 33 percent based on dollar volume. Therefore, a comparison based on dollar volume of loans is deemed more meaningful.

## **Distribution of Loans by Income Level of the Geography**

*Overall, the geographic distribution of loans is good, given performance context.* The geographic distribution of loans is good based on a full-scope review of performance in the MSA 33100 (Miami-Ft. Lauderdale-Palm Beach, FL) assessment area. The geographic distribution of home mortgage loans is adequate and the geographic distribution of small loans to businesses is good, given performance context. The overall geographic distribution is good in Miami-Dade County, excellent in Broward, and good in Palm Beach Counties, given performance context. The geographic distribution of home mortgage loans is adequate in Broward County, good in Miami-Dade County, and good in Palm Beach County, given performance context. The geographic distribution of small loans to businesses is excellent in Broward County, good in Miami-Dade County, and good in Palm Beach County, given performance context.

While performance context factors had a negative impact on home mortgage lending overall during the evaluation period, it had the most negative impact on lender's ability to originate refinance loans as a large number of potential borrowers no longer qualified. In the Bank's overall MSA assessment area 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. Specific to CNB, borrowers generally approach their current lender to refinance their home loan. CNB does not have a large portfolio of home mortgages from which applications for refinance would come, as discussed in the Lending Activity portion of this Performance Evaluation. In addition, competition from FHA loans, also previously discussed, had an impact on the Bank's volume of home purchase loans that generally are for properties in low-and moderate-income geographies. In general, low- and moderate-income borrowers to whom the City Smart product is directed, purchase homes in low- and moderate-income geographies where homes are more affordable. Some moderate-income borrowers are in a position to qualify for the FHA product. For a further discussion of these and other performance context issues, please see the Market Profile in Appendix B.

## **Home Mortgage Loans**

Refer to Tables 2, 4 and 5 in Appendix C for the facts and data used to evaluate the geographic distribution of the Bank's home mortgage loan originations and purchases.

*Overall, the geographic distribution of home mortgage loans is adequate, given performance context. The geographic distribution of home purchase loans is adequate, good for multi-family loans, and adequate for refinance loans, given performance context.* The geographic distribution of home mortgage loans in the full-scope MSA 33100 (Miami-Ft. Lauderdale-Palm Beach, FL) assessment area is adequate, given performance context. The geographic distribution of home mortgage loans in Broward County is adequate, good in Miami-Dade County, and good in Palm Beach County, given performance context.

### MD 22744 (Fort Lauderdale-Pompano Beach-Deerfield, FL)/Broward County

*Overall, the geographic distribution of home mortgage loans in Broward County is adequate, given performance context.* The distribution of home purchase loans is good and distribution of refinance loans is adequate, given performance context.

The percentage of home purchase loans in low-income geographies is below the percentage of owner-occupied housing units in those geographies. In moderate-income geographies the percentage of home purchase loans is near to the percentage of owner-occupied housing units in those geographies. In low-income geographies, the Bank had no market share of home purchase loans. In moderate-income geographies, the Bank's market share of home purchase loans exceeds its overall market share.

For refinance loans, the percentage of loans in low-income geographies exceeds the percentage of owner-occupied housing units in those geographies and in moderate-income geographies the percentage of refinance loans is significantly below the percentage of owner-occupied housing units. For low-income geographies the Bank's market share of refinance loans was 0 percent and was significantly below its overall market share in moderate-income geographies.

### MD 33124 (Miami-Miami Beach-Kendall, FL)/Miami-Dade County

*Overall, the geographic distribution of home mortgage loans in Miami-Dade County is good, given performance context.* The geographic distribution of home purchase loans is good and the distribution of refinance loans is adequate, given performance context. The Bank also produced a meaningful volume of multi-family loans that had a good level of distribution.

In low-income geographies, the percentage of home purchase loans exceeds the percentage of owner-occupied housing units in those geographies, and the Bank's market share of home purchase loans in low-income geographies is below the Bank's overall market share of home purchase loans. In moderate-income geographies the percentage of the Bank's home purchase loans is below the percentage of owner-occupied housing units in those geographies, and the Bank's market share of home purchase loans in moderate-income geographies is also below its overall market share of home purchase loans.

The Bank made no refinance loans in low-income geographies; however, only 1.67 percent of owner-occupied housing, or 8,025 units, are located in low-income geographies. In moderate-income geographies the percentage of refinance loans is significantly below the percentage of owner-occupied

housing units. The Bank's market share of refinance loans in both low- and moderate-income geographies is significantly below its overall market share of refinance loans.

In low-income geographies, the percentage of multi-family loans was near the percentage of multi-family units in those geographies, and aggregate information indicated no market share in low-income geographies. In moderate-income geographies, the percentage of multi-family loans exceeded the percentage of multi-family units in those geographies. Aggregate information indicates a market share no market share for the Bank and is only representative of one year. This aggregate information is not relevant in determining the Bank's level of performance for multi-family loans.

MD 48424 (West Palm Beach-Boca Raton, FL)/Palm Beach County

*Given performance context, the overall geographic distribution of home mortgage loans in Palm Beach County is good.* The geographic distribution of home purchase loans is excellent and refinance is adequate.

In the low-income geographies of Palm Beach County the percentage of the Bank's home purchase loans exceeds the percentage of owner-occupied housing units and is near to the percentage of owner-occupied housing units in moderate-income geographies. The Bank's market share of home purchase loans in low-income geographies exceeds the Bank's overall market share of home purchase loans in Palm Beach County. The most current aggregate data indicate the Bank has a 0 percent market share in moderate-income areas.

The Bank had a low volume of refinance loans (11) that would not yield a meaningful analysis, but the distribution indicates there was one loan in a low-income geography and one loan in a moderate-income geography.

**Small Loans to Businesses**

Refer to Table 6 of Appendix C for the facts and data used to evaluate the geographic distribution of the Bank's origination/purchase of small loans to businesses.

*The overall geographic distribution of small loans to businesses is good.* Geographic distribution of small loans to businesses in the full-scope MSA 33100 (Miami-Ft. Lauderdale-Palm Beach, FL) assessment area is good. The geographic distribution of small loans to businesses is excellent in Broward County, and good in Miami-Dade and Palm Beach Counties.

MD 22744 (Fort Lauderdale-Pompano Beach-Deerfield, FL)/Broward County

*The geographic distribution of the Bank's small loans to businesses is excellent.* The percentage of small loans to businesses in both low- and moderate-income geographies exceeds the percentage of businesses in those geographies, and the Bank's market share of small loans to businesses in both low- and moderate-income geographies exceeds the Bank's overall market share of small loans to business.

MD 33124 (Miami-Miami Beach-Kendall, FL)/Miami-Dade County

*The geographic distribution of the Bank's small loans to businesses is good.* The percentage of small loans to businesses in low- income geographies is near to the percentage of businesses while the Bank's market share of small loans to businesses in low-income geographies is below the Bank's overall market

share of small loans to businesses. In moderate-income geographies, small loans to businesses exceed the percentage of businesses and the Bank's market share in moderate-income geographies exceeds the Bank's overall market share.

MD 48424 (West Palm Beach-Boca Raton, FL)/Palm Beach County

*The geographic distribution of the Bank's small loans to businesses is good.* In low-income geographies, small loans to businesses exceeded the percentage of businesses. In moderate-income geographies, small loans to businesses is near to the percentage of businesses. The Bank's market share of small business loans to businesses in both low- and moderate-income geographies exceeds the Bank's overall market share of small loans to businesses.

### **Lending Gap Analysis**

We evaluated the lending distribution of the Bank's assessment areas to determine if any unexplained conspicuous gaps existed. We found no unexplained conspicuous gaps after reviewing the geographic distribution of loans and the performance context.

### **Inside/Outside Ratio**

A substantial majority of home mortgage and small loans to businesses originated by CNB during the evaluation period are within the Bank's assessment area. Ninety-five percent of loans by number and 94 percent by dollar amount are inside the Bank's overall assessment area. We positively factored this performance into the overall analysis of the distribution of loans by income level of the geography.

By product, 95 percent of home purchase loans by number and 94 percent by dollar amount are inside the overall assessment area, and 93 percent of refinance loans by number and 89 percent by dollar amount are inside the overall assessment area. For small loans to businesses, 96 percent of loans by number and 96 percent by dollar amount are inside the Bank's assessment area.

### **Distribution of Loans by Income Level of the Borrower**

Refer to Tables 8 and 10 of Appendix C for the facts and data used to evaluate the borrower distribution of the Bank's home mortgage loan originations and purchases.

*Overall, the Bank's distribution of loans by income level of the borrower is adequate, given performance context.* Both the distribution of home mortgage loans and the distribution of small loans to businesses are adequate. Overall borrower distribution is adequate in both Broward and Miami-Dade Counties and good in Palm Beach County, given performance context.

### **Home Mortgage Loans**

Refer to Tables 8 and 10 in Appendix C for the facts and data used to evaluate the borrower distribution of the Bank's home mortgage loan originations and purchases.

*Overall, the distribution of home mortgage loans by the income level of the borrower in the MSA 33100 (Miami-Ft. Lauderdale-Palm Beach, FL) assessment area is adequate, given performance context.* The

distribution of home mortgage loans by income level of the borrower is adequate for Broward, Miami-Dade, and Palm Beach Counties, given performance context.

During the evaluation period, performance context issues made it difficult to provide home mortgage loans to low-income borrowers in the overall MSA assessment area. For this reason, more weight was given to lending to moderate-income borrowers in reaching our conclusions.

The lack of affordable housing inventory is a contributor to the Bank's limited origination of loans to low-income borrowers. The median housing value in MSA 33100 (Miami-Ft. Lauderdale-Palm Beach, FL) assessment area is above \$200 thousand, 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 CNB's ability to originate to moderate-income buyers that meet FHA guidelines. In addition, it should be noted that 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.

For further discussion on performance context issues, please see the Market Profiles in Appendix B.

MD 22744 (Fort Lauderdale-Pompano Beach-Deerfield, FL)/Broward County

*Overall, the distribution of home mortgage loans by the income level of the borrower in Broward County is adequate, given performance context.* The distribution of home purchase and refinance loans is adequate, given performance context.

The percentage of home purchase loans to low-income borrowers is significantly below the percentage of low-income families in the county, but consistent with performance context issues noted above. The percentage of home purchase loans to moderate-income borrowers exceeds the percentage of moderate-income families in the county. The 2013 Peer Mortgage Data indicates that the Bank had no market share to low- or moderate-income people and is only representative of one year and is not relevant in our determining the Bank's level of performance.

For refinance loans, the percentage of loans to low-income borrowers is significantly below the percentage of low-income families in the county and is consistent with performance context issues noted above. The percentage of the Bank's refinance loans to moderate-income borrowers is below the percentage of moderate-income families in the county and is consistent with performance context factors.

MD 33124 (Miami-Miami Beach-Kendall, FL)/Miami-Dade County

*Given performance context, the distribution of home mortgage loans by income level of the borrower in Miami-Dade County is adequate.* The distribution of home purchase loans is good and the distribution of refinance loans is adequate, given performance context.

The percentage of home purchase loans to low-income borrowers is significantly below the percentage of low-income families in the county, but consistent with performance context. The percentage of home purchase loans to moderate-income borrowers is near the percentage of moderate-income families in the county. The Bank's market share of home purchase loans to low-income borrowers exceeds its overall market share of home purchase loans, but the Bank's market share of home purchase loans to moderate-income borrowers is significantly below the Bank's overall market share of home purchase loans.

The Bank originated no refinance loans with low-income borrowers. Loans made to moderate-income borrowers was significantly below the percentage of moderate-income families. The 2013 Peer Mortgage Data indicates that the Bank had no market share to low- or moderate-income people and is only representative of one year and is not relevant in our determining the Bank's level of performance

MD 48424 (West Palm Beach-Boca Raton, FL)/Palm Beach County

*Given performance context, the overall distribution of home mortgage loans by income level of the borrower in Palm Beach County is adequate.* The distribution of home purchase loans is good. The number of refinance loans (11) is not sufficient to reach a meaningful conclusion.

Home purchase loans to low-income borrowers exceeds the percentage of low-income families in the county. The Bank's market share of home purchase loans to low-income borrowers exceeds its overall market share. Home purchase loans to moderate-income borrowers is significantly below the percentage of moderate-income families and the Bank had no market share of home purchase loans to moderate-income borrowers in Palm Beach County.

**Small Loans to Businesses**

Refer to Table 11 of Appendix C for the facts and data used to evaluate the borrower distribution of the Bank's origination and purchase of small loans to businesses.

*Overall, the borrower distribution of small loans to businesses is adequate.* The borrower distribution of small loans to businesses in the full-scope MSA 33100 (Miami-Ft. Lauderdale-Palm Beach, FL) assessment area is adequate. The distribution is adequate in Broward and in Miami-Dade Counties and good in Palm Beach County.

MD 22744 (Fort Lauderdale-Pompano Beach-Deerfield, FL)/Broward County

*The distribution of small loans to businesses in Broward County is adequate.* The Bank's percentage of small loans to small businesses (businesses with annual revenues of \$1 million or less) is below the percentage of small businesses located in Broward County. The Bank's market share of small loans to small businesses is below its overall market share of small loans to small businesses

MD 33124 (Miami-Miami Beach-Kendall, FL)/Miami-Dade County

*The distribution of small loans to businesses in Miami-Dade County is adequate.* The Bank's percentage of small loans to small businesses is below the percentage of small businesses located in Miami-Dade County. The Bank's market share of small loans to small businesses is below its overall market share of small loans to small businesses.

MD 48424 (West Palm Beach-Boca Raton, FL)/Palm Beach County

*The distribution of small loans to businesses in Palm Beach County is good. The Bank's percentage of small loans to small businesses is near to the percentage of small businesses located in Palm Beach County. The Bank's market share of small loans to small businesses exceeds its overall market share of small loans to small businesses.*

## **Community Development Lending**

Refer to Table 1 Lending Volume of Appendix C for the facts and data used to evaluate the Bank's level of community development lending. This table includes all community development loans, including multi-family loans that also qualify as community development loans. In addition, Table 5 includes geographic lending data on all multi-family loans, including those that also qualify as community development loans. Table 5 does not separately list community development loans.

*Overall, the Bank's community development lending activity in the full-scope MSA 33100 (Miami-Ft. Lauderdale-Palm Beach, FL) assessment area is excellent and it had a significant positive impact on the overall Lending Test rating. Performance is excellent in Broward, Miami-Dade and Palm Beach Counties and it had a positive impact on overall Lending Test conclusions for those counties. All community development loans were originated within the Bank's assessment area.*

### *MD 22744 (Fort Lauderdale-Pompano Beach-Deerfield, FL)/Broward County*

*CNB has an excellent level of community development loans in Broward County considering the level of its presence in the county. This performance had a positive impact on the overall Lending Test conclusion for Broward County.*

During the community development evaluation period, the Bank made 12 community development loans in Broward County totaling \$53 million. CNB originated a good mix of community development loans representing affordable housing (four loans totaling \$14.2 million), community services (two loans totaling \$7.7 million) and revitalize and stabilize low- and moderate-income geographies (six loans totaling \$31 million). Of these six revitalize and stabilize loans, two are providing working capital to existing businesses so they can maintain operations and permanent jobs. One working capital community development loan for \$8 million retains employment for over 1,700 collective bargaining unit employees. The remaining four loans were to purchase or renovate a shopping center and an office building, both in low- and moderate-income geographies. These loans will help to stabilize the geographies by retaining jobs and providing necessary services. One community development loan totaling \$3.7 million helped to provide 105 licensed beds for an assisted living facility and created more jobs in the community. The retention of jobs is responsive to assessment areas needs as evidenced by the high poverty rates throughout the evaluation period.

### *MD 33124 (Miami-Miami Beach-Kendall, FL)/Miami-Dade County*

*CNB has an excellent level of community development loans in Miami-Dade County. This performance had a positive impact on the overall Lending Test conclusion for Miami-Dade County.*

During the community development evaluation period, the Bank made 24 community development loans, totaling \$74 million. Of the total, 79 percent of loan funds (\$58.2 million, representing 15 loans) were used to help revitalize and stabilize low- and moderate-income geographies. These loans either

provide working capital funds to existing businesses and supported the retention of jobs, or were used for the purchase of new or existing businesses that will provide new jobs or retain existing jobs in low- or moderate-income geographies for low- and moderate-income workers. Several of the loans are located within enterprise zones. One community development loan is to a company that provides financing for a seven-story office complex that houses both adult and pediatric health centers. CNB originated eight loans totaling \$ 15.8 million that helped meet critical affordable rental housing needs in the county. One was to refinance a 111-unit seven-story apartment complex located within an enterprise zone totaling \$4.7 million. The project is consistent with the community needs of affordable housing.

MD 48424 (West Palm Beach-Boca Raton, FL)/Palm Beach County

*CNB has an excellent level of community development loans in Palm Beach County considering the level of its presence in the county. This performance had a positive impact on the overall Lending Test conclusion for Palm Beach County.*

The Bank originated six community development loans totaling \$33 million in Palm Beach County during the evaluation period. Three of the loans totaling \$14.8 million helped to revitalize and stabilize two different moderate-income geographies. The loans provided financing for the acquisition and rehabilitation of office and retail facilities supporting the retention of permanent jobs and helping provide needed services, including several mom-and-pop operations and medical facilities to the moderate-income geographies. Two loans were responsive to affordable housing needs, which are a critical need in the county. One loan is helping to make 73 units of HUD Section 8 rental housing available to low- and moderate-income tenants.

## **Product Innovation and Flexibility**

*The Bank makes extensive use of flexible mortgage programs to help meet credit needs in its assessment area. CNB's use of these flexible programs had a positive impact on conclusions under the Lending Test.*

Throughout all portions of the MSA 33100 (Miami-Ft. Lauderdale-Palm Beach, FL) assessment area, CNB offers its City Smart Community Mortgage Program that is targeted to low- and moderate-income homebuyers. A proprietary product initiated by the Bank, the mortgage features flexible underwriting criteria, 95 percent loan-to-value ratios, no private mortgage insurance requirements, and reduced closing costs. During the evaluation period, the Bank originated 53 City Smart mortgages in the full-scope MSA 33100 assessment area.

City Smart Mortgages allow for multiple layers of financing, enabling borrowers to participate in programs designed to assist low- and moderate-income individuals and families to become homeowners. Local community development corporations (CDCs) and cities often have home purchase assistance programs that can benefit City Smart borrowers and in some cases, Housing and Urban Development (HUD) Section 8 housing assistance payments can be used for mortgage payments. In 2014, the Bank offered down payment and closing cost assistance up to \$4 thousand. The closing cost assistance is two percent of the loan amount up to a maximum of \$2 thousand, and the down payment assistance is also two percent of the loan amount up to a maximum of \$2 thousand. City Smart loans are included with the home mortgage loans analyzed in other portions of the Lending Test. CNB originated seven loans that received approximately \$25 thousand in down payment and closing cost assistance.

In 2014, CNB implemented a refinance program for existing City Smart clients to allow LMI borrowers to take advantage of the decreased interest rates. Generally, LMI borrowers in South Florida may not be able to take advantage of reduced rates for many reasons including the cost to refinance existing liens due to subsidies received to obtain the original loan, property values, general qualification requirements, etc. Taking these factors into consideration, CNB designed a refinance program that existing City Smart Mortgage borrowers can qualify to refinance their mortgage without any costs to take advantage of low interest rates resulting in a reduction of their monthly payment. This program involved the Bank reaching out to other lien holders to get approval to modify the first lien, and finally handling the closings and ensuring the Bank's closing and loan teams understood that all prepaid interest or other fees must be assumed by the Bank since the loan is free to the borrower. The Bank assisted 12 families to save on their mortgage payments. Furthermore, the Bank had to assist each borrower with getting their initial down payment assistance lien subordinated which was difficult since some of the programs do not allow lien subordinations; however, the Bank was able to get exceptions to allow the lien subordination.

The Community Advantage Line of Credit started in 2014 and is an unsecured revolving line of credit up to \$10,000 targeted to meet the needs of small businesses in the communities CNB serves. The small business owner must have revenues less than \$1 million and must personally guarantee the loan. The product allows the small business owner to use the funds for any business purpose and make interest-only payments. The loan provides flexible underwriting with qualifying credit scores of 650 or greater and must be in the business for at least one year. Despite the flexible underwriting, rates are very competitive, as low as Prime plus three to five percent depending on the credit quality. The program originally required the business owner to have an account with CNB for one year and could not have had any overdrafts within the last 12 months; however, in order to better align the product with market needs and also focus on new small business relationships, the Bank modified the program to allow overdrafts and new clients. The Bank has originated seven Community Advantage Lines of Credit during the evaluation period.

CNB launched a Small Business Administration (SBA) program in mid 2014. The Bank funded 16 SBA guaranteed loans under the SBA 7(a) and Express/Export Express programs and 12 loans under the SBA 504 program. SBA program descriptions follow.

**SBA 7(a) loan** - The Small Business Administration 7(a) loan is the most commonly used government-guaranteed loan program. This type of loan gives small- to medium-sized businesses access to non-traditional sources of capital. The loan offers up to 90 percent total project financing, minimal down payment, easy application process, longer repayment terms, broad eligibility, and no balloon payments. SBA 7(a) loan recipients are for-profit small businesses with good credit and track record of sufficient cash flow, including manufacturing, wholesale, retail and service businesses as well as independent and franchise businesses. Borrowers can access a credit facility up to \$5 million. The SBA provides an 85 percent guarantee to CNB on loan amounts of \$150,000 or less and a 75 percent guarantee on amounts of \$150,000 or more. The amount of collateral needed depends on the total amount of the loan as well as cash flow, liquidity and assets of the business. In addition, the SBA requires CNB to take a secured interest in business assets. The loan terms vary depending on how the proceeds are used. Loans for working capital have terms up to seven years, loans for equipment up to 10 years (or remaining useful life of equipment), and loans for real estate purchase up to 25 years.

**SBA Express** - As an approved SBA Express lender, CNB provides fast turnaround, as well as streamlined processing, for smaller loans and lines of credit up to \$350,000 with a 50 percent guarantee from the SBA. The loan provides up to a two-year revolving line of credit, converting to a five-year term thereafter or fully amortized term loan. Small Business Administration Express loans are designed

to handle smaller SBA loan needs in a quick manner. As a result, the application process is simplified, there are faster turnaround times on loan decisions, longer repayment terms, and a minimal down payment. SBA Express loans can be issued as a term loan or line of credit, giving greater financial flexibility. SBA Express loan recipients are for-profit small businesses with good credit and a track record of sufficient cash flow, including manufacturing, wholesale, retail and service businesses as well as independent and franchise businesses. The funds from a SBA Express loan can be used to buy equipment and machinery, inventory, land, buildings, leasehold improvements, working capital, debt refinancing, plus startup, expansion and business acquisition. The amount of collateral needed depends on the total amount of the loan as well as cash flow, liquidity and assets of the business. In addition, the SBA requires CNB to take a secured interest in business assets so additional collateral may be required.

**SBA 504** - Small Business Administration 504 loans offer longer terms and fixed rates, which makes them a good option when purchasing major assets such as land, buildings, major machinery and equipment, or when planning extensive renovations. The SBA 504 loan provides up to 90 percent total financing, fixed rate for 20 years on the SBA portion of the loan, higher loan amounts, enhanced business cash flow and liquidity preservation, low down payment (as low as 10 percent), predictable monthly payment, and no balloon payment (on SBA portion of the loan). SBA 504 loan recipients must be existing, for-profit businesses with an average 2-year net worth of \$15 million or less and with after-tax profits of less than \$5 million. Owner/user of the project being financed must occupy at least 51 percent of the property. SBA 504 maximum loan amount is \$5 million and can be used to buy land and buildings, finance major renovations and purchase machinery and equipment. CNB finances 50 percent of the total project cost. The Community Development Corporation (CDC), through the SBA, finances 40 percent of the project up to \$5 million. Owner must provide a minimum 10 percent down payment in the project. CNB will hold the first mortgage on real estate and/or a secured interest in equipment and machinery, and the SBA will hold the second mortgage on real estate or the second secured interest in equipment and machinery.

## **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the Bank's performance under the Lending Test in MSA 36740 (Orange and Osceola Counties only) is good but weaker than the Bank's overall outstanding performance under the Lending Test. Performance in the limited-scope assessment areas had a neutral impact on the overall Lending Test conclusion. Refer to the Tables 1 through 11 of Appendix C for the facts and data that support these conclusions.

## INVESTMENT TEST

### Conclusions for Areas Receiving Full-Scope Reviews

The Bank's performance under the Investment Test in Florida is rated "Outstanding". Based on a full-scope review, the Bank's performance in MSA 33100 (Miami-Ft. Lauderdale-Palm Beach, FL) is excellent. Performance is excellent in Broward, Miami-Dade, and Palm Beach Counties. Refer to Table 14 for the facts and data used to evaluate the Bank's level of qualified investments.

During the evaluation period, the Bank made a \$14 million investment in a CRA qualified investment fund that is ear marked for each assessment area. A portion is shown as State/Regional within the Assessment Area in Table 14, because the specific earmarks had not occurred prior to the start of our evaluation. The investment is backed by multiple mortgages on properties that are helping to provide affordable rental housing to low- and moderate-income people in the Bank's assessment areas. The impact of this investment is taken into consideration when reaching conclusions about performance in each of the counties. In addition, the Bank has a prior period investment in a Stadium Bond with a current balance of \$19.8 million, which provides jobs for primarily low- and moderate-income workers within the Bank's assessment area. Donations totaling \$257 thousand were to organizations whose primary purpose meets the definition of community development.

Overall, the Bank's community development investments are responsive to assessment area needs, primarily addressing the need for affordable housing and permanent jobs for low- and moderate-income individuals. Affordable housing needs are considered critical throughout the overall MSA assessment area. Investments are not considered innovative or complex and private investors routinely provide these types of qualified investments.

#### MD 22744 (Fort Lauderdale-Pompano Beach-Deerfield, FL)/Broward County

*Investment performance in Broward County is excellent when considering the impact of the MSA investment.* Current period-qualified investments totaled \$3.46 million and consist of Fannie Mae mortgage pools that finance affordable rental housing. The investment includes a Small Business Administration loan to a business located in a Historically Underutilized Business (HUB) Zone qualified census tract. The HUB Zone Program promotes job growth, capital investment, and economic development to historically underutilized business zones by providing contracting assistance to small businesses located in these economically distressed communities. There are no prior period investments in this assessment area.

#### MD 33124 (Miami-Miami Beach-Kendall, FL)/Miami-Dade County

*Investment performance in Miami-Dade County is excellent when considering the impact of the MSA investment.* Current period-qualified investments totaled \$7.99 million and consist of a qualified CRA investment fund through Community Capital Management. The investments are primarily backed by mortgages on properties that are helping to provide rental housing affordable to low- and moderate-income residents. The Bank has a prior period investment in a Stadium Bond with a current balance of \$19.8 million, which provides jobs for primarily low- and moderate-income workers.

MD 48424 (West Palm Beach-Boca Raton, FL)/Palm Beach County

*Investment performance in Palm Beach County is excellent.* Current period-qualified investments that benefit Palm Beach County totaled \$1.79 million. These investments consist of Fannie and Ginnie Mae MBS to finance loans to low- and moderate-income families. Investments also include loans for community development under Section 108 of the US Department of Housing and Urban Development. Section 108 is the loan guarantee component of the Community Development Block Grant (CDBG) Program, which provides communities with a source of financing for economic development, housing rehabilitation, public facilities, and large-scale physical development projects. The Section 108 loan guarantee program allows local governments to transform a small portion of their CDBG funds into federally guaranteed loans large enough to pursue physical and economic revitalization projects capable of renewing entire neighborhoods.

### **Conclusions for Area Receiving Limited-Scope Reviews**

Based on a limited-scope review, the Bank's performance under the Investment Test in the Orange-Osceola Counties was not inconsistent with the Bank's overall outstanding performance under the Investment Test. Current period-qualified investments totaled \$350 thousand, which consists of loans to moderate-income borrowers and Ginnie Mae mortgage pools financing affordable housing. There are no prior period investments in this assessment area. Performance in the limited scope assessment areas had a positive impact on the Investment Test conclusion. Refer to Table 14 in Appendix C for the facts and data that support these conclusions.

## SERVICE TEST

### Conclusions for Areas Receiving Full-Scope Reviews

The Bank's performance under the Service Test is rated "Outstanding". Based on a full-scope review, the Bank's performance in MSA 33100 (Miami-Ft. Lauderdale-Palm Beach, FL) is excellent. Performance is excellent in Miami-Dade, Broward, and Palm Beach Counties.

### Retail Banking Services

The Bank's retail service delivery systems are excellent and readily accessible to all geographies and individuals of different income levels. Refer to Table 15 in Appendix C for the facts and data used to evaluate the distribution of the Bank's branch delivery system and branch openings and closings.

During the evaluation period, the Bank opened one new branch in Miami-Dade County, closed the only branch in Martin County, and relocated one branch in Broward County. The branch opening and relocation had a neutral effect on the assessment area. The Bank has 26 full-service branches in its assessment areas. The overall distributions of the branches encompass three low-income, four moderate-income, five middle-income, and 14 upper-income geographies. Additionally, the Bank offers 36 Automated Teller Machine (ATM) facilities located primarily on the branch locations as well as nearby areas.

#### MD 22744 - Broward County (Fort Lauderdale-Pompano Beach-Deerfield Beach, FL)

*Service delivery systems in Broward County are readily accessible to all geographies and individuals of different income levels.* There are five branches in this metropolitan division; one is located in a moderate-income geography, two are in middle-income geographies, and two are in upper-income geographies. The percentage of the Bank's presence in low- and moderate-income level geographies is below the percentage of population within each geography. Nonetheless, two of the five branches (Pompano & Hallandale) located in middle-income geographies are adjacent to low- and moderate-income census tracts. One branch (Las Olas) located in an upper-income geography is adjacent to two low-income level geographies. Each branch has an ATM. There were no branch openings or closings during the evaluation period.

#### MD 33124 - Miami Dade County (Miami-Miami Beach-Kendall, FL)

*Branches in Miami-Dade County are readily accessible to all geographies and individuals of different income levels.* There are 16 branches in this metropolitan division; one is located in a low-income geography, one in an unknown income level (formerly low-income), one in a moderate-income level, three in middle-income geographies, and 10 in upper-income level geographies. The percentage of branches in low-income geographies exceeds the percentage of population residing in such geographies while the percentage of branches in moderate-income geographies is lower than the percentage of the population residing in moderate income geographies. However, four branches located in upper-income level geographies (Coral Gables, Brickell, Doral, and Bird Road) and two branches located in middle-income level geographies (One Biscayne and Miami Beach 71<sup>st</sup>) are adjacent to moderate-income geographies. These branches are located in central business areas that commonly serve the neighboring moderate-income geographies. All branches have ATMs. There were no branch closures during the

evaluation period. One branch was opened in an upper-income level census tract, which had a neutral impact on the overall retail banking services.

MD 48424 Palm Beach County (West Palm Beach-Delray Beach-Boca Raton, FL)

*Branches in Palm Beach County are readily accessible to all geographies and individuals of different income levels.* There are three branches in this assessment area, one is located in a low-income geography and two are in upper-income geographies. The percentage of the Bank's branches in low-income geographies exceeds the percentage of population residing in low-income geographies. The two branches located in upper-income geographies are adjacent to moderate-income geographies. There were no branch openings or closings during the evaluation period.

## **Community Development Services**

The Bank's provision of community development services in the overall full scope MSA 33100 (Miami-Ft. Lauderdale-Palm Beach, FL) assessment area is excellent. The Bank provides a relatively high level of community development services throughout the full-scope assessment area that are responsive to assessment area needs, particularly those related to financial literacy training and affordable housing. Performance is excellent in Miami-Dade, Broward, and Palm Beach Counties.

MD 22744 Broward County (Fort Lauderdale-Pompano Beach-Deerfield Beach, FL)

*CNB took a lead role in providing community development services in Broward County.* During the evaluation period, Bank records indicate that Bank employees spent 253 hours on community development services conducted through 16 local community based organizations that have the primary mission to assist with housing opportunities affordable to low- and moderate-income individuals and families. Bank Officers continue to provide technical assistance to local nonprofit organizations by serving as Board or Committee members to help provide financial literacy to low- and moderate-income individuals.

Examples of organizations that CNB recurrently provides a community development service include the Broward County Housing Authority, an organization dedicated on creating, providing and increasing affordable housing opportunities to Broward County residents. Oasis of Hope Community Development Corporation is another organization that provides basic community housing services to low- and moderate-income families and persons.

MD 33124 - Miami Dade County (Miami-Miami Beach-Kendall, FL)

*The Bank took on a lead role providing community development services in Miami-Dade County.* During the evaluation period, Bank records indicate that Bank employees spent more than 1,600 hours on community development services conducted through 60 different organizations that help to provide affordable housing opportunities or community development services to low- and moderate-income individuals and families during the evaluation period. Bank employees provided technical assistance to non-profit organizations by serving as board members and providing technical assistance to low- and moderate-income people. The Bank's Community Development Lenders participated in over 16 Homebuyer workshops and financial literacy workshops, attended by approximately 780 people. Virtually all workshops were held in partnership with assessment area CDCs whose primary mission is to help provide education as well as affordable housing to low- and moderate-income residents. The

Bank's portion of the workshops focus on financial education, such as savings, credit repair, predatory lending, money management, financial literacy, foreclosure prevention, pre- and post-homeownership counseling, and business finance.

Examples of organizations that CNB frequently provides community development services includes the Neighborhood Housing Services of South Florida, an organization focused on creating affordable housing opportunities and revitalizing neighborhoods in Miami-Dade and Broward Counties. The Opa-Locka Community Development Corporation is another organization that provides financial literacy and planning assistance to low- and moderate-income individuals.

*MD 48424 Palm Beach County (West Palm Beach-Delray Beach-Boca Raton, FL)*

*Considering the Bank's limited presence, CNB provides an excellent level of community development services in Palm Beach County. During the evaluation period, Bank records indicate that Bank employees spent 281 hours on community development services conducted through four local community based organizations that have the primary mission to assist with housing opportunities affordable to low- and moderate-income individuals and families. An example of an organization that CNB frequently provides community development services is the Delray Beach Community Land Trust, an organization that fosters healthy communities through the creation, stabilization and preservation of quality long-term affordable housing. Additionally, Bank officers provided technical assistance to non-profit organizations by providing financial education and counseling to low- and moderate-income people.*

## **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the Bank's performance under the Service Test in MSA 36740 (Orange and Osceola Counties only) is not inconsistent with the Bank's overall rating performance under the Service Test. Refer to Table 15 in Appendix C for the facts and data that support these conclusions.

## Appendix A: Scope of Examination

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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): (01/01/2012 to 12/31/2014) Investment and Service Tests and CD Loans: (05/29/2012 to 12/31/2014)	
<b>Financial Institution</b>	<b>Products Reviewed</b>	
City National Bank of Florida 25 West Flagler Street Miami, FL 33130	Home Mortgage Loans Small Loans to Businesses Community Development Loans	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
<i>Not Applicable</i>		
<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	
MSA 36740 (Orlando-Kissimmee, FL)	Limited-Scope	Includes Orange and Osceola Counties only

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

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

The full-scope assessment area 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 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 five 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 full-scope assessment area as a Metropolitan Division (“MD”). The accompanying tables and discussions focus on each of the MDs individually.

#### MD 22744- Broward County

Demographic Information for Full Scope Area: MD 22744- Broward County						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	361	5.26	27.42	36.84	30.19	0.28
Population by Geography	1,748,066	4.13	28.90	35.76	31.21	0.00
Owner-Occupied Housing by Geography	463,511	1.73	27.32	37.11	33.84	0.00
Business by Geography	322,466	3.36	24.59	33.82	38.22	0.00
Farms by Geography	4,386	3.31	28.02	32.95	35.73	0.00
Family Distribution by Income Level	420,639	22.03	17.44	19.79	40.73	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	166,037	7.73	41.38	34.79	16.10	0.00
Median Family Income		62,619	Median Housing Value		267,849	
HUD Adjusted Median Family Income for 2013		61,700	Unemployment Rate (2010 US Census)		4.78%	
Households Below Poverty Level		12%				

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

Source: 2010 US Census and 2013 HUD updated MFI

Broward County is equivalent to Metropolitan Division 22744 (Fort Lauderdale-Pompano Beach-Deerfield Beach, FL). Based on the 2010 Census, the assessment area consists of 361 geographies of which 19 (5 percent) are low-income, 99 (28 percent) are moderate-income, 133 (37 percent) are middle-income, and 109 (30 percent) are upper-income. The assessment area meets the legal requirements of CRA and does not arbitrarily exclude low- or moderate-income geographies. According to the 2010 Census, population totaled 1.7 million people, an eight percent increase since the 2000 Census.

The housing crisis is just as evident in Broward County as it is in Miami-Dade County and has had a similar impact (see the Miami-Dade County profile). Approximately, 22 percent of families in Broward County are low-income and 17 percent of families are moderate-income. The poverty level is high at 12

percent. The Department of Housing and Urban Development (HUD) estimated median family income for the evaluation period was \$62,600 for 2012, \$61,700 for 2013, and \$61,800 for 2014. Based on the median family income, low- and moderate-income (LMI) people have incomes of less than 80 percent of the median family income, or less than \$50,080, \$49,360, and \$49,440, respectively for the years discussed. Housing costs are high with the median sales price of a single-family home of \$196,000 as of December 2014, according to Zillow. The high median cost makes it difficult for LMI people to own a home in the assessment area without the help of loan subsidies. In addition, the high property tax and insurance premiums add significant costs to owning a home. As in Miami-Dade County, investors are purchasing lower priced homes for cash limiting the opportunities for low- and moderate-income buyers.

The unemployment rate has fluctuated during the evaluation period with a high of 8.6 percent in July 2012 and trending lower with 5.0 percent at December 2014, according to the Bureau of Labor Statistics. As of March 2015, the rate was slightly up at 5.1 percent. During the evaluation period, the Broward County unemployment rate tends to be below the State of Florida rate. The State unemployment rate was 5.7 percent as of March 2015.

Foreclosures have decreased during the evaluation period from 11,278 in 2012 to 9,180 in 2013, to 11,125. Foreclosures were the highest at 18,427 in 2010. Broward County foreclosure rates are highest in the MSA at one foreclosure for every 259 housing units. The high level of foreclosures was a major factor in decreased property values. Home values are slowly rising and according to Zillow.com, the median home value was \$191,000 in March 2015 compared to \$174,000 in March 2014 and \$132,000 in March 2012.

Major industries are similar to Miami-Dade with real estate development, trade business with Latin America, and tourism. According to Dunn and Bradstreet, there were 440,338 non-farm businesses in the Broward MD for 2012 of which 76.10 percent are categorized small business. Small businesses are defined as having revenues of \$1 million or less. For 2014, non-farm businesses reduced to 264,843 of which 72.30 percent were small businesses. The majority (72 percent) of the small businesses are concentrated in the County's middle- and upper-income geographies. Many small businesses were challenged during the recession and the recovery period. Those businesses seeking loans, including new business owners, faced more stringent underwriting of their loans and documentation of creditworthiness from banks. Small businesses in the County decreased during the evaluation period from 255,381 in 2012 to 191,488 in 2014.

Banking competition within the assessment area is high. In addition to community and mid-size banks, branches of the largest banks in the country operate in Broward County. As of June 30, 2014, there are 51 deposit taking financial institutions in Broward County operating 479 branches. CNB has a deposit market share of 0.80 percent. The market continues to be dominated by Bank of America, NA and Wells Fargo, NA as discussed in the Lending Activity portion of this evaluation.

Opportunities for community development activities are good in Broward County, but are slightly more limited than in Miami-Dade County. The same factors impact community development activity in both counties. As in Miami-Dade County, opportunities exist for investments in local, state-wide, and regional CDFIs and for services directed to financial education programs.

Qualified mortgage-backed securities are an option, as in Miami-Dade County. Opportunities exist to contribute to qualified non-profit organizations whose mission meets the definition of community development. Economic development and revitalization and stabilization opportunities exist in the

assessment area. There are local and state designated zones targeted for redevelopment by revitalizing the areas and/or attracting new businesses and expanding existing ones.

### MD 33124- Miami-Dade County

Demographic Information for Full Scope Area: MD 33124- Miami-Dade County						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	518	5.98	25.48	32.05	33.20	3.28
Population by Geography	2,496,435	5.06	26.89	34.46	33.01	0.58
Owner-Occupied Housing by Geography	480,532	1.67	19.87	35.55	42.90	0.01
Business by Geography	430,864	3.10	22.28	27.62	45.47	1.53
Farms by Geography	5,051	1.98	19.38	32.05	46.05	0.53
Family Distribution by Income Level	571,889	23.23	17.00	18.29	41.48	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	230,063	9.03	39.65	33.96	17.33	0.03
Median Family Income HUD Adjusted Median Family Income for 2013 Households Below Poverty Level		50,065 49,000 18%	Median Housing Value Unemployment Rate (2010 US Census)		295,738 4.18%	

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2010 US Census and 2013 HUD updated MFI

According to the 2010 Census, the Miami-Dade County MD consisted of 518 geographies distributed as follows: 31 (6 percent) low-income, 132 (25 percent) moderate-income, 166 (32 percent) middle-income, 172 (33 percent) upper-income and 17 (3 percent) no income data. The assessment area meets the legal requirements of CRA and does not arbitrarily exclude low- or moderate-income geographies.

Miami-Dade County is a densely populated urban center. According to the 2010 Census, the total population is 2.5 million with population growth of 11 percent since the 2000 census. The poverty level is high at 18 percent of the population. These households would have difficulty qualifying for a home loan even at current housing prices. Community contacts indicate that the need for affordable rental housing is acute in Miami-Dade County.

Miami-Dade County was severely impacted by the housing crisis that had its beginnings in 2006 and 2007 leading to the national recession that ended in 2009. Several years have passed, but Miami-Dade County as well as the State of Florida and the nation (United States) continue to recover from the crisis. The cost of living in the Miami-Dade MD remains high even though there are indications of improvements in employment, foreclosure filings, housing sales, and other conditions.

The unemployment rate has fluctuated during the evaluation period with a high of 9.0 percent in August 2012 and trending lower with 5.9 percent at December 2014, according to the Bureau of Labor Statistics. As of March 2015, the rate was up at 6.2 percent. During the evaluation period, the Miami-Dade unemployment rate was above the State of Florida rate. The State unemployment rate was 5.7 percent as of March 2015.

Twenty-three percent of families in Miami-Dade County are low-income and 17 percent of families are moderate-income. The Department of Housing and Urban Development (HUD) estimated median family income for the evaluation period was \$52,600 for 2012, \$49,000 for 2013, and \$48,400 for 2014. Based on the median family income, low- and moderate-income (LMI) people have incomes of less than 80 percent of the median family income, or less than \$42,080, \$39,200, and \$38,720, respectively for the years discussed. Housing costs are high with the median sales price of a single-family home of \$242,000 as of December 2014, according to Zillow. The high median cost makes it difficult for LMI people to own a home in the assessment area without the help of loan subsidies. In addition, the high property tax and insurance premiums add significant cost to owning a home. LMI homebuyers also face the challenge of finding affordable homes as they compete with investors that buy up affordable housing properties with cash for resale or for rental properties. Subsidies have been available, but funds run out quickly. Processing times to get subsidy approval can be lengthy, and while waiting for approval, a property could easily sell off the market before approval occurs.

During the housing crisis and thereafter, Miami-Dade had some of the highest foreclosure rates in the United States. Foreclosure rates have decreased to 3.23 percent as of March 2015 compared to 5.17 percent in March 2014. The high level of foreclosures was a major factor in decreased property values. Home values are slowly rising and according to Zillow.com, the median home value was \$235,000 in March 2015 compared to \$214,000 in March 2014 and \$161,000 in March 2012.

Major industries include real estate development, trade business with Latin America, and tourism. According to Dunn and Bradstreet, there were 444,338 non-farm businesses in the Miami-Dade MD for 2012 of which 74.70 percent are categorized small business. Small businesses are defined as having revenues of \$1 million or less. For 2014, non-farm businesses reduced to 360,673 of which 70.15 percent were small businesses. The majority (74 percent) of the small businesses are concentrated in the County's middle- and upper-income geographies. Many small businesses were challenged during the recession and the recovery period. Those businesses seeking loans, including new business owners, faced more stringent underwriting of their loans and documentation of creditworthiness from banks. Small businesses in the County decreased during the evaluation period from 331,930 in 2012 to 253,006 in 2014.

Banking competition within the assessment area remains intense. In addition to community and midsize banks, branches of the largest banks in the country operate in Miami-Dade County. As of June 30, 2014, there were 68 deposit taking financial institutions in Miami-Dade County operating 695 banking offices holding area deposits of \$102 billion. CNB had a deposit market share of 3.22 percent and the Miami-Dade market was dominated by Wells Fargo, N.A. and Bank of America, N.A. In addition to competition for deposits and loans, the level of competition in the assessment area is very high for CRA qualified community development investments.

Opportunities for community development lending, investments, and services in Miami-Dade County existed during the evaluation period. Opportunities exist to finance the purchase and/or rehabilitation of multi-family housing units that provide affordable rental housing in low- and moderate-income geographies, but they have declined from previous levels because of the volume of condominium conversions during the height of the housing boom. Statewide affordable housing entities are continuing to construct affordable rental housing, as are some local developers. They are either financed directly or through loan funds that rely on the participation of a group of local banks. There are federal and state designated Empowerment Zones that target economic development with the goal of revitalizing the area by stimulating and retaining jobs, and there are areas designated as Enterprise Zones, and Foreign Trade Zones that share the same goal.

The impact of the mortgage crisis caused some community development organizations to change their focus from new construction to acquiring foreclosed properties, rehabilitating them, and then making them available for rent or for sale to low- and moderate-income persons or families. Some of these activities are funded through grants from the Neighborhood Stabilization Program (NSP) offered by the Department of Housing and Urban Development (HUD) which were awarded to Miami-Dade County and the city of Miami. Banking activities related to the NSP are given positive consideration under community development.

Community development investment options are available. Mortgage-backed securities backed by mortgages to low- and moderate-income borrowers are an option either directly or through loan funds that make investments in mortgage-backed securities. Low Income Housing Tax Credits remain available. Miami-Dade County, the State, and the Region have community development financial institutions (“CDFIs”) and private equity organizations that need support for their community development activities. Opportunities exist to contribute to qualified non-profit organizations whose missions are focused on providing affordable housing and community services for low- and moderate-income persons, particularly in the areas of job training and job placement, as noted by a community contact made for another CRA examination in the same assessment area. Opportunities exist to provide financial literacy training in schools and in cooperation with local community organizations. This training could include homeownership, credit, foreclosure counseling, and information on general banking services to assist the un-banked population.

### MD 48424- Palm Beach County

Demographic Information for Full Scope Area: MD 48424- Palm Beach County						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	337	6.23	24.93	31.45	35.01	2.37
Population by Geography	1,320,134	4.88	26.01	33.30	35.59	0.22
Owner-Occupied Housing by Geography	384,995	2.96	22.08	36.12	38.83	0.00
Business by Geography	250,936	3.49	18.91	31.53	45.89	0.18
Farms by Geography	4,983	3.87	22.38	29.38	44.33	0.04
Family Distribution by Income Level	324,849	21.50	17.84	18.93	41.73	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	127,797	8.13	36.53	34.23	21.11	0.00
Median Family Income		64,445	Median Housing Value		288,519	
HUD Adjusted Median Family Income for 2013		64,600	Unemployment Rate (2010 US Census)		4.38%	
Households Below Poverty Level		11%				

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

Source: 2010 US Census and 2013 HUD updated MFI

Palm Beach County is equivalent to Metropolitan Division 48424 (West Palm Beach, Boca Raton-Boynton Beach, FL). According to the 2010 Census, the Palm Beach County MD geographies totaled 337 census tracts with a total population of 1.3 million people. The assessment area meets the legal requirements of CRA and does not arbitrarily exclude low- or moderate-income geographies. 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 around Lake Okeechobee in western cities such as Belle Glade and Pahokee.

The poverty level is high at 11 percent of the population. These households would have difficulty qualifying for a home loan even at current housing prices. Palm Beach County was severely impacted by the housing crisis that had its beginnings in 2006 and 2007 leading to the national recession that ended in 2009. Several years have passed, but Palm Beach County as well as the State of Florida and the nation continue to recover from the crisis. The cost of living in the Palm Beach MD remains high even though there are indications of improvements in employment, foreclosure filings, housing sales, and other conditions.

Approximately 22 percent of families in Palm Beach County are low-income and 18 percent of families are moderate-income. The Department of Housing and Urban Development (HUD) estimated median family income for the evaluation period was \$64,100 for 2012, \$64,600 for 2013, and \$63,300 for 2014. Based on the median family income, low- and moderate-income (LMI) people have incomes of less than 80 percent of the median family income, or less than \$51,280, \$51,680, and \$50,640, respectively for the years discussed. Housing costs are high with the median sales price of a single-family home of \$210,000 as of December 2014, according to Zillow. The high median cost makes it difficult for LMI people to own a home in the assessment area without the help of loan subsidies. In addition, the high property tax and insurance premiums add significant cost to owning a home. LMI homebuyers also face the challenge of finding affordable homes as they compete with investors that buy up affordable housing properties with cash for resale or for rental properties. Subsidies have been available, but funds run out quickly. Processing times to get subsidy approval can be lengthy, and while waiting for approval, a property could easily sell off the market before approval occurs.

Data from the Bureau of Labor Statistics shows that from January 2012 to March 2015, unemployment rates for the Palm Beach MD decreased significantly from 8.9 percent to 5.0 percent as the economy recovers from the housing crisis and recession. The March 2015 rate is below the State average of 5.7 percent and the national average of 5.5 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 assessment area's economy is largely based in the healthcare services, hospitality and retail sectors.

Palm Beach County is home to two Fortune 500 companies and a wide range of corporate, regional and divisional headquarters. Major employers in the AA include local governments, Publix Supermarkets, Tenet Healthcare, FP&L, Wackenhut, Office Depot, area hospitals and Florida Atlantic University. Leading industries include state and local government, restaurants, hospitals, physicians and grocery stores. In addition, the Port of Palm Beach was the fastest-growing port in the United States in 2013.

According to Dunn and Bradstreet, there were 253,649 non-farm businesses in the Palm Beach MD for 2012 of which 76.24 percent are categorized small business. Small businesses are defined as having revenues of \$1 million or less. For 2014, non-farm businesses reduced to 209,104 of which 72.20 percent were small businesses. The majority (77 percent) of the small businesses are concentrated in the County's middle- and upper-income geographies. Many small businesses were challenged during the recession and the recovery period. Those businesses seeking loans, including new business owners, faced more stringent underwriting of their loans and documentation of creditworthiness from banks. Small businesses in the County decreased during the evaluation period from 193,730 in 2012 to 150,979 in 2014.

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, 2014, there were 55 deposit taking financial institutions in the county operating 477 offices branches. CNB has a deposit market share of 0.36 percent and is ranked 32<sup>nd</sup> out of the 55 banks in the market. The deposit market share continues to be dominated by Wells Fargo Bank, NA and Bank of America, NA as discussed in the Lending Activity portion of this Evaluation.

Similar types of opportunities are available for community development lending, investments, and services in Palm Beach County as in Miami-Dade and Broward, but they are more limited. There are fewer community development organizations operating in the county. As noted in Miami-Dade County, opportunities exist for investments in local, state-wide, and regional CDFIs and for services directed to financial education programs.

# Appendix C: Tables of Performance Data

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## Content of Standardized Tables

The following is a listing and brief description of the tables:

- Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MA/assessment area. Community development loans to statewide or regional entities or made outside the bank's assessment area may receive positive CRA consideration. See Interagency Q&As \_\_.12 (h) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans.
- Table 1. Other Products** - Presents the number and dollar amount of any unreported category of loans originated and purchased by the bank over the evaluation period by MA/assessment area. Examples include consumer loans or other data that a bank may provide, at its option, concerning its lending performance. This is a two-page table that lists specific categories.
- Table 2. Geographic Distribution of Home Purchase Loans** - 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 market share information based on the most recent aggregate market data available.
- Table 3. Geographic Distribution of Home Improvement Loans** - See Table 2.
- Table 4. Geographic Distribution of Home Mortgage Refinance Loans** - See Table 2.
- Table 5. Geographic Distribution of Multifamily Loans** - Compares the percentage distribution of the number of multi-family loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of multi-family housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.
- Table 6. Geographic Distribution of Small Loans to Businesses** - 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. The table also presents market share information based on the most recent aggregate market data available. Because small business 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 7. Geographic Distribution of Small Loans to Farms** - 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. The table also presents market share information based on the most recent aggregate

market data available. 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 8. Borrower Distribution of Home Purchase Loans** - 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 market share information based on the most recent aggregate market data available.
- Table 9. Borrower Distribution of Home Improvement Loans** - See Table 8.
- Table 10. Borrower Distribution of Refinance Loans** - See Table 8.
- Table 11. Borrower Distribution of Small Loans to Businesses** - 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. Market share information is presented based on the most recent aggregate market data available.
- Table 12. Borrower Distribution of Small Loans to Farms** - 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. Market share information is presented based on the most recent aggregate market data available.
- Table 13. Geographic and Borrower Distribution of Consumer Loans (OPTIONAL)** - For geographic distribution, the table 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 within each geography. For borrower distribution, the table 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 of households by income level in each MA/assessment area.
- Table 14. Qualified Investments** - Presents the number and dollar amount of qualified investments made by the bank in each MA/AA. The table separately presents investments made during prior evaluation periods that are still outstanding and investments made during the current evaluation period. Prior-period investments are reflected at their book value as of the end of the evaluation period. Current period investments are reflected at their original investment amount even if that amount is greater than the current book value of the investment. The table also presents the number and dollar amount of unfunded qualified investment commitments. In order to be included, an unfunded commitment must be legally binding and tracked and recorded by the bank's financial reporting system.

A bank may receive positive consideration for qualified investments in statewide/regional entities or made outside of the bank's assessment area. See Interagency Q&As \_\_.12 (h) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such investments.

**Table 15. Distribution of Branch Delivery System and Branch Openings/Closings** - Compares the percentage distribution of the number of the bank's branches in low-, moderate-, middle-, and upper-income geographies to the percentage of the population within each geography in each MA/AA. The table also presents data on branch openings and closings in each MA/AA.

**Table 1 Lending Volume**

LENDING VOLUME		Geography: FLORIDA				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014						
Assessment Area (2013):	% of Rated Area Loans (#) in MA/AA <sup>*</sup>	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans <sup>**</sup>		Total Reported Loans		% of Rated Area Deposits in MA/AA <sup>***</sup>
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
<b>Full Review:</b>												
MD 22744- Broward County	19.48	186	89,595	179	52,106	0	0	12	53,413	377	195,114	9.27
MD 33124- Miami-Dade County	65.89	707	436,830	544	162,766	0	0	24	74,279	1,275	673,875	86.44
MD 48424- Palm Beach County	6.31	48	25,659	68	15,520	0	0	6	33,466	122	74,645	3.86
<b>Limited Review:</b>												
MSA 36740- Orange-Osceola Counties	8.32	123	38,802	34	7,671	0	0	4	17,685	161	64,158	0.43

<sup>\*</sup> Loan Data as of December 31, 2014. Rated area refers to either state or multi-state MA rating area.

<sup>\*\*</sup> The evaluation period for Community Development Loans is from January 01, 2012 to December 31, 2014.

<sup>\*\*\*</sup> Deposit Data as of June 30, 2014. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

**Table 2. Geographic Distribution of Home Purchase Loans**

Geographic Distribution: HOME PURCHASE															Geography: FLORIDA					Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014				
Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography <sup>*</sup>													
	#	% of Total <sup>**</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans <sup>****</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	Overall	Low	Mod	Mid	Upp									
<b>Full Review:</b>																								
MD 22744-Broward County	116	14.95	1.73	0.86	27.32	25.00	37.11	40.52	33.84	33.62	0.09	0.00	0.10	0.05	0.12									
MD 33124-Miami-Dade County	513	66.11	1.67	4.48	19.87	16.76	35.56	26.32	42.90	52.44	0.55	0.31	0.36	0.36	0.73									
MD 48424-Palm Beach County	32	4.12	2.96	9.38	22.08	21.88	36.12	31.25	38.83	37.50	0.06	0.43	0.00	0.04	0.07									
<b>Limited Review:</b>																								
MSA 36740-Orange-Osceola Counties	115	14.82	0.60	0.00	25.24	7.83	40.51	50.43	33.65	41.74	0.07	0.00	0.05	0.07	0.09									

<sup>\*</sup> Based on 2013 Peer Mortgage Data -- US and PR

<sup>\*\*</sup> Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

<sup>\*\*\*</sup> Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

<sup>\*\*\*\*</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 3. Geographic Distribution of Home Improvement Loans**

Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
MD 22744- Broward County	2	20.00	1.73	0.00	27.32	50.00	37.11	0.00	33.84	50.00	0.00	0.00	0.00	0.00	0.00
MD 33124- Miami-Dade County	8	80.00	1.67	0.00	19.87	12.50	35.56	0.00	42.90	87.50	0.10	0.00	0.00	0.00	0.18
MD 48424- Palm Beach County	0	0.00	2.96	0.00	22.08	0.00	36.12	0.00	38.83	0.00	0.00	0.00	0.00	0.00	0.00
<b>Limited Review:</b>															
MSA 36740- Orange-Osceola Counties	0	0.00	0.60	0.00	25.24	0.00	40.51	0.00	33.65	0.00	0.00	0.00	0.00	0.00	0.00

\* Based on 2013 Peer Mortgage Data -- US and PR

\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 4. Geographic Distribution of Home Mortgage Refinance Loans**

Geographic Distribution: HOME MORTGAGE REFINANCE      Geography: FLORIDA      Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014															
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
MD 22744-Broward County	54	25.23	1.73	1.85	27.32	12.96	37.11	25.93	33.84	59.26	0.04	0.00	0.02	0.03	0.06
MD 33124-Miami-Dade County	142	66.36	1.67	0.00	19.87	7.04	35.56	11.27	42.90	81.69	0.14	0.00	0.03	0.04	0.22
MD 48424-Palm Beach County	11	5.14	2.96	9.09	22.08	9.09	36.12	9.09	38.83	72.73	0.01	0.42	0.00	0.00	0.02
<b>Limited Review:</b>															
MSA 36740-Orange-Osceola Counties	7	3.27	0.60	0.00	25.24	28.57	40.51	14.29	33.65	57.14	0.00	0.00	0.00	0.00	0.01

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\* Based on 2013 Peer Mortgage Data -- US and PR

\*\* Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 5. Geographic Distribution of Multifamily Loans**

Geographic Distribution: MULTIFAMILY															Geography: FLORIDA					Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014				
Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*													
	#	% of Total**	% of MF Units***	% BANK Loans****	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp							
<b>Full Review:</b>																								
MD 22744-Broward County	14	27.45	4.53	28.57	36.14	50.00	41.64	14.29	17.69	7.14	1.96	5.26	0.00	1.69	2.78									
MD 33124-Miami-Dade County	31	60.78	8.41	6.45	28.73	67.74	32.26	12.90	30.60	12.90	1.42	0.00	0.00	1.49	9.68									
MD 48424-Palm Beach County	5	9.80	6.39	20.00	31.55	20.00	33.58	40.00	28.47	20.00	2.33	0.00	0.00	0.00	11.11									
<b>Limited Review:</b>																								
MSA 36740-Orange-Osceola Counties	1	1.96	1.82	0.00	50.16	0.00	34.84	100.00	13.18	0.00	0.00	0.00	0.00	0.00	0.00									

\* Based on 2013 Peer Mortgage Data -- US and PR

\*\* Multi-family loans originated and purchased in the MA/AA as a percentage of all multi-family loans originated and purchased in the rated area.

\*\*\* Percentage of Multi Family Units is the number of multi family units in a particular geography divided by the number of multi-family housing units in the area based on 2010 Census information.

\*\*\*\* Multifamily loan distribution includes Home Purchases, Home Improvement and Refinances.

**Table 6. Geographic Distribution of Small Loans to Businesses**

Geographic Distribution: SMALL LOANS TO BUSINESSES		Geography: FLORIDA					Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014					Market Share (%) by Geography <sup>*</sup>				
Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total <sup>**</sup>	% of Businesses <sup>***</sup>	% BANK Loans	% of Businesses <sup>***</sup>	% BANK Loans	% of Businesses <sup>*</sup>	% of Businesses <sup>**</sup>	% of Businesses <sup>***</sup>	% BANK Loans						
<b>Full Review:</b>																
MD 22744- Broward County	179	22.07	3.36	7.82	24.59	33.52	33.82	28.49	38.22	30.17	0.12	0.36	0.22	0.10	0.07	
MD 33124- Miami-Dade County	530	65.35	3.10	2.64	22.28	22.64	27.62	21.51	45.47	53.21	0.27	0.12	0.29	0.28	0.28	
MD 48424- Palm Beach County	68	8.38	3.49	4.41	18.91	16.18	31.53	38.24	45.89	41.18	0.07	0.08	0.09	0.09	0.05	
<b>Limited Review:</b>																
MSA 36740- Orange-Osceola Counties	34	4.19	0.72	0.00	30.30	41.18	35.67	32.35	33.28	26.47	0.06	0.00	0.14	0.04	0.02	

<sup>\*</sup> Based on 2013 Peer Small Business Data -- US and PR

<sup>\*\*</sup> Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

<sup>\*\*\*</sup> Source Data - Dun and Bradstreet (2013).

**Table 8. Borrower Distribution of Home Purchase Loans**

Borrower Distribution: HOME PURCHASE		Geography: FLORIDA					Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014					Market Share <sup>*</sup>				
Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp	
	#	% of Total <sup>**</sup>	% Families <sup>**</sup>	% BANK Loans <sup>****</sup>	% Families <sup>1</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>						
<b>Full Review:</b>																
MD 22744- Broward County	116	14.70	22.03	8.08	17.44	19.19	19.79	7.07	40.73	65.66	0.09	0.00	0.00	0.00	0.16	
MD 33124- Miami-Dade County	526	66.67	23.23	4.39	17.00	16.59	18.29	6.83	41.48	72.20	0.47	0.54	0.19	0.05	0.64	
MD 48424- Palm Beach County	32	4.06	21.50	22.22	17.84	7.41	18.93	3.70	41.73	66.67	0.05	0.22	0.00	0.00	0.07	
<b>Limited Review:</b>																
MSA 36740- Orange-Osceola Counties	115	14.58	21.71	0.95	19.24	2.86	20.80	6.67	38.25	89.52	0.07	0.00	0.00	0.02	0.14	

<sup>\*</sup> Based on 2013 Peer Mortgage Data -- US and PR

<sup>\*\*</sup> Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

<sup>\*\*\*</sup> Percentage of Families is based on the 2010 Census information.

<sup>\*\*\*\*</sup> As a percentage of loans with borrower income information available. No information was available for 18.8% of loans originated and purchased by bank.

<sup>1</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 9. Borrower Distribution of Home Improvement Loans**

Borrower Distribution: HOME IMPROVEMENT															Geography: FLORIDA					Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014				
Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share <sup>*</sup>													
	#	% of Total <sup>**</sup>	% Families <sup>**</sup>	% BANK Loans <sup>****</sup>	% Families <sup>2</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	Overall	Low	Mod	Mid	Upp									
<b>Full Review:</b>																								
MD 22744- Broward County	2	20.00	22.03	0.00	17.44	0.00	19.79	0.00	40.73	100.00	0.00	0.00	0.00	0.00	0.00									
MD 33124- Miami-Dade County	8	80.00	23.23	0.00	17.00	0.00	18.29	12.50	41.48	87.50	0.10	0.00	0.00	0.00	0.16									
MD 48424- Palm Beach County	0	0.00	21.50	0.00	17.84	0.00	18.93	0.00	41.73	0.00	0.00	0.00	0.00	0.00	0.00									
<b>Limited Review:</b>																								
MSA 36740- Orange-Osceola Counties	0	0.00	21.71	0.00	19.24	0.00	20.80	0.00	38.25	0.00	0.00	0.00	0.00	0.00	0.00									

<sup>\*</sup> Based on 2013 Peer Mortgage Data -- US and PR

<sup>\*\*</sup> Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

<sup>\*\*\*</sup> Percentage of Families is based on the 2010 Census information.

<sup>\*\*\*\*</sup> As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated and purchased by bank.

<sup>2</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 10. Borrower Distribution of Home Mortgage Refinance Loans**

Borrower Distribution: HOME MORTGAGE REFINANCE															Geography: FLORIDA					Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014				
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share <sup>*</sup>													
	#	% of Total <sup>**</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>3</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	Overall	Low	Mod	Mid	Upp									
<b>Full Review:</b>																								
MD 22744-Broward County	54	25.23	22.03	4.17	17.44	12.50	19.79	10.42	40.73	72.92	0.04	0.00	0.00	0.00	0.07									
MD 33124-Miami-Dade County	142	66.36	23.23	0.00	17.00	4.84	18.29	2.42	41.48	92.74	0.15	0.00	0.00	0.03	0.20									
MD 48424-Palm Beach County	11	5.14	21.50	0.00	17.84	10.00	18.93	0.00	41.73	90.00	0.01	0.00	0.00	0.00	0.02									
<b>Limited Review:</b>																								
MSA 36740-Orange-Osceola Counties	7	3.27	21.71	16.67	19.24	0.00	20.80	0.00	38.25	83.33	0.00	0.00	0.00	0.00	0.01									

<sup>\*</sup> Based on 2013 Peer Mortgage Data -- US and PR

<sup>\*\*</sup> Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

<sup>\*\*\*</sup> Percentage of Families is based on the 2010 Census information.

<sup>\*\*\*\*</sup> As a percentage of loans with borrower income information available. No information was available for 12.1% of loans originated and purchased by bank.

<sup>3</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 11. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: SMALL LOANS TO BUSINESSES      Geography: FLORIDA      Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014									
Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share <sup>1</sup>	
	#	% of Total <sup>2</sup>	% of Businesses <sup>3</sup>	% BANK Loans <sup>4</sup>	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
MD 22744-Broward County	179	21.70	72.52	44.13	36.87	26.26	36.87	0.12	0.07
MD 33124-Miami-Dade County	544	65.94	70.89	37.87	38.97	23.53	37.50	0.27	0.17
MD 48424-Palm Beach County	68	8.24	72.17	66.18	48.53	27.94	23.53	0.07	0.10
<b>Limited Review:</b>									
MSA 36740-Orange-Osceola Counties	34	4.12	71.56	55.88	35.29	38.24	26.47	0.06	0.06

<sup>1</sup> Based on 2013 Peer Small Business Data -- US and PR

<sup>2</sup> Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

<sup>3</sup> Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2013).

<sup>4</sup> Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 1.82% of small loans to businesses originated and purchased by the bank.

Florida

Table 14. Qualified Investments

QUALIFIED INVESTMENTS									
Geography: FLORIDA									
Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014									
Assessment Area:	Prior Period Investments <sup>*</sup>		Current Period Investments		Total Investments			Unfunded Commitments <sup>**</sup>	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
MD 22744- Broward County	0	0	6	3,464	6	\$ 3,464	10.35	0	0
MD 33124- Miami-Dade County	1	\$19,865	6	\$7,990	7	\$27,855	83.26	0	0
MD 48424- Palm Beach County	0	0	4	1,788	4	\$1,788	5.34	0	0
Statewide/Regional within Assessment Area	0	0	1	409	1	409	0	0	0
<b>Limited Review:</b>									
MSA 36740- Orange-Osceola Counties	0	0	0	0	3	\$350	1.05	0	0

<sup>\*</sup> 'Prior Period Investments' means investments made in a previous period that are outstanding as of the examination date.

<sup>\*\*</sup> 'Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

**Table 15. Distribution of Branch Delivery System and Branch Openings/Closings**

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS    Geography: FLORIDA    Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014																	
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposits in AA	# of Bank Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full Review:</b>																	
MD 22744- Broward County	9.27	5	19.00	0.00	20.00	40.00	40.00	0	0	0	0	0	0	4.13	28.90	35.76	31.21
MD 33124- Miami-Dade County	86.44	16	62.00	12.00	6.00	19.00	63.00	1	0	0	0	0	+ 1	5.06	26.89	34.46	33.01
MD 48424- Palm Beach County	3.86	3	11.00	33.00	0.00	0.00	67.00	0	0	0	0	0	0	4.88	26.01	33.30	35.59
<b>Limited Review:</b>																	
MSA 36740- Orange-Osceola Counties	0.43	2	8.00	0.00	100.00	0.00	0.00	0	0	0	0	0	0	1.27	34.04	37.86	26.82