



PUBLIC DISCLOSURE

April 11, 2016

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Mercantil Commercebank, National Association
Charter Number 16804

220 Alhambra Circle, Suite 212
Coral Gables, FL 33134

Office of the Comptroller of the Currency

Miami Field Office
9850 N.W. 41 Street, Suite 260
Miami, FL 33178

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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Overall CRA Rating

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

The following table indicates the performance level of **Mercantil Commercebank, National Association** (NA) with respect to the Lending, Investment, and Service Tests:

Performance Levels	Mercantil Commercebank, NA 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:

- Overall, lending activity reflects excellent responsiveness to credit needs, when consideration is given to the significant positive impact of community development loans, the Bank’s strategic focus, and performance context. Lending activity is good in Florida, good in New York, and excellent in Texas before consideration of the community development loans.
- Overall, the geographic distribution of loans is good, considering performance context. Performance in Florida, and New York is good and excellent in Texas, given performance context.
- Overall borrower distribution is good considering performance context. Performance in Florida and New York is good and performance in Texas is excellent.
- A substantial majority of the Bank’s loans are within its assessment area.
- Overall, the level of community development lending is excellent, displaying responsiveness to assessment area needs, and having a very positive impact on all aspects of the Lending Test. Community development lending had a very positive impact on the overall Lending Test for Florida, New York, and Texas.
- Overall, the level of qualified investments is excellent, given the availability of investment opportunities in the Bank’s assessment areas. Performance is excellent in Florida, New York, and Texas.

- Overall, the Bank provided an excellent level of Service Test performance. Retail services are readily accessible to all income geographies in Florida and New York and reasonably accessible in Texas. Community development services are excellent with the Bank taking a leadership position. An excellent level of community development services in the Florida assessment area had a positive impact on the overall Service Test conclusion. Community development services are excellent in Texas and good in New York.

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 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

Mercantil Commercebank, N.A. (MCB) is an interstate commercial bank headquartered in Coral Gables, Florida, formerly known as Commercebank, N.A. It is a wholly owned subsidiary of Mercantil Commercebank Holding Company (CHC), a bank holding company also headquartered in Coral Gables, which in turn is owned by Mercantil Servicios Financieros (MSF), the largest international financial institution in Venezuela. MSF is publicly owned with its stock traded on the Caracas Stock Exchange. Mercantil Commercebank Investment Services, a broker-dealer and investment adviser, is an operating subsidiary of MCB as is Mercantil Commercebank Trust Company, N.A. Because of its affiliation with CHC and MSF, the Bank has numerous affiliates. However, these affiliates operate outside the United States. No activity of any affiliate is being included in this examination and operations of the subsidiaries have no impact on the Bank's ability to meet its CRA obligations. There were no mergers or acquisitions during the review period and none are anticipated.

MCB operates 16 branches in the State of Florida, as well as one in the State of New York and seven in the State of Texas. During the evaluation period, two new offices were opened in Florida and six were opened in Texas. The Bank offers a wide variety of domestic, international, personal, commercial, and corporate banking services. However, the Bank's strategic focus is business lending. Most of its customers are foreign nationals and most of the Bank's deposits are derived from this source. Trade financing and foreign correspondent banking activities are important business lines. In order to meet its CRA obligations, the Bank concentrates on small business and community development lending, areas where the Bank has significant expertise. Residential mortgage lending is not a primary business line for the Bank. Most of its residential mortgage loans are to foreign nationals purchasing second homes in the Miami area.

As of December 31, 2015, MCB reported total assets of \$8.15 billion. Total loans of \$5.63 billion represented approximately 69 percent of total assets and consisted of commercial and commercial real estate loans (90 percent), loans secured by 1-4 family residential properties (8 percent), and consumer (2 percent). Included in categories were, loans secured by multi-family residential properties that represented 8 percent of the loan portfolio, and construction and land development represented 2 percent of the loan portfolio. Deposits totaled \$6.6 billion and tier one capital was \$742 million, or 9.36 percent of assets.

A majority of the Bank's deposits (74 percent as of June 30, 2015) are from foreign customers, most residing in Venezuela. The large percent of foreign deposits has a material impact on the evaluation of the Bank's CRA performance. As of June 30, 2015, approximately \$1.6 billion of the Bank's deposits were from domestic customers. However, the domestic loan portfolio totaled \$3.2 billion, indicating that portions of domestic loans were funded with foreign deposits. Our evaluation of the Bank's performance considers this factor.

During the evaluation period, the Bank faced significant challenges to its ability to help meet the credit needs of its assessment areas, as the assessment areas and the State of Florida recover from the nationwide recession. The recession left a high level of home foreclosures in assessment areas, caused sharp declines in real estate values, caused the reduction of funding to subsidy programs, and prompted more stringent loan underwriting processes among financial institutions. These factors were taken into consideration as we evaluated the Bank's CRA performance. MCB's performance was rated "Outstanding" at its last CRA evaluation dated March 11, 2013.

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 filing under the Home Mortgage Disclosure Act (HMDA), small loans to businesses, and community development loans, as reported under the CRA. We also evaluated community development investments and community development services. The Bank reported no small loans to farms. Therefore, tables for this product are not included in the Core Tables of this report (Appendix D).

The evaluation period for the Lending Test and community development loans is January 1, 2013 through December 31, 2015. For the Investment Test and Service Test, the evaluation period is March 11, 2013 through April 10, 2016. Our conclusions related to community development loans and qualified investments were 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 these instruments are not routinely provided by private investors.

Data Integrity

This evaluation is based on accurate data. We tested the accuracy of the Bank's HMDA and small loans to businesses data prior to the beginning of this CRA Performance Evaluation and determined that it was accurate.

Community development loans, investments, and services submitted by Bank management were verified to ensure that they met the regulatory definition for community development. Any items submitted by the Bank that did not meet the definition or purpose of community development were excluded.

Selection of Areas for Full-Scope Review

As of the examination date, MCB has three assessment areas, one in Florida that includes three Metropolitan Divisions (MDs), one in New York, and one in Texas. In Florida, the Miami-Dade County assessment area received a full-scope review and the Broward and Palm Beach Counties assessment areas received limited-scope reviews. The assessment areas in New York and Texas each received full-scope reviews. See Appendix A for more information for each state.

Ratings

MCB's overall rating is a blend of the state ratings. Because the Florida assessment area represents the majority of the Bank's deposits (95 percent), the most weight was placed on this area in determining ratings. State ratings are based on those areas that received full-scope reviews.

The multistate metropolitan area rating(s) and state ratings are based primarily on those areas that received full-scope reviews. Refer to the "Scope" section under each State and Multistate Metropolitan Area Rating section for details regarding how the areas were weighted in arriving at the respective ratings.

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.

State Rating

State of Florida

CRA Rating for Florida¹:	Outstanding
The lending test is rated:	Outstanding
The investment test is rated:	Outstanding
The service test is rated:	Outstanding

The major factors that support this rating include:

- Lending activity that reflects excellent responsiveness to assessment area credit needs, particularly when consideration is given to the very positive impact of the number and dollar amount of community development loans and performance context.
- Good geographic distribution of loans in the Bank's assessment area, given performance context.
- Good distribution of loans by income level of the borrower in the Bank's assessment area, considering performance context.
- An excellent level of responsive community development lending that had a very positive impact on the Lending Test.
- An excellent level of qualified investments that reflect excellent responsiveness to credit and community development needs.
- Adequate retail service delivery systems that are reasonably accessible to geographies and individuals of different income levels in the Bank's assessment area.
- Excellent community development service performance that had a positive impact on the overall Service Test rating.

Description of Institution's Operations in Florida

MCB conducts almost all of its operations in Florida from which it obtains 95 percent of its deposits. The Bank has 11 full-service offices in Miami-Dade County, where the Bank is headquartered and four offices in Broward County, and one office in Palm Beach County.

The vast majority of the Bank's deposits are owned by customers living in Venezuela who are referred by officers and employees of financial affiliates in Venezuela. In Florida, approximately 74 percent of the Bank's deposits are from international customers. At June 30, 2015, international deposits totaled approximately \$4.6 billion versus domestic deposits of approximately \$1.6 million.

¹ For institutions with branches in two or more states in a multistate metropolitan area, this statewide evaluation does not reflect performance in the parts of this state contained within the multistate metropolitan area. Refer to the multistate metropolitan area rating and discussion for the rating and evaluation of the institution's performance in that area.

Refer to the market profiles for the State of Florida in Appendix C for detailed demographics and other performance context information for assessment areas that received full-scope reviews.

Scope of Evaluation in Florida

As of the examination date, MCB had one assessment area in Florida that includes all of MSA 33100 (Miami-Ft. Lauderdale-Palm Beach, FL). This MSA consists of three Metropolitan Divisions (MD) including MD 33124 (Miami-Miami Beach-Kendall, FL) which is equivalent to Miami-Dade County, MD 22744 (Ft. Lauderdale-Pompano-Deerfield Beach, FL) which is equivalent to Broward County, and MD 48424 (West Palm Beach, FL) which is equivalent to Palm Beach County.

The Miami-Dade assessment area, which contains approximately 95 percent of Florida deposits and 71 percent of Florida loan activity during the evaluation period, received a full-scope review. The Broward County and Palm Beach County assessment areas received limited-scope reviews. Ratings for the State of Florida are based primarily on performance in the Miami-Dade assessment area.

Loan products evaluated include home purchase, home refinance, and multi-family loans reported under the HMDA and small loans to businesses reported under the CRA. The Bank offers home improvement loans but this loan type is not a major product of the Bank, and the Bank reported a low volume of home improvement loans during the evaluation period. An analysis of home improvement loans is not meaningful. Similarly, small loans to farms are not a major product for the Bank and the Bank reported no small loans to farms. No analysis of this was performed and the table for small loans to farms was excluded from the Core Tables in Appendix D. We also evaluated community development loans, investments, and services.

Of reported home mortgage and small loans to businesses in Florida, 76 percent were small loans to businesses. Therefore, the most weight in reaching our conclusions was given to performance related to small loans to businesses.

For this examination, we conducted one community contact in the Miami-Dade assessment area. The community contact was an advocate to ensure fair and equal access to financial services/products, and increase community investments non-profit affordable housing organization. We also reviewed community contacts conducted at other examinations for banks operating in the same assessment area. The most critical identified needs are housing that is affordable to low- and moderate-income families and loans to establish small businesses.

Refer to the Market Profiles for the State of Florida in Appendix C for additional information.

LENDING TEST

Conclusions for Areas Receiving Full-Scope Reviews

The Bank's performance under the Lending Test in Florida is rated "Outstanding". Based on a full-scope review, the Bank's performance in the Miami-Dade assessment area is excellent.

Lending Activity

Refer to Table 1 Lending Volume in the State of Florida section of Appendix D for the facts and data used to evaluate the Bank's lending activity.

Overall lending levels reflect excellent responsiveness to meeting assessment area credit needs, given the Bank's deposit mix and business strategy as well as the very positive impact of community development loans. We also took into consideration the fact that lending in the assessment area has been a challenge for banks in the aftermath of the recession with an environment of high foreclosure rates, depressed home values, and more stringent loan underwriting standards by banks. However, lending activity began to increase during the evaluation period.

Small business lending activity, which represents the majority of the Bank's lending under analysis, is excellent, given performance context. FDIC data as of June 30, 2015 shows that MCB had a total deposit market share in the Miami-Dade assessment area of 5.11 percent and was ranked 7th of 67 financial institutions taking deposits in the assessment area. However when only domestic deposits are considered, the Bank's deposit market share is an estimated 1.37 percent with a rank of 17th. According to 2014 peer market data (the most recent available data) MCB's market share of small loans to businesses was 0.44 percent with a rank of 20th among 115 loan reporters, based on number of loans reported. When the dollar amount of such loans is considered, the Bank had a market share of 4.48 percent and was ranked 6th, exceeding its domestic market share and rank. A comparison based on dollar volume of lending is more meaningful because of the inclusion of a large number of credit card lenders in the reporting. Credit card lenders originate a large number of loans, but the overall dollar volume is significantly smaller. For example, the top five small business loan reporters in 2014 are all credit card lenders that do not take deposits in the assessment area. Combined, these five lenders have a market share of 72.99 percent, based on number of loans, but only a 32.92 percent market share based on dollar volume. Alone, American Express Bank, FSB had a market share of 33.20 percent based on number of loans and 13.13 percent based on dollar amount. The top five lenders in order of rank were American Express, FSB; Citibank, National Association, Chase Bank USA, National Association; Wells Fargo, National Association, and FIA Card Services.

Overall, home mortgage lending activity is adequate, when considering the Bank's business strategy and the market in which the Bank operates. For overall home mortgage lending (including originations and purchases), as reported under the HMDA, the Bank is ranked 84th of 558 reporters in 2014 (the most recent available data), with a market share of 0.18 percent, based on number of loans. This performance is lower than the Bank's domestic deposit market share and rank but based on the Bank's business strategy and the level of competition in the market, such performance does not materially detract from the Bank's overall lending activity performance.

While the Bank's market share and rank for home purchase and refinance loans individually are consistent with overall HMDA lending, it should be noted that MCB's market share and rank of multi-family home mortgage loans is excellent and consistent with the Bank's commercial lending and CRA strategy. According to 2014 peer mortgage data, the Bank had a market share of 2.62 percent for multi-family loan originations and purchases in the Miami-Dade assessment area and was ranked 12th among 58 reporters, based on number of loans. This performance exceeds the Bank's domestic deposit market share and rank.

In addition, MCB's high volume of community development loans was considered. Community development lending represents approximately 10 percent of the number and 51 percent of the dollar volume of the Bank's loans analyzed at this examination.

Distribution of Loans by Income Level of the Geography

Overall, the geographic distribution of loans in the State of Florida is good, based primarily on the distribution of small loans to businesses. The overall geographic distribution of loans in the full-scope Miami-Dade assessment area is good, based primarily on the distribution of small loans to businesses. As previously noted, these loans represent 76 percent of home mortgage and small business loan activity analyzed in the evaluation period. The geographic distribution of home mortgage loans is good considering performance context. The geographic distribution of small loans to businesses is good.

Home Mortgage Loans

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

The overall geographic distribution of home mortgage loans in the full-scope Miami-Dade assessment area is good. Home mortgage lending is not a primary business line of the Bank and the majority of such loans are made to Venezuelan nationals purchasing second homes in the United States.

Home purchase loans represent approximately 55 percent of all home mortgage loans under analysis; therefore, they received the most weight in reaching our conclusion. Home improvement loans are not included in the analysis as they are not a major product of the Bank and their volume was too small (two loans) for meaningful analysis. Conclusions are based primarily on performance in moderate-income geographies because of the limited opportunities to lend in low-income geographies. According to the 2010 Census, there are only 1.67 percent or 934 owner-occupied housing units in the low-income geographies of the assessment area.

The geographic distribution of home purchase loans is adequate considering performance context. The Bank had no loans in low-income geographies and no market share in low-income geographies. The Bank's percent of home purchase loans in moderate-income geographies is below the percent of owner-occupied units in these geographies. The Bank's home purchase market share in moderate-income geographies exceeds its overall market share of home purchase loans.

The geographic distribution of home mortgage refinance loans is adequate considering performance context. The Bank has no refinance loans in low-income geographies and no market share for low-income geographies. The Bank's percent of home refinance loans in moderate-income geographies is below the percent of owner-occupied units in these geographies. The Bank's home refinance market share in moderate-income geographies is near its overall market share of home refinance loans.

The geographic distribution of multi-family loans is excellent. The Bank percent of multi-family loans in low-income geographies exceeded the percentage of multi-family units and was near its overall market share. The Bank's percent of multi-family loans in moderate-income geographies exceeds the percent of multi-family units in these geographies. The Bank's multi-family market share in moderate-income geographies is below its overall market share of multi-family loans.

Small Loans to Businesses

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

The geographic distribution of small loans to businesses is good. The Bank's geographic distribution of small loans to businesses in low-income geographies was below the percentage of businesses located in such geographies. The Bank's market share of small loans to businesses in low-income geographies was near its overall market share of small loans to businesses. The Bank's geographic distribution of small loans to businesses in moderate-income geographies exceeds its percentage of businesses located in such geographies. The Bank's market share of small loans to businesses in moderate-income geographies exceeds its overall market share of small loans to businesses.

Lending Gap Analysis

We evaluated the lending distribution of this assessment area to determine if any unexplained conspicuous gaps existed. No unexplained conspicuous gaps were identified after reviewing performance context.

Inside/Outside Ratio

This analysis is performed at the Bank level rather than state or assessment area levels. During the evaluation period, a substantial majority of the Bank's loan originations were within its overall assessment area. A substantial majority of the number of loans and a majority of the dollar volume of loans were in the assessment area. Specifically, 95.44 percent of loans by number and 96.82 percent by dollar volume were within the Bank's overall assessment area. By product, 97.84 percent by number and 99.54 percent by dollar of home mortgage loan originations and purchases were within the Bank's overall assessment area. Regarding small loans to businesses, 94.11 percent by number and 91.33 percent by dollar were originated or purchased within the Bank's overall assessment area. This performance was positively factored into the overall analysis of the geographic distribution of lending by income level of the geography.

Distribution of Loans by Income Level of the Borrower

Overall, the distribution of loans by income level of the borrower in the State of Florida is good, based primarily on the distribution of small loans to businesses and considering performance context. The overall distribution of loans by income level of the borrower in the full-scope Miami-Dade assessment area is good, based primarily on the distribution of small loans to businesses, and considering performance context. The distribution of home mortgage loans by income level of the borrower is good, given performance context, but not inconsistent with the Bank's business strategy. The distribution of small loans to businesses is good, given performance context. This performance was given the greatest amount of weight based on the Bank's business strategy and the higher volume of small loans to businesses.

Home Mortgage Loans

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

The distribution of HMDA loans among individuals of different income levels in the full-scope Miami-Dade assessment area is good.

Consideration was given to the assessment area's high poverty rate (18 percent) which limits the ability of many low-income families to become homeowners, even with the assistance of subsidy programs. High property taxes and homeowner's insurance costs also contribute to the inability of low-income borrowers as well as moderate-income borrowers to become homeowners.

Furthermore, the demand for refinance loans by low- and moderate-income families is generally very limited. Many times low- and moderate-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. Some special programs do not allow for refinancing. Another challenge has been an influx of investors in the assessment area who purchase homes with cash.

The distribution of home purchase loans to borrowers of different income levels is good considering performance context. The Bank's percent of home purchase loans made to low-income borrowers is significantly lower than the percent of low-income families in the assessment area. The Bank's market share of home purchase loans made to low-income borrowers exceeds its overall market share of home purchase loans. The Bank's percent of home purchase loans made to moderate-income borrowers is below the percent of moderate-income families in the assessment area. The Bank's home purchase loan market share to moderate-income borrowers exceeds its overall market share of home purchase loans.

The analysis of the distribution of home mortgage refinance loans among borrowers of different income levels indicates no refinance loans to low-income borrowers. Refinance loans to moderate-income borrowers were below the percent of moderate-income families in the assessment area. Though market share data indicates no market share, this information is discounted considering it only represents one year and not representative of the whole evaluation period.

Small Loans to Businesses

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

The distribution of small loans to businesses within the Miami-Dade full-scope assessment area is good, considering performance context, particularly more stringent loan underwriting. The Bank's small loans to small businesses (businesses with annual revenues of \$1 million or less) is below the percent of small businesses in the full-scope assessment area; however, the Bank's market share of small loans to small businesses is near its overall market share of small loans to all businesses. In addition, of small loans to businesses, approximately 63 percent are for amounts of \$250,000 or less indicating MCB is meeting the needs of small businesses.

Community Development Lending

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

Community development lending is excellent and it had a very positive impact on the Lending Test for the State of Florida. Community development activity is excellent in the Miami-Dade assessment area and it had a positive impact on the Lending Test, enhancing lending activity as well as geographic and borrower distribution. The Bank originated a significant number and dollar amount of community development loans in the Miami-Dade assessment area. These loans exhibited an excellent level of responsiveness to the various needs in the assessment area, particularly affordable housing, which is most critical in the assessment area. Refer to the profile in Appendix C for a discussion of assessment area needs and available opportunities.

During the evaluation period, MCB originated or participated in 70 community development loans totaling \$332.8 million in the full-scope Miami-Dade assessment area. Approximately \$68.7 million of total community development loan dollars (20.64 percent) or 36 percent of the number of loans helped meet affordable housing needs. The remainder of community development loan dollars is helping to revitalize and stabilize low- and moderate-income geographies in the Miami-Dade assessment area. In general, the loans have helped to provide new or enhanced business facilities that will attract small businesses and permanent jobs to the areas or newly constructed housing units that are attracting residents to the areas, most of whom are low- and moderate-income.

Product Innovation and Flexibility

MCB offers more flexible underwriting for loans that have a CRA community development purpose and this had a positive effect on the Lending Test. The Bank is a United States Small Business Administration (SBA) approved lender. The SBA provides guarantees for small business loans and larger commercial loans. This status allows MCB to increase its SBA loan production while reducing costs through expedited loan processing and self-managing of the Bank's SBA loan portfolio. These processes had a positive impact on the Lending Test rating. The Bank also offers SBA 504 and SBA 7A programs. Other examples include the following:

- The Bank partners with Accion, a micro lender that provides flexible underwriting for small businesses that may not be bank-ready. The Bank makes client referrals when the client does not meet the underwriting standards of the Bank.
- The Bank invests in the Community Reinvestment Group (CRG), LC. This is a consortium of financial institutions who have invested in the organization by funding the loan program. CRG offers a zero interest loan program that provides gap funding until the respective CDC subsidy fund is in place. CRG has made five new loans totaling \$563 thousand.
- The Bank partners with the Florida Export Finance Corporation (FEFC), a not-for-profit with a mandate to expand employment and income opportunities for Florida residents. Financial assistance is the primary service offered. With assistance of FEFC the Bank renewed a loan for \$500 thousand in 2014.
- The Bank also works to extend loans to programs that provide government subsidized, low-cost mortgages to low- and moderate-income people through programs with Habitat for Humanity, Neighborhood Housing Services of South Florida, and Senior Housing Prevention.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the Bank's performance under the Lending Test in the Broward and Palm Beach Counties assessment areas is not inconsistent with the Bank's overall "Outstanding" performance under the Lending Test in Florida. Refer to Tables 1 through 12 in the State of Florida section of Appendix D 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 the Miami-Dade assessment area is excellent, given available opportunities, the capacity of the Bank, and the impact of MSA and multi-state investments. Refer to the profile in Appendix C for a discussion of available opportunities. Overall, the Bank has an excellent level of qualified community development investments and grants. The dollar volume of community development investments is excellent. Investments are reasonably responsive to assessment area needs addressing the critical need of affordable housing. Investments are not generally considered innovative or complex and private investors routinely provide the type of qualified investments discussed here.

Refer to Table 14 in the State of Florida section of Appendix D for the facts and data used to evaluate the Bank's level of qualified investments.

Current Period Investments: Current period qualified investments including donations totaled \$43.3 million. The Bank's current period qualified investments in the full-scope Miami-Dade assessment area includes twelve government agency mortgage backed securities, that consist of single family loan pools, supporting low and moderate income home lending. Additionally, one Small Business Administration investment pool that supports small businesses and three government agency mortgage securities, which consist of multi-family loan pools, supporting affordable housing needs for low and moderate income residents of the assessment areas. Affordable housing needs are considered the most important need in this assessment area and these investments are highly responsive to those needs. Grants and donations, in the form of real estate and cash, were made to organizations that support affordable housing efforts, fair lending, and the community service needs of low- and moderate-income individuals.

Prior Period Investments: Qualified investments purchased during prior evaluation periods that remain on the Bank's books with a total book value of \$11 million and 57 investments in number that include government agency mortgage backed securities/pools and Small Business Administration investment pools. These investments support the affordable housing for low- and moderate-income people and community development needs.

Conclusions for Area Receiving Limited-Scope Reviews

Based on a limited-scope review, the Bank's performance under the Investment Test in the Broward and Palm Beach Counties assessment areas is not inconsistent with the Bank's overall "Outstanding" performance under the Investment Test in Florida. Refer to Table 14 in the State of Florida section of Appendix D 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 in Florida is rated "Outstanding" considering the Bank's branch distribution, branch openings, branch closings, as well as its community development service performance. Branch distribution, branch openings, and branch closings received the most weight in arriving at an overall rating for the Service Test. Based on a full-scope review, the Bank's performance in the Miami-Dade assessment area is excellent.

Retail Banking Services

Refer to Table 15 in the State of Florida section of Appendix D for the facts and data used to evaluate the distribution of the Bank's branch delivery system and branch openings and closings.

MCB's delivery systems are readily accessible to essentially all portions of the geographies and individuals of different income levels throughout the full-scope assessment area. The Bank has three offices in moderate-income geographies but no offices in low-income geographies. The percentage of branches in moderate-income geographies exceeds the percentage of population residing in such geographies.

The Bank's record of opening and closing branches had a neutral impact on the Service Test conclusions considering that four of the eleven existing branches (36 percent) have good accessibility to low- and moderate-income geographies. The Bank closed one moderate-income branch in Hialeah, Florida, during the evaluation period because the branch was not sustainable. The closed branch's operations were consolidated with the Bank's Hialeah Gardens branch approximately seven miles to the west of the closing branch in a middle-income geography. The Bank also opened one branch in Doral, Florida in an upper-income geography during the evaluation period.

Office hours and services offered are comparable among the Bank's various branch locations, regardless of the income level of the geography. Branch offices are augmented by a variety of alternative retail delivery channels, including automated teller machine (ATM), telephone banking, and online banking. There is no data on the effectiveness of these alternative retail delivery systems, and no significant weight was given to these systems.

The Bank has at least one ATM in each branch, and is a member of local and international ATM networks such as PRESTO and Allpoint. Allpoint ATMs are available at several retail locations such as Walgreens, Target, CVS, and Costco. The Visa Check Card is offered which allows customers to purchase goods and services at any location where Visa is accepted, as well as to obtain cash through ATM networks worldwide. In addition to the Bank's Comline 24, which offers 24-hour automated banking services by phone including account information and funds transfer capabilities, the Bank's Call Center maintains extended hours to include evenings, weekends and holidays. The Bank also offers bank-by-mail, bill paying services, and internet banking for personal and business accounts.

The Bank's website offers customers access to their accounts 24 hours a day enabling customers to carry out such transactions as stop payments, funds transfers, wire transfers, obtain statements, etc. The site is

available in both Spanish and English. Online banking accommodates the Bank's personal account customers as well as small business, consumer, and international customers.

The Bank launched a website that is specifically targeted to small business. The site, www.weseethebusiness.com, allows domestic small business owners to gain reliable insight on business leadership and trends related to recruiting, marketing, sales networking etc. The Bank also launched an internet portal, Mercantil Connect. This portal allows domestic small business owners, free of any fees, to login and register themselves on a business directory for networking opportunities as well as providing a business resource center.

The Bank offers two low cost economy deposit products. The MCB Value Checking for domestic customers only, offers a low minimum amount to open and no monthly charge if the customer has direct deposit or four debit card transactions per month or registers for online statements. There were 1,053 domestic customers that opened this account from January 2014 through June 2015. The second low cost product is the MCB Business Checking; this product provides a low cost business checking account for small businesses owners. This account requires no minimum balance requirements, has no minimum monthly service charge if the business registers for online statements and provides 150 free checks or debits per month. There were 893 accounts opened under this product from January 2014 through June 2015.

Community Development Services

MCB's community development service performance is excellent, considering the Bank's capacity and business strategy. The Bank is a leader in providing community development services in the Miami-Dade assessment area. These services are highly responsive to current assessment area needs primarily addressing affordable housing and economic development needs, both of which are critical in the present economic environment. The volume of community development services is excellent, based on the number of organizations impacted and the services they provide. During the evaluation period, at least 16 different officers and employees provided ongoing technical assistance to at least 17 different qualifying organizations in the Miami-Dade assessment area, frequently in positions of leadership. They share their financial expertise by serving as board members, officers, and loan and/or finance committee members to organizations that help provide affordable housing opportunities, as well as economic development opportunities, small business lending, and community services to low- and moderate-income individuals and families.

MCB conducted 101 first-time homebuyer education workshops for low-and moderate-income people involving 1,761 participants during the evaluation period. The Bank conducted 12 financial literacy workshops for low- and moderate-income people with 40 participants. For small business owners and entrepreneurs, the Bank conducted five workshops with 113 participants.

Many of the organizations are helping to provide affordable housing opportunities in Miami-Dade County by providing facilities for the homeless, homebuyer education classes to help qualify low- and moderate-income buyers, or constructing or rehabilitating housing units affordable to low- and moderate-income residents, as well as small business lending. Some of the organizations include the following:

Accion USA - This is a private non-profit micro-lender that provides financial services to low- and moderate-income entrepreneurs who are unable to access credit for their small business. The

organization offers small business loans of up to \$50,000 as well as financial literacy education to its small business owners.

Habitat for Humanity for Greater Miami - This organization is an ecumenical ministry that builds homes in partnership with low-income families in need of a decent place to live. Habitat for Humanity works to eliminate poverty in housing by depending on volunteer labor and sweat equity from the selected homeowner.

Housing Opportunity Project for Excellence (H.O.P.E.) - This fair housing agency is a catalyst in fair housing education and the investigation and preparation of housing discrimination resolution or litigation. They provide education and outreach to those who are at risk of experiencing housing discrimination. They provide education to the low- and moderate-income individuals and elderly on identifying and reporting predatory lending practices.

Haitian American Community Development Corporation (HACDC) - HACDC is a non-profit organization that provides decent affordable housing, educational and business enterprise opportunities through programs that create and sustain economic advancement in Haitian American communities.

Neighborhood Housing Services of South Florida - This non-profit revitalizes, educates and empowers low- and moderate-income individuals by providing affordable housing and neighborhood revitalization throughout Miami-Dade and Broward County. The organization is also a recipient of Neighborhood Stabilization Program (NSP) funding from the Department of Housing and Urban Development (HUD).

Centro Campesino Farm Worker Center, Inc. - This organization is dedicated to improving the quality of life and self-sufficiency of farmworkers and their dependents and other South and Central Florida residents of low to moderate income through community building and economic development, provision of affordable housing and related services, and educational programs for people of all ages.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on a limited-scope review, the Bank's performance under the Service Test in the Broward County assessment area is not inconsistent with the Bank's overall "Outstanding" performance under the Service Test in the State of Florida. In the Palm Beach County assessment area, the Bank's performance is weaker than the Bank's overall performance in the state. The one branch that MCB has in the Palm Beach County assessment area is not located in a low- or moderate-income geography. Refer to Table 15 in the State of Florida section of Appendix D for the facts and data that support these conclusions.

State Rating

State of New York

CRA Rating for New York²:	Outstanding
The lending test is rated:	Outstanding
The investment test is rated:	Outstanding
The service test is rated:	High Satisfactory

The major factors that support this rating include:

- Lending activity that reflects good responsiveness in meeting assessment area credit needs.
- Good geographic distribution of loans in the Bank's assessment area considering performance context.
- Community development lending that had a very positive impact on the Lending Test.
- An excellent level of qualified investments that reflects excellent responsiveness to credit and community development needs.
- Adequate retail service delivery systems that are reasonably accessible to geographies and individuals of different income levels in the Bank's assessment areas.
- A good level of community development services.

Description of Institution's Operations in New York

MCB operates one branch in New York City, New York and the location is in a moderate-income geography. The full service branch was opened in 2000. As of June 30, 2015, the New York branch had total deposits of \$103.8 million, of which 25.07 percent, or \$25.9 million, represent domestic deposits. However, domestic loans total \$369.7 million, or 28.69 percent, of the \$1.3 billion of total loans at the New York branch, indicating that domestic loans are being largely funded with international deposits. New York branch deposits represent 1.62 percent of the Bank's overall total deposits.

The New York branch is located in mid-town Manhattan (51st Street between Madison and 5th Avenue) next to the Venezuelan Consulate. The surrounding neighborhood is comprised of luxury hotels and department stores along Madison, Park, and 5th Avenues. The location next to the Venezuelan Consulate is advantageous for attracting international deposits because of the Bank's affiliation with its parent in Venezuela. However, opportunities for domestic retail business are limited because of the

² For institutions with branches in two or more states in a multistate metropolitan area, this statewide evaluation does not reflect performance in the parts of this state contained within the multistate metropolitan area. Refer to the multistate metropolitan area rating and discussion for the rating and evaluation of the institution's performance in that area.

Bank's very small presence, the highly competitive market, and the branch's location in a high tourist area of Manhattan.

The New York branch's business strategy focuses on international business and large syndicated and commercial real estate loans. The branch's primary customer base is international individuals and businesses, primarily from Venezuela. It is the Bank's practice to seek referrals from its affiliates in Venezuela. Residential mortgage lending is not a primary business line for the Bank. Most of its residential mortgage loan originations are either an accommodation to foreign nationals purchasing second homes in the New York area or loans to employees. During the rating period, MCB purchased loans to help support the credit needs of the assessment area.

Refer to the Market Profile for the New York MD in Appendix C for detailed demographics and other performance context information for the assessment area.

Scope of Evaluation in New York

The Bank's assessment area in New York includes a portion of Metropolitan Division (MD) 35614 defined as New York-New Jersey City-White Plains, NY-NJ formerly known as MD 35644 (NY-White Plains-Wayne, NY-NJ). The boundary change occurred in 2014. The partial MD consists of Bronx, Kings, New York, and Queens Counties. This New York MD received a full-scope review.

Loan products evaluated include home purchase, home refinance, and multi-family loans reported under the HMDA. The Bank did not report any small loans to farms therefore the table was excluded from the Core Tables in Appendix D. We also evaluated community development loans, investments, and services.

The need for affordable housing and mortgage financing for low- and moderate-income families is a pressing need for the assessment area, particularly multi-family housing. This includes special mortgage products as well as programs to provide down payment and closing cost assistance. Home buyer and financial literacy programs are also needed. Since the majority of the population rents, there is a critical need for affordable rental housing. There is also an ongoing need for activities that help to create and support new and existing small businesses. We made community contacts with non-profit organizations that provide services to low- and moderate-income people as well as small businesses.

Refer to the Market Profiles in Appendix C for additional information.

LENDING TEST

Conclusions for Areas Receiving Full-Scope Reviews

The Bank's performance under the Lending Test in New York is rated "Outstanding". Based on a full-scope review, the Bank's performance in the New York MD is good when considering performance context and the very positive support from CD lending.

Lending Activity

Refer to Table 1 Lending Volume in the State of New York section of Appendix D for the facts and data used to evaluate the Bank's lending activity.

MCB's overall lending activity in the New York MD is good, given performance context. Based on FDIC data as of June 30, 2015, MCB's overall deposit market share in the New York MD area was 0.01 percent and it was ranked 88th of 108 financial institutions reporting deposits in the assessment area. When considering only the level of domestic deposits, the Bank's market share is very small considering the many lenders in the market.

For the evaluation period, the Bank had a low volume of loans originated and purchased. Analysis of lending would normally not be meaningful given the low volume of home mortgage and business lending. However, the Bank had home purchase, home refinance, and multi-family loans in low-income geographies that separately exceeded demographics. Despite this low level of lending, the branch in New York did meet a critical need for affordable housing by extending four multi-family loans that primarily rent to low- and moderate-income people and also originated or purchased loans for low- and moderate-income people.

Distribution of Loans by Income Level of the Geography

Distribution of loans by income level of the geography is good, considering performance context. Despite the very small volume of loans originated or purchased during the evaluation period, the Bank had home purchase loans in low-income geographies that exceeded the percentage of owner-occupied units and a market share in low-income geographies that exceeded its overall market share. The Bank had no home purchase loans in moderate-income geographies. For refinance loans, the Bank had no loans in low-income geographies but had home refinance loans in the moderate-income geographies that exceeded the percentage of owner-occupied units but loan market share data indicated zero market share and was discounted, as this data is representative of just one year. For multi-family loans, the Bank originated or purchased loans in low-income geographies that were below the percentage of owner-occupied units. For moderate-income geographies, the multi-family loans exceeded the percentage of multi-family units. The market share comparison indicates a zero market share for low-income and exceeds the Bank's overall market share for moderate-income geographies.

Refer to Tables 2, 4, 5, and 6 in the State of New York section of Appendix D for the facts and data showing the geographic distribution of the Bank's home mortgage and business loan originations and purchases.

Lending Gap Analysis

We evaluated the lending distribution of this assessment area to determine if any unexplained conspicuous gaps existed. No unexplained conspicuous gaps were identified after reviewing the Bank's performance context.

Inside/Outside Ratio

This analysis is performed at the Bank level rather than state or assessment area levels. During the evaluation period, a substantial majority of the Bank's loan originations were within its overall

assessment area. A substantial majority of the number of loans and a majority of the dollar volume of loans were in the assessment area. Specifically, 95.44 percent of loans by number and 96.82 percent by dollar volume were within the Bank's overall assessment area. By product, 97.84 percent by number and 99.54 percent by dollar of home mortgage loan originations and purchases were within the Bank's overall assessment area. Regarding small loans to businesses, 94.11 percent by number and 91.33 percent by dollar were originated or purchased within the Bank's overall assessment area. This performance was positively factored into the overall analysis of the geographic distribution of lending by income level of the geography.

Distribution of Loans by Income Level of the Borrower

Distribution of loans by income level of borrower is good. An analysis of the distribution of loans by the income level of the borrower in the New York assessment would usually not be meaningful considering the very small volume of loans originated or purchased during the evaluation period. However, the Bank did originate or purchase home purchase loans to low- and moderate-income borrowers that exceeded the percent of families for moderate-income borrowers and below percent of families for low-income borrowers. The Bank exceeded its overall market share for both low- and moderate-income borrowers. For refinance loans, the Bank originated or purchased two loans to moderate-income borrowers that exceeded the percent of families for moderate-income borrowers. The market share was discounted because it only represents one-year of activity versus the entire evaluation period and showed zero market share.

Refer to Tables 8, 10, and 11 in the State of New York section of Appendix D for the facts and data showing the geographic distribution of the Bank's home mortgage and business loan originations and purchases.

Community Development Lending

Refer to Table 1 Lending Volume in the State of New York section of Appendix D for the facts and data used to evaluate the Bank's level of community development lending.

Community development lending is excellent and had a very positive impact on the Lending Test for the State of New York. Based on a full-scope review, community development lending in the full-scope New York assessment area is excellent with a very positive impact on the Lending Test. Refer to the profile in Appendix C for a discussion of assessment area needs and available opportunities.

During the evaluation period, MCB originated 16 community development loans totaling \$145.5 million. Approximately \$28.4 million of total community development loan dollars (20 percent) or 25 percent of the number of loans helped meet affordable housing needs. The remainder of community development loan dollars is helping to revitalize and stabilize low- and moderate-income geographies in the New York assessment area (\$62.2 million) and economic development (\$54.9 million). In general, the loans have helped to provide new or enhanced business facilities that will attract small businesses and permanent jobs to the areas or newly constructed housing units that are attracting residents to the areas, most of whom are low- and moderate-income.

Product Innovation and Flexibility

MCB offers more flexible underwriting for loans that have a CRA community development purpose and this had a positive effect on the Lending Test. The Bank is a United States Small Business Administration (SBA) approved lender. The SBA provides guarantees for small business loans and larger commercial loans. This status allows MCB to increase its SBA loan production while reducing costs through expedited loan processing and self-managing of the Bank's SBA loan portfolio. These processes had a positive impact on the Lending Test rating. The Bank also offers SBA 504 and SBA 7A programs.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

The Bank's performance under the Investment Test in New York is rated "Outstanding". Based on a full-scope review, the Bank's performance in the New York MD is excellent, given available opportunities, the size and capacity of the Bank, and the impact of multi-state investments, as discussed in the Florida portion of this evaluation. Refer to the profile in Appendix C for a discussion of available opportunities. Refer to Table 14 in the State of New York section of Appendix D for the facts and data used to evaluate the Bank's level of qualified investments.

The dollar volume of community development investments is excellent. Investments are reasonably responsive to assessment area needs addressing the critical need of affordable housing. Investments are not generally considered innovative or complex and private investors routinely provide the type of qualified investments discussed here.

Current Period Investments: Current period qualified investments totaled \$6.9 million and grants totaled \$85 thousand. The Bank's current period qualified investments in the full-scope New York assessment area include three government agency mortgage backed securities that consist of single family loan pools for low and moderate income individuals and 11 donations. Affordable housing needs are considered the most important need in this assessment area and these investments are highly responsive to those needs. Grants and donations in the form of cash were made to organizations that support affordable housing efforts and the community service needs of low and moderate income people.

Prior Period Investments: Qualified investments purchased during prior evaluation periods that remain on the Bank's books include 14 government agency mortgage back securities. These investments had a book value of \$7.8 million as of our evaluation date. These investments support the affordable housing for low and moderate income individuals in the assessment area.

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

The Bank's Service Test rating in the State of New York is "High Satisfactory" considering the Bank's branch distribution and its community development service performance. Branch distribution, branch

openings, and branch closings received the most weight in arriving at an overall rating for the Service Test. Based on a full-scope review, the Bank's performance in the New York assessment area is adequate.

Retail Banking Services

Refer to Table 15 in the State of New York section of Appendix D for the facts and data used to evaluate the distribution of the Bank's branch delivery system and branch openings and closings.

The Bank offers banking services through one location that is in a moderate-income geography. The branch office location is in Manhattan, adjacent to the Venezuelan Consulate. The office is located in a business district reasonably accessible to geographies, businesses, and individuals of different income levels in the assessment area. The Bank does not have a retail orientation in the New York assessment area. The business strategy is primarily directed toward the commercial market. No branches were opened or closed during the evaluation period.

MCB offers a range of banking products and services in its assessment area. The Branch has one automated teller machine (ATM), and is a member of local and international ATM networks such as PRESTO and Allpoint. Allpoint ATMs are available at several retail locations such as Walgreens, Target, and CVS to name a few. The Visa Check Card is offered which allows customers to purchase goods and services at any location where Visa is accepted, as well as to obtain cash through ATM networks worldwide. In addition to the Bank's Comline 24, which offers 24-hour automated banking services by phone including account information and funds transfer capabilities, the Bank's Call Center maintains extended hours to include evenings, weekends and holidays. The Bank also offers bank-by-mail and bill paying services.

The Bank's website offers customers access their accounts 24 hours a day, and complete such transactions as stop payments, funds transfers, wire transfers, obtain statements, etc. The site is available in both Spanish and English. Online banking accommodates the Bank's personal account customers as well as small business, consumer and international customers.

The Bank offers two low cost economy deposit products. The MCB Value Checking for domestic customers only, offers a low minimum amount to open and no monthly charge if the customer has direct deposit or four debit card transactions per month, or registers for online statements. There were 22 domestic customers that opened this account from January 2014 through June 2015. The second low cost product is the MCB Business Checking; this product provides a low cost business checking account for small businesses owners. This account requires no minimum balance requirements, has no minimum monthly service charge if the business registers for online statements and provides 150 free checks or debits per month. There were two accounts opened under this product.

Community Development Services

MCB provides a good level of community development services, considering the level of the Bank's presence in the New York assessment area and the Bank's business strategy. During the evaluation period, the Bank provided financial literacy training to low- and moderate-income people through their partnerships with three non-profit organizations. During the evaluation period, at least five different officers and employees provided ongoing technical assistance to at least four different qualifying

organizations in the New York assessment area, frequently in positions of leadership. The Bank participated in 16 workshops addressing affordable housing and 19 workshops for financial literacy. Affordable housing workshops had 221 participants and the financial literacy workshops had 124 participants. Some of the organizations that the Bank provides services to and through include the following:

Neighborhood Housing Services of NY- The mission of this non-profit is to build affordable homes and strengthen communities. The organization develops affordable homes for purchase.

Browery Mission- a non-profit organization that ministers in New York City to men, women, and children caught in the cycles of poverty, hopelessness and dependencies of many kinds, to see their lives transformed to hope, joy, and lasting productivity.

Accion USA- This is a private non-profit micro-lender that provides financial services to low- and moderate-income entrepreneurs who are unable to access credit for their small business. The organization offers small business loans of up to \$50,000 as well as financial literacy education to its small business owners.

State Rating

State of Texas

CRA Rating for Texas³:	Outstanding
The lending test is rated:	Outstanding
The investment test is rated:	Outstanding
The service test is rated:	High Satisfactory

The major factors that support this rating include:

- Lending activity that reflects excellent responsiveness in meeting assessment area credit needs.
- Excellent geographic distribution of loans in the Bank's assessment area.
- Excellent distribution of loans by income level of the borrower in the Bank's assessment area.
- Community development lending had a very positive impact on the Lending Test.
- An excellent level of qualified investments that reflects responsiveness to community development needs.
- Service delivery systems are reasonably accessible to geographies and individuals of different income levels in its assessment areas.
- An excellent level of community development services.

Description of Institution's Operations in Texas

MCB operates seven branches in the State of Texas. MCB has operated in the assessment area since February 1, 2006. As of June 30, 2015 the Houston branches had deposits of \$119 million, of which 88 percent or \$105 million represent domestic deposits. However, domestic loans total \$790 million or 92 percent of the \$855 million of total loans for the Houston location indicating that domestic loans are partially funded with international deposits. Houston branch deposits represent 1.87 percent of the Bank's overall total deposits.

As with its other operations, the primary customer base in Texas is international individuals and businesses, particularly from Venezuela and Mexico. The primary business focus during the evaluation period was to serve retail consumers and small businesses.

³ For institutions with branches in two or more states in a multistate metropolitan area, this statewide evaluation does not reflect performance in the parts of this state contained within the multistate metropolitan area. Refer to the multistate metropolitan area rating and discussion for the rating and evaluation of the institution's performance in that area.

Refer to the Market Profile for the State of Texas in Appendix C for detailed demographics and other performance context information for the assessment area that received a full-scope review

Scope of Evaluation in Texas

The Bank's assessment area in Texas is a portion of Metropolitan Division (MD) 26420 defined as Houston-The Woodlands-Sugarland, TX. The partial MD consists of Harris and Montgomery Counties. This Texas MD received a full-scope review. The Bank established a branch in Sugarland, Texas in February 2016 and the FDIC lists it located in Harris County. When geocoded by address it shows as Fort Bend County. We did not include Fort Bend County as part of the Bank's assessment area due to this discrepancy. We considered the new branch as located in Harris County.

Loan products evaluated include home purchase, home refinance, and multi-family loans reported under the HMDA and small loans to businesses reported under the CRA. The Bank offers home improvement loans but this loan type is not a major product of the Bank, and the Bank reported no home improvement loans during the evaluation period for this assessment area. Similarly, small loans to farms are not a major product for the Bank and the Bank reported no small loans to farms. No analysis of home improvement or small loans to farms was performed, and the table for small loans to farms was excluded from the Core Tables in Appendix D. We also evaluated community development loans, investments, and services.

Of reported home mortgage and small loans to businesses in Texas, 54 percent were small loans to businesses. Therefore, more weight in reaching our conclusions was given to performance related to small loans to businesses.

We conducted a community contact with a non-profit community development organization in the Texas assessment area. We also reviewed community contacts conducted at other examinations for banks operating in the same assessment area. The most critical identified needs are housing that is affordable to low- and moderate-income families and loans to establish small businesses.

Refer to the Market Profiles in Appendix C for additional information.

LENDING TEST

Conclusions for Areas Receiving Full-Scope Reviews

The Bank's performance under the Lending Test in Texas is rated "Outstanding". Based on a full-scope review, the Bank's performance in the Harris-Montgomery Counties assessment area is excellent.

Lending Activity

Refer to Table 1 Lending Volume in the State of Texas section of Appendix D for the facts and data used to evaluate the Bank's lending activity.

Overall lending levels reflect excellent responsiveness to meeting assessment area credit needs, given the Bank's deposit mix and business strategy as well as the very positive impact of community development loans. We considered the fact that lending in the assessment area was challenged after

emerging from the nationwide economic recession. There has been increased lending activity during the evaluation period.

Small business lending activity, which represents the majority of the Bank's lending under analysis, is excellent, given performance context. FDIC data as of June 30, 2015 (the most recent available data) shows that MCB had a total deposit market share in the assessment area of 0.06 percent and was ranked 54th of 83 financial institutions taking deposits in the assessment area. A comparison with domestic market share excluding foreign deposits was not done for this assessment area considering the significant percentage of domestic deposits (88 percent) versus foreign deposits. According to 2014 peer market data (the most recent available data), MCB's market share of small loans to businesses was 0.03 percent with a rank of 55th among 170 loan reporters, based on number of loans reported. When the dollar amount of such loans is considered, the Bank had a market share of 0.24 percent and was ranked 42nd, exceeding its deposit market share and rank. A comparison based on dollar volume of lending is more meaningful because of the inclusion of a large number of credit card lenders in the reporting. Credit card lenders originate a large number of loans, but the overall dollar volume is significantly smaller. For example, the top five small business loan reporters in 2014 are all credit card lenders that do not take deposits in the assessment area. Combined, these five lenders have a market share of 63 percent, based on number of loans, but only a 25 percent market share based on dollar volume. Alone, American Express Bank, FSB had a market share of 22.93 percent based on number of loans and 6.32 percent based on dollar amount.

Overall, home mortgage lending is good, when considering the Bank's business strategy and the market in which the Bank operates. For overall home mortgage lending (including originations and purchases), as reported under the HMDA, the Bank is ranked 240th of 794 reporters in 2014 (the most recent available data). The Bank's market share is 0.03 percent based on the number of loans. This performance is lower than the Bank's deposit market share and rank but based on the capacity of the Bank in the assessment area and the level of competition in the market, such performance does not materially detract from the Bank's overall lending activity performance.

While the Bank's market share and rank for home purchase and refinance loans individually are consistent with overall HMDA lending, it should be noted that MCB's market share and rank of multi-family home mortgage loans is excellent and consistent with the Bank's lending and CRA strategy. According to 2014 peer mortgage data, the Bank had a market share of 0.90 percent for multi-family loan originations and purchases in the assessment area and was ranked 38th among 84 reporters, based on number of loans. This performance exceeds the Bank's total deposit market share and rank. MCB's high volume of community development lending was considered. Community development lending represents 53 percent of the dollar volume of the Bank's loans analyzed in this assessment area.

Distribution of Loans by Income Level of the Geography

Overall, the geographic distribution of loans in the State of Texas is excellent, based primarily on the distribution of small loans to businesses. The overall geographic distribution of loans in the full-scope Harris-Montgomery Counties assessment area is excellent, based primarily on the distribution of small loans to businesses. As previously noted, these loans represent 76 percent of home mortgage and small business loan activity analyzed in the evaluation period. The geographic distribution of home mortgage loans is excellent considering performance context. The geographic distribution of small loans to businesses is excellent.

Home Mortgage Loans

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

The overall geographic distribution of home mortgage loans in the full-scope assessment area is excellent. The distribution of multi-family lending is excellent considering loans in low- and moderate-income geographies.

The geographic distribution of home purchase loans is excellent considering performance context. For 2014, the Bank's percent of home purchase loans in both low- and moderate-income geographies exceeded the percent of owner-occupied units in these geographies. The Bank's market share of home purchase loans in both low- and moderate-income geographies exceeded the Bank's overall market share.

The geographic distribution of home mortgage refinance loans is good. There were no loans in low-income geographies and a zero market share. The Bank's percent of refinance loans in moderate-income geographies exceeded the owner-occupied units. The market share was zero and not given any weight given the information only represents one year.

The geographic distribution of multi-family loans is excellent. The distribution of multi-family loans in low-income areas exceeded the percent of multi-family loans in low-income geographies. The Bank's low-income market share exceeded the Bank's overall market share. For moderate-income geographies, the Bank's loans exceeded the percent of multi-family units in these geographies. The Bank's moderate-income market share exceeded its overall market share of multi-family loans.

Small Loans to Businesses

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

The geographic distribution of small loans to businesses is excellent. The Bank's geographic distribution of small loans to businesses in low-income geographies was near to the percentage of businesses located in such geographies. The Bank's market share of small loans to businesses in low-income geographies was equal to its overall market share of small loans to businesses. The Bank's geographic distribution of small loans to businesses in moderate-income geographies exceeded the percentage of businesses located in such geographies. The Bank's market share of small loans to businesses in moderate-income geographies exceeded its overall market share of small loans to businesses.

Lending Gap Analysis

We evaluated the lending distribution of this assessment area to determine if any unexplained conspicuous gaps existed. No unexplained conspicuous gaps were identified after reviewing performance context.

Inside/Outside Ratio

This analysis is performed at the Bank level rather than state or assessment area levels. During the evaluation period, a substantial majority of the Bank's loan originations were within its overall assessment area. A substantial majority of the number of loans and a majority of the dollar volume of loans were in the assessment area. Specifically, 95.44 percent of loans by number and 96.82 percent by dollar volume were within the Bank's overall assessment area. By product, 97.84 percent by number and 99.54 percent by dollar of home mortgage loan originations and purchases were within the Bank's overall assessment area. Regarding small loans to businesses, 94.11 percent by number and 91.33 percent by dollar were originated or purchased within the Bank's overall assessment area. This performance was positively factored into the overall analysis of the geographic distribution of lending by income level of the geography.

Distribution of Loans by Income Level of the Borrower

Overall, the distribution of loans by income level of the borrower in the State of Texas is excellent, based primarily on the distribution of small loans to businesses and considering performance context. The overall distribution of loans by income level of the borrower in the full-scope assessment area is excellent, based on distribution of home mortgages, the distribution of small loans to businesses, and performance context. The distribution of home mortgage loans by income level of the borrower is excellent. The distribution of small loans to businesses is good, given performance context.

Home Mortgage Loans

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

The distribution of HMDA loans among individuals of different income levels in the full-scope assessment area is excellent.

Consideration was given to the assessment area's high poverty rate of 14 percent that limits the ability of many low-income families to become homeowners, even with the assistance of subsidy programs, the availability of which became very limited during the course of the evaluation period. High taxes, and homeowner's insurance costs also contribute to the inability of low-income borrowers as well as moderate-income borrowers to become homeowners.

Furthermore, the demand for refinance loans by low- and moderate-income families is generally very limited. Many times low- and moderate-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. In addition, some special programs do not allow for refinancing.

The distribution of home purchase loans to borrowers of different income levels is excellent considering performance context. The Bank's percent of home purchase loans made to low-income borrowers is near to the percent of low-income families in the assessment area. The Bank's market share exceeds its overall market share. The Bank's percent of home purchase loans made to moderate-income borrowers exceeded the percent of moderate-income families in the assessment area. The Bank's home purchase loan market share to moderate-income borrowers exceeded the Bank's overall market share.

The distribution of home mortgage refinance loans among borrowers of different income levels is good, given performance context. For low-income borrowers, the percent of loans was near to the percent of low-income families in the assessment area. The market share was discounted since showing a zero market share. For moderate-income borrowers, the percentage of loans exceeded the percentage of moderate-income families. The market share was discounted since showing a zero market share.

Small Loans to Businesses

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

The distribution of small loans to businesses within the Harris-Montgomery Counties assessment area is good, considering performance context. The percent of the Bank's small loans to small businesses (businesses with annual revenues of \$1 million or less) was below the percent of small businesses in the full-scope assessment area. The Bank's market share of small business loans was near to its overall market share of small loans to businesses.

Community Development Lending

Refer to Table 1 Lending Volume in the State of Texas section of Appendix D for the facts and data used to evaluate the Bank's level of community development lending.

Community development lending is excellent and had a very positive impact on the Lending Test for the State of Texas. Based on a full-scope review, community development lending in the full-scope assessment area is excellent with a very positive impact on the Lending Test. Refer to the profile in Appendix C for a discussion of assessment area needs and available opportunities.

In the Harris-Montgomery Counties assessment area, MCB originated eighteen community development loans totaling \$108 million. Twelve, or \$91.6 million, of the community development loans are affordable multi-family housing. Four loans totaling \$7.6 million supported economic development and job creation. Two loans totaling \$8.9 million were to revitalize and stabilize a low-and moderate-income geographies to provide services and permanent jobs for the assessment area.

Product Innovation and Flexibility

MCB offers more flexible underwriting for loans that have a CRA community development purpose and this had a positive effect on the Lending Test. The Bank is a United States Small Business Administration (SBA) approved lender. The SBA provides guarantees for small business loans and larger commercial loans. This status allows MCB to increase its SBA loan production while reducing costs through expedited loan processing and self-managing of the Bank's SBA loan portfolio. These processes had a positive impact on the Lending Test rating. The Bank also offers SBA 504 and SBA 7A programs.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

The Bank's performance under the Investment Test in Harris-Montgomery Counties assessment area is rated "Outstanding". This assessment is based on the Bank's excellent performance in this assessment area given the available opportunities and the capacity of the Bank as discussed in the performance context section of this evaluation. The dollar volume of the qualified investments is excellent. Investments are responsive to the assessment area's critical need of affordable housing. Refer to the profile in Appendix C for a discussion of available opportunities. Refer to Table 14 in the Harris-Montgomery Counties section of Appendix D for the facts and data used to evaluate the Bank's level of qualified investments.

The dollar volume of community development investments is excellent. Investments are reasonably responsive to assessment area needs addressing the critical need of affordable housing. Investments are not generally considered innovative or complex and private investors routinely provide the type of qualified investments discussed here.

Current Period Investments: Current period qualified investments totaled \$21.3 million and grants totaled \$237 thousand. The Bank's current period qualified investments in the full-scope assessment area includes four government agency mortgage backed securities that support affordable housing needs for low- and moderate-income residents and one Small Business Administration loan pool. Grants and donations, in the form of cash were made to organizations that support affordable housing efforts, fair lending, and the community service needs of low and moderate-income individuals.

Prior Period Investments: Qualified investments purchased during prior evaluation periods that remain on the Bank's books include 18 government agency mortgage-backed securities. These investments had a book value of \$4.7 million as of our evaluation date. These investments support affordable housing for low and moderate income individuals in the assessment area.

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

The Bank's Service Test rating in the State of Texas is "High Satisfactory". Based on a full-scope review, the Bank's performance in the Harris-Montgomery Counties assessment area is good considering the Bank's branch distribution, branch openings, branch closings, as well as its community development service performance. Branch distribution, branch openings, and branch closings received the most weight in arriving at an overall rating for the Service Test.

Retail Banking Services

Refer to Table 15 in the State of Texas section of Appendix D for the facts and data used to evaluate the distribution of the Bank's branch delivery system and branch openings and closings.

The Bank offers banking services through seven locations. Two branches are in middle-income geographies and five branches are in upper-income geographies. The Bank increased its retail orientation in the Texas assessment area during the evaluation period. There were no branch closings but six branch openings. The branch openings have generally not adversely affected the Service Test conclusions. Locations are reasonably accessible to geographies, businesses, and individuals of different income levels in the assessment area.

The branches offer full services, in Spanish and English, and they maintain reasonable and convenient hours, including extended hours on Fridays. There are three branches that have drive-thru facilities, and all branches have automated teller machines (ATM). The branches are a member of local and international ATM networks such as PRESTO and Allpoint. Allpoint ATMs are available at several retail locations such as Walgreens, Target, CVS, and Kroger to name a few. The Visa Check Card is offered which allows customers to purchase goods and services at any location where Visa is accepted, as well as to obtain cash through ATM networks worldwide. In addition to the Bank's Comline 24, which offers 24-hour automated banking services by phone including account information and funds transfer capabilities, the Bank's Call Center maintains extended hours to include evenings, weekends, and holidays. The Bank also offers bank-by-mail and bill paying services.

The Bank's website offers customers access to their accounts 24 hours a day, and can complete such transactions as stop payments, funds transfers, wire transfers, obtain statements, etc. The site is available in both Spanish and English. Online banking accommodates the Bank's personal account customers as well as small business, consumer and international customers.

The Bank offers two low cost economy deposit products. The MCB Value Checking for domestic customers only, offers a low minimum amount to open and no monthly charge if the customer has direct deposit or four debit card transactions per month, or registers for online statements. There were 149 domestic customers that opened this account from January 2014 through June 2015. The second low cost product is the MCB Business Checking that provides a low cost business checking account for small businesses owners. This account requires no minimum balance requirements, has no minimum monthly service charge if the business registers for online statements, and provides 150 free checks or debits per month. There were 110 accounts opened under this product from January 2014 through June 2015.

MCB offers a range of banking products and services in its assessment area. The branch office is augmented by a variety of alternative delivery channels, including ATM networks, telephone banking, and online banking. There is no data on the effectiveness of these alternative delivery systems, and no significant weight was given to these systems.

Community Development Services

MCB provides an excellent level of community development services in the Harris-Montgomery Counties assessment area, considering the level of the Bank's presence in the assessment area and the business strategy. During the evaluation period, the Bank provided financial literacy and affordable housing workshops. During the evaluation period, at least eight different officers and employees provided ongoing technical assistance to at least four different qualifying organizations in the assessment area, frequently in positions of leadership. The Bank participated in 71 workshops addressing affordable housing and 68 workshops for financial literacy. Affordable housing workshops had 1,606 participants and the financial literacy workshops had 635 participants. The Bank also

conducted workshops for small business owners that included 88 participants. Some of the organizations that the Bank provides services to and through include the following:

Camara de Empresarios Latinos de Houston - The mission of this non-profit is to educate and support business owners helping them develop and promote their companies to create a mark and noticeable growth.

The Women's Resource of Greater Houston - A non-profit organization to help women and girls make choices toward becoming independent, productive and financially stable. They assist women and girls of the community to become financially literate, productive, and self-sufficient.

Houston Center for Entrepreneurial Excellence - The center was developed through a partnership between MCB, Camara de Empresarios Latinos de Houston, and Houston Community college. The program encourages and assists members of the Houston community to engage in entrepreneurial ventures in order to further the possibility of establishing, maintaining and growing small businesses within the greater Houston area.

Avenue Community Development Corporation - This is a local non-profit community development corporation (CDC) with a mission to build affordable homes and strengthen communities.

Mexican Institute of Greater Houston - This non-profit provides basic computer technology courses to help underserved Hispanic, Asian, and African American parents through education become effective leaders of their families and communities, as well as better skilled members of the workforce.

Appendix A: Scope of Examination

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

Time Period Reviewed	Lending Test (excludes CD loans): (01/01/13 to 12/31/15) Investment and Service Tests and CD Loans: (03/11/13 to 04/10/16)	
Financial Institution	Products Reviewed	
Mercantil Commercebank, N.A. (MCB) 220 Alhambra Circle, Suite 212 Coral Gables, FL 33134	Residential Mortgage Loans Small Loans to Businesses Community Development Loans	
Affiliate(s)	Affiliate Relationship	Products Reviewed
Not Applicable		
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Miami-Dade County, FL MD 33124 Broward County, FL MD 22744 Palm Beach County, FL MD 48423 New York, NY MD 35644 Harris-Montgomery Counties, TX MD 26420	Full-Scope Limited-Scope Limited-Scope Full-Scope Full-Scope	

Appendix B: Summary of Multistate Metropolitan Area and State Ratings

RATINGS Mercantil Commercebank, National Association				
Overall Bank:	Lending Test Rating*	Investment Test Rating	Service Test Rating	Overall Bank/State/Multistate Rating
Mercantil Commercebank, N.A.	Outstanding	Outstanding	Outstanding	Outstanding
Multistate Metropolitan Area or State:				
FLORIDA	Outstanding	Outstanding	Outstanding	Outstanding
NEW YORK	Outstanding	Outstanding	High Satisfactory	Outstanding
TEXAS	Outstanding	Outstanding	High Satisfactory	Outstanding

(*) The lending test is weighted more heavily than the investment and service tests in the overall rating.

Appendix C: Market Profiles for Full-Scope Areas

State of Florida

MIAMI-DADE ASSESSMENT AREA

The Bank’s assessment area consists of all of Miami-Dade County, which is equivalent to Metropolitan Division (MD) 33124. The assessment area meets the requirements of the CRA regulation and does not arbitrarily exclude low- and moderate-income geographies. The following table provides detailed demographic information about the assessment area.

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	354,431	3.14	21.91	26.96	46.24	1.75
Farms by Geography	4,350	1.77	18.92	31.98	46.71	0.62
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		50,065	Median Housing Value		295,738	
FFIEC Adjusted Median Family Income for 2015		49,900	Unemployment Rate (2010 US Census)		4.18%	
Households Below Poverty Level		18%				

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

Source: 2010 US Census and 2015 FFIEC updated MFI

Miami-Dade County is located in the southeastern part of the State of Florida. As of the 2010 census, the County had a population of 2,496,435, making it the most populous county in Florida and the seventh-most populous county in the United States. It is also Florida's third largest county in terms of land area, with 1,946 square miles. The County contains approximately half of the Miami metropolitan area’s population and several of its largest cities. The county seat is Miami.

According to the 2010 Census, the Miami-Dade MD geographies increased to 518 geographies distributed as follows: 31 (6 percent) low-income, 132 (26 percent) moderate-income, 166 (32 percent) middle-income, 172 (33 percent) upper-income, and 17 (3 percent) no income data.

The cost of living in the Miami-Dade MD remains high even though there are indications of improvements in unemployment, real estate foreclosures, and other economic conditions during the evaluation period. Unemployment as of December 31, 2015, was 5.8 percent and has trended lower compared to 10.3 percent in 2011 and 13.6 percent in 2010 that represent years of high unemployment. The Federal Financial Institutions Examination Council’s (FFIEC) adjusted median family income (MFI) was \$49,000 for 2013, \$48,400 for 2014, and \$49,900 for 2015. Based on the MFI, low- and moderate-income (LMI) people have incomes of less than 80 percent of the median

family income, or less than \$39,200, \$38,720, and \$39,360, respectively for the years discussed. The poverty level remains high at approximately 18 percent for the 2010 Census report of demographic information. Housing costs are high with the median sales price of a single-family home of \$235,000 as of August 2013 increasing to \$274,000 in 2015 according to an assessment by the Miami Association of Realtors. The high median cost makes it difficult for LMI people to own a home in the AA without the help of loan subsidies. In addition, the high property tax and insurance premiums add significant cost to owning a home. The demand for single-family homes has been fierce with foreign investors quickly buying homes with cash, making it difficult for LMI people to take advantage of lower cost homes on the market while they go through the sometimes-lengthy loan approval process.

Major industries include real estate development, trade business with Latin America, and tourism. According to Dunn and Bradstreet, there were 354,431 non-farm businesses in the Miami-Dade MD for 2015 of which 79.54 percent are considered small business. Small businesses are defined as having revenues of \$1 million or less. The majority (73.20 percent) of all non-farm businesses are concentrated in the County's middle- and upper-income geographies.

We determined the community credit needs in the AA by reviewing CRA Performance Evaluations of other banks operating in the same AA and by conducting one community contact with a non-profit community service organization that operates in the AA. We determined that the most pressing credit needs in the AA are affordable housing and small business lending. Community contacts also indicated that small business owners need financial technical assistance from banks and an understanding of how technology could help them maintain their financial records.

Banking competition is very intense in the AA. Based on FDIC data as of June 30, 2015, there were 67 financial institutions operating 688 banking offices in the Miami-Dade County AA, including branches of the largest banks in the country. MCB had a total deposit market share in the Miami-Dade assessment area of 5.11 percent and was ranked seventh of 67 financial institutions taking deposits in the assessment area. However when only domestic deposits (excluding foreign deposits) are considered, the Bank's deposit market share is an estimated 1.37 percent with a rank of seventeenth. Competition for loans is even more intense since numerous mortgage companies also operate in the AA and national credit card lenders compete for small business loans.

State of New York

NEW YORK ASSESSMENT AREA

MCB's assessment area is comprised of a portion of Metropolitan Division (MD) 35644, and includes the counties of the Bronx, Kings, New York, and Queens. There are significant demographic variations among the counties including home values, homeownership rates, property types, and population. The assessment area meets the requirements of the regulation and does not arbitrarily exclude any low- or moderate-income geographies. The following table provides detailed demographic information about the assessment area.

MD 35614 Bronx-Kings-NY-Queens NY (partial)

Demographic Information for Full Scope Area: MD 35614 Bronx-Kings-NY-Queens NY (partial)						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	2,057	16.19	30.24	29.75	20.86	2.97
Population by Geography	7,706,403	19.87	33.40	25.57	20.93	0.23
Owner-Occupied Housing by Geography	891,130	4.78	22.21	36.48	36.53	0.01
Business by Geography	494,363	11.40	23.13	22.12	40.08	3.27
Farms by Geography	2,120	7.50	20.75	26.32	44.25	1.18
Family Distribution by Income Level	1,719,612	32.80	17.53	16.45	33.22	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	865,521	30.63	40.38	21.38	7.59	0.01
Median Family Income		68,006	Median Housing Value		530,354	
FFIEC Adjusted Median Family Income for 2015		71,300	Unemployment Rate (2010 US Census)		4.48%	
Households Below Poverty Level		19%				

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

Source: 2010 US Census and 2015 FFIEC updated MFI

According to the 2010 Census, the New York assessment area geographies decreased to 2,057 geographies, of which 333 (16 percent) are low-income, 622 (30 percent) are moderate-income, 612 (30 percent) are middle-income, and 429 (21 percent) are upper-income. Sixty-one tracts (3 percent) have no income designation generally because of low population levels.

According to 2010 Census data, the population of the assessment area is 7.7 million, and contains New York City, the largest city in the United States. The distribution of families in the assessment area is as follows: 19.74 percent low-income families, 33.40 percent moderate-income families, 25.57 percent middle-income families, and 20.93 percent upper-income families. Approximately 46.43 percent of census tracts are low- or moderate-income. Most such tracts are found in New York City, with the greatest concentration in the Bronx.

Unlike the assessment area in Florida, the majority of population lives in rental housing. Within the assessment area, there are 3.1 million housing units of which only 28 percent are owner-occupied. Approximately 63 percent of all housing units are multi-family. The majority of the multi-family units are located in Manhattan and the Bronx, and to a lesser degree, Brooklyn. The median sales price is high at \$530,000 and the assessment area remains a high cost area making housing affordability a challenge.

According to the State of New York Department of Labor, private sector employment in the New York City region (Bronx, Kings, New York, and Queens) rose by 98,500, or 2.7 percent, to 3,784,200 for the 12-month period ending June 2016. Jobs grew most notably in educational and health services, adding 46,100 jobs; leisure and hospitality added 20,700 and professional and business services added 13,700. Additionally, Government employment rose by 4,500. The city's over-the-year picture remained positive, with every sector except financial activities, which shed 2,900 jobs in the 12 months through June 2016. As of May 2016, the five largest employers were the Metropolitan Transportation Authority, Northwell Health, New York City Health and Hospitals Corp., JPMorgan Chase & Co., and Citibank, NA.

The region's seasonally-adjusted unemployment rate has declined steadily in the evaluation period, from 8.8 percent in January 2013 to five percent in June 2016. While declining consistently, the unemployment rate remains higher than the overall state rate of 4.7 percent in June 2016.

The Bank operates in an extremely competitive market with many multinational, regional, foreign, and smaller local banks. Major banks include JP Morgan Chase, BNY Mellon, HSBC, Bank of America, and Citibank, with JP Morgan Chase dominating the market with 44.04 percent of deposit market share as of June 30, 2015. As of the same date, the FDIC data shows there are 89 financial institutions reporting deposits in the AA operating 697 offices. This reflects a decline from the previous evaluation period where there were 119 financial institutions reporting deposits in the AA operating 1,759 offices.

Although there are a wide range of opportunities for community development lending, investments, and services throughout the assessment area, larger institutions are very competitive. There are numerous community-based organizations operating in the assessment area. Financial literacy, affordable housing, micro loans for small businesses and foreclosure assistance have been identified as critical for the assessment area. There are also opportunities for the purchase of mortgage-backed securities but due to high housing prices and the decline of special programs, such opportunities have declined since mortgages to low- and moderate-income borrowers secure mortgages that qualify for CRA consideration.

MCB's banking office is in the lower west side of New York City. The branch is in a moderate-income geography. The office is a full service branch that provides services in both English and Spanish. The New York branch's business strategy focuses on high net worth international customers. The shortage of housing subsidies has made it very difficult to provide affordable housing in this assessment area, along with the Bank's small deposit and lender market shares. Based on FDIC data as of June 30, 2015, MCB's overall deposit market share in the New York MSA area was 0.01 percent and it was ranked 88th of 108 financial institutions reporting deposits in the assessment area. When considering only the level of domestic deposits, the Bank's market share is very small considering the many lenders in the market.

State of Texas

TEXAS ASSESSMENT AREA

MCB's assessment area is comprised of Harris-Montgomery Counties, Texas, which is a portion of MSA 26420 (Houston-Sugar Land-Baytown, TX). The assessment area meets the requirements of the regulation and does not arbitrarily exclude any low- or moderate-income geographies. The following table provides detailed demographic information about the assessment area.

MSA 26420 Harris-Montgomery TX (partial)

Demographic Information for Full Scope Area: MSA 26420 Harris-Montgomery TX (partial)						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	845	14.44	30.77	24.14	30.30	0.36
Population by Geography	4,548,205	11.56	29.51	27.16	31.45	0.32
Owner-Occupied Housing by Geography	907,268	5.05	24.13	28.78	42.04	0.00
Business by Geography	387,041	9.63	21.55	23.97	44.78	0.08
Farms by Geography	6,059	6.24	19.16	29.06	45.54	0.00
Family Distribution by Income Level	1,057,526	25.78	17.15	17.42	39.66	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	453,988	19.86	41.03	24.57	14.55	0.00
Median Family Income FFIEC Adjusted Median Family Income for 2015 Households Below Poverty Level		63,898 70,1000 14%	Median Housing Value Unemployment Rate (2010 US Census)		156,801 3.58%	

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

Source: 2010 US Census and 2015 FFIEC updated MFI

According to the 2010 Census, the Texas assessment area geographies increased to 845 geographies, of which 122 (14 percent) are low-income, 260 (31 percent) are moderate-income, 204 (24 percent) are middle-income, and 256 (30 percent) are upper-income. Three tracts (.4 percent) have no income designation generally because of low population levels.

Approximately 51 percent of housing units are owner-occupied. Based on data from the National Association of Realtors, the median sales price of an existing single family home in the assessment area was \$209,200 as of December 2015.

Houston's energy industry is recognized worldwide, particularly for oil. More than 5,000 energy related firms are located in the city considered by many to be the "Energy Capital" of the world and Houston is home to the largest medical center in the world, the Texas Medical Center. The economic downturn from the national recession adversely affected the assessment area but the area is recovering and the trend in unemployment has improved from a higher level of 6.5 percent in January 2013 to 4.2 percent as of December 2015. The unemployment rate has generally been lower than the State of Texas unemployment rate which was 4.6 percent as of December 2015.

MCB operates in a competitive market with many multinational, regional, and smaller local banks. FDIC data as of June 30, 2015 (the most recent available data) shows that MCB had a total deposit market share in the assessment area of 0.06 percent and was ranked 54th of 83 financial institutions taking deposits in the assessment area. A comparison with domestic market share excluding foreign deposits was not done

for this assessment area considering the significant percentage of domestic deposits (88 percent) versus foreign deposits. FDIC data as of June 30, 2015 shows that there are 88 financial institutions reporting deposits in the assessment area that operate 1,046 banking offices. The market is dominated by JPMorgan Chase with a deposit market share of 35 percent. MCB's market share is 0.08 percent and is ranked fifty-seventh.

There are a wide range of opportunities for community development lending, investments, and services throughout the assessment area. However, larger institutions in the MSA are very competitive for the opportunities that are available. Community development opportunities include working with and providing financing to the numerous organizations whose mission is to provide affordable housing and/or community services for low- and moderate-income persons, as well as organizations with a mission of economic development. Contacts with community-based organizations indicated needs related to partnerships to help facilitate small business workshops, flexible lending for small business customers, support for micro-lending programs, and financial literacy programs. Numerous Community Development Corporations (CDCs") and Community Development Financial Institutions ("CDFIs") operate in Harris-Montgomery Counties providing additional CRA opportunities.

Appendix D: Tables of Performance Data

Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan areas are presented in one set of tables. References to the “Bank” include activities of any affiliates that the Bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the lending test tables, the following are applicable: (1) purchased loans are treated as originations/purchases and market share is the number of loans originated and purchased by the Bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/assessment area; (2) Partially geocoded loans (loans where no census tract is provided) cannot be broken down by income geographies and, therefore, are only reflected in the Total Loans in Core Tables 2 through 7 and part of Table 13; and (3) Partially geocoded loans are included in the Total Loans and % Bank Loans Column in Core Tables 8 through 12 and part of Table 13. Deposit data are compiled by the FDIC and are available as of June 30th of each year. Tables without data are not included in this PE.

The following is a listing and brief description of the tables included in each set:

- 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 (i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans. Refer to the CRA section of the Compliance Policy intranet page for guidance on table placement.
- Table 1. Other Products** - Presents the number and dollar amount of any unreported category of loans originated and purchased by the Bank, if applicable, 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 (i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such investments. Refer to the CRA section of the Compliance Policy intranet page for guidance on table placement.

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.

Institution ID: MERCANTIL COMMERCEBANK, NATIONAL ASSOCIATION

Table 1. Lending Volume

LENDING VOLUME		Geography: FLORIDA, NEW YORK, TEXAS						Evaluation Period: JANUARY 1, 2013 TO DECEMBER 31, 2015				
Assessment Area :	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA** *
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
State of Florida												
Full Review:												
MD 33124 Miami-Dade County FL	71.42	194	192,020	428	127,185	0	0	70	332,757	692	651,962	94.97
Limited Review:												
MD 22744 Broward County	22.39	71	44,113	126	34,211	0	0	20	53,205	217	131,529	4.07
MD 48423 Palm Beach County FL	6.19	19	7,784	33	9,819	0	0	8	15,443	60	33,046	0.96
State of New York												
Full Review												
MD 35644 NY-Kings-Queens-Bronx Counties NY	100.00	26	108,778	1	956	0	0	16	145,539	43	255,273	100.00
State of Texas												
Full Review:												
MD 26420 Harris-Montgomery Counties TX	100.00	72	68,842	84	25,959	0	0	18	108,152	174	202,953	100.00

* Loan Data as of December 31, 2015. Rated area refers to either state or multi-state MA rating area.

** The evaluation period for Community Development Loans is from January 01, 2013 to December 31, 2015.

*** Deposit Data as of June 30, 2015. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Institution ID: MERCANTIL COMMERCEBANK, NATIONAL ASSOCIATION

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE															Geography: FLORIDA, NEW YORK, TEXAS					Evaluation Period: JANUARY 1, 2013 TO DECEMBER 31, 2015				
Assessment Area:	Total Home Purchase 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									
Full Review:																								
MD 33124 Miami-Dade County FL	108	47.58	1.67	0.00	19.87	8.33	35.56	19.44	42.90	72.22	0.19	0.00	0.20	0.12	0.25									
Limited Review:																								
MD 22744 Broward County	50	22.03	2.29	4.00	24.94	16.00	36.66	32.00	36.11	48.00	0.08	0.38	0.07	0.08	0.07									
MD 48423 Palm Beach County FL	16	7.05	2.96	12.50	22.08	6.25	36.12	31.25	38.83	50.00	0.05	0.69	0.03	0.05	0.04									
State of New York																								
Full Review:																								
MD 35644 NY-Kings-Queens-Bronx Counties NY	15	6.61	4.78	6.67	22.21	0.00	36.48	46.67	36.53	46.67	0.03	0.05	0.00	0.04	0.03									
State of Texas																								
Full Review:																								
MD 26420 Harris-Montgomery Counties TX	38	16.74	5.05	5.26	24.13	28.95	28.78	42.11	42.04	23.68	0.04	0.07	0.08	0.06	0.02									

* Based on 2014 Peer Mortgage Data (USPR)

** 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.

*** 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)

Institution ID: MERCANTIL COMMERCEBANK, NATIONAL ASSOCIATION

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT															Geography: FLORIDA, NEW YORK, TEXAS					Evaluation Period: JANUARY 1, 2010 TO DECEMBER 31, 2011				
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									
Full Review:																								
MD 33124 Miami-Dade County FL	2	66.67	1.67	0.00	19.87	0.00	35.56	0.00	42.90	100.00	0.09	0.00	0.00	0.00	0.18									
Limited Review:																								
MD 22744 Broward County	1	33.33	2.29	0.00	24.94	0.00	36.66	100.00	36.11	0.00	0.00	0.00	0.00	0.00	0.00									
MD 48423 Palm Beach County FL	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									
State of New York																								
Full Review:																								
MD 35644 NY-Kings-Queens-Bronx Counties NY		0.00	4.78	0.00	22.21	0.00	36.48	0.00	36.53	0.00	0.00	0.00	0.00	0.00	0.00									
State of Texas																								
Full Review:																								
MD 26420 Harris - Montgomery Counties TX	0	0.00	5.05	0.00	24.13	0.00	28.78	0.00	42.04	0.00	0.00	0.00	0.00	0.00	0.00									

* Based on 2014 Peer Mortgage Data (USPR)

** 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)

Institution ID: MERCANTIL COMMERCEBANK, NATIONAL ASSOCIATION

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE Geography: FLORIDA, NEW YORK, TEXAS Evaluation Period: JANUARY 1, 2013 TO DECEMBER 31, 2015															
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
Full Review:															
MD 33124 Miami-Dade County FL	51	56.67	1.67	0.00	19.87	3.92	35.56	29.41	42.90	66.67	0.11	0.00	0.07	0.06	0.15
Limited Review:															
MD 22744 Broward County	10	11.11	2.29	10.00	24.94	20.00	36.66	20.00	36.11	50.00	0.01	0.53	0.00	0.03	0.00
MD 48423 Palm Beach County FL	1	1.11	2.96	100.00	22.08	0.00	36.12	0.00	38.83	0.00	0.01	1.30	0.00	0.00	0.00
State of New York															
Full Review:															
MD 35644 NY-Kings-Queens-Bronx Counties NY	2	2.22	4.78	0.00	22.21	50.00	36.48	0.00	36.53	50.00	0.00	0.00	0.00	0.00	0.00
State of Texas															
Full Review:															
MD 26420 Harris - Montgomery Counties TX	26	28.89	5.05	0.00	24.13	26.92	28.78	50.00	42.04	23.08	0.00	0.00	0.00	0.00	0.01

* Based on 2014 Peer Mortgage Data (USPR)

** 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)

Institution ID: MERCANTIL COMMERCEBANK, NATIONAL ASSOCIATION

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY															Geography: FLORIDA, NEW YORK, TEXAS					Evaluation Period: JANUARY 1, 2013 TO DECEMBER 31, 2015				
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	Overall	Low	Mod	Mid	Upp									
Full Review:																								
MD 33124 Miami-Dade County FL	30	50.85	8.41	16.67	28.73	33.33	32.26	40.00	30.60	10.00	2.63	2.27	1.45	5.06	2.33									
Limited Review:																								
MD 22744 Broward County	10	16.95	5.25	30.00	34.37	50.00	38.52	0.00	21.85	20.00	0.83	0.00	2.06	0.00	0.00									
MD 48423 Palm Beach County FL	2	3.39	6.39	50.00	31.55	0.00	33.58	0.00	28.47	50.00	0.00	0.00	0.00	0.00	0.00									
State of New York																								
Full Review:																								
MD 35644 NY-Kings-Queens-Bronx Counties NY	9	15.25	22.06	11.11	30.54	44.44	16.88	22.22	30.52	22.22	0.07	0.00	0.10	0.00	0.13									
State of Texas																								
Full Review:																								
MD 26420 Harris-Montgomery Counties TX	8	13.56	24.21	37.50	31.87	50.00	20.07	0.00	23.85	12.50	0.91	1.45	0.93	0.00	1.47									

* Based on 2014 Peer Mortgage Data (USPR)

** 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 multifamily housing units in the area based on 2010 Census information.

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

Institution ID: MERCANTIL COMMERCEBANK, NATIONAL ASSOCIATION

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES Geography: FLORIDA, NEW YORK, TEXAS Evaluation Period: JANUARY 1, 2013 TO DECEMBER 31, 2015															
Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total*	% of Business es***	% BANK Loans	% of Business es***	% BANK Loans	% of Business es***	% BANK Loans	% of Business es***	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
MD 33124 Miami-Dade County FL	416	63.03	3.14	1.68	21.91	29.81	26.96	21.63	46.24	46.88	0.44	0.28	0.55	0.36	0.44
Limited Review:															
MD 22744 Broward County	126	19.09	3.50	7.14	21.87	31.75	32.84	22.22	41.69	38.89	0.09	0.14	0.10	0.05	0.10
MD 48423 Palm Beach County FL	33	5.00	3.57	12.12	18.88	33.33	31.75	21.21	45.56	33.33	0.05	0.21	0.06	0.03	0.05
State of New York															
Full Review:															
MD 35644 NY-Kings-Queens-Bronx Counties NY	1	0.15	11.40	0.00	23.13	100.00	22.12	0.00	40.08	0.00	0.00	0.00	0.00	0.00	0.00
State of Texas															
Full Review:															
MD 26420 Harris-Montgomery Counties TX	84	12.73	9.63	8.33	21.55	23.81	23.97	33.33	44.78	34.52	0.03	0.03	0.04	0.03	0.02

* Based on 2014 Peer Small Business Data -- US and PR

** 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.

*** Source Data - Dun and Bradstreet (2015).

Institution ID: MERCANTIL COMMERCEBANK, NATIONAL ASSOCIATION

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: FLORIDA, NEW YORK, TEXAS						Evaluation Period: JANUARY 1, 2013 TO DECEMBER 31, 2015							
Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total*	% Families***	% BANK Loans***	% Families	% BANK Loans***	% Families***	% BANK Loans**	% Families**	% BANK Loans***	Overall	Low	Mod	Mid	Upp
Full Review:															
MD 33124 Miami-Dade County FL	111	48.26	23.23	4.55	17.00	9.09	18.29	1.52	41.48	84.85	0.16	1.08	0.32	0.03	0.16
Limited Review:															
MD 22744 Broward County	50	21.74	21.80	10.53	17.61	34.21	19.42	2.63	41.17	52.63	0.07	0.31	0.19	0.01	0.05
MD 48423 Palm Beach County FL	16	6.96	21.50	23.08	17.84	38.46	18.93	0.00	41.73	38.46	0.06	0.42	0.14	0.00	0.03
State of New York															
Full Review:															
MD 35644 NY-Kings-Queens-Bronx Counties NY	15	6.52	32.80	16.67	17.53	75.00	16.45	0.00	33.22	8.33	0.03	0.34	0.33	0.00	0.00
State of Texas															
Full Review:															
MD 26420 Harris-Montgomery Counties TX	38	16.52	25.78	21.62	17.15	64.86	17.42	5.41	39.66	8.11	0.05	0.25	0.21	0.01	0.00

* Based on 2014 Peer Mortgage Data (USPR)

** 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.

*** Percentage of Families is based on the 2010 Census information.

**** As a percentage of loans with borrower income information available. No information was available for 28.4% of loans originated and purchased by bank.

Institution ID: MERCANTIL COMMERCEBANK, NATIONAL ASSOCIATION

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT															Geography: FLORIDA, NEW YORK, TEXAS					Evaluation Period: JANUARY 1, 2013 TO DECEMBER 31, 2015				
Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*													
	#	% of Total*	% Families**	% BANK Loans**	% Families	% BANK Loans****	% Families**	% BANK Loans****	% Families**	% BANK Loans****	Overall	Low	Mod	Mid	Upp									
Full Review:																								
MD 33124 Miami-Dade County FL	2	66.67	23.23	0.00	17.00	50.00	18.29	0.00	41.48	50.00	0.10	0.00	0.93	0.00	0.00									
Limited Review:																								
MD 22744 Broward County	1	33.33	21.80	0.00	17.61	0.00	19.42	0.00	41.17	100.00	0.00	0.00	0.00	0.00	0.00									
MD 48423 Palm Beach County FL	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									
State of New York																								
Full Review:																								
MD 35644 NY-Kings-Queens-Bronx Counties NY	0	0.00	32.80	0.00	17.53	0.00	16.45	0.00	33.22	0.00	0.00	0.00	0.00	0.00	0.00									
State of Texas																								
Full Review:																								
MD 26420 Harris-Montgomery Counties TX	0	0.00	25.78	0.00	17.15	0.00	17.42	0.00	39.66	0.00	0.00	0.00	0.00	0.00	0.00									

* Based on 2014 Peer Mortgage Data (USPR)

** 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 Families is based on the 2010 Census information.

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

Institution ID: MERCANTIL COMMERCEBANK, NATIONAL ASSOCIATION

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE Geography: FLORIDA, NEW YORK, TEXAS Evaluation Period: JANUARY 1, 2013 TO DECEMBER 31, 2015															
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total*	% Families***	% BANK Loans****	% Families	% BANK Loans****	% Families*	% BANK Loans****	% Families*	% BANK Loans**	Overall	Low	Mod	Mid	Upp
Full Review:															
MD 33124 Miami-Dade County FL	51	56.67	23.23	0.00	17.00	3.45	18.29	3.45	41.48	93.10	0.09	0.00	0.00	0.06	0.12
Limited Review:															
MD 22744 Broward County	10	11.11	21.80	0.00	17.61	0.00	19.42	0.00	41.17	100.00	0.01	0.00	0.00	0.00	0.01
MD 48423 Palm Beach County FL	1	1.11	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
State of New York															
Full Review:															
MD 35644 NY-Kings-Queens-Bronx Counties NY	2	2.22	32.80	0.00	17.53	100.00	16.45	0.00	33.22	0.00	0.00	0.00	0.00	0.00	0.00
State of Texas															
Full Review:															
MD 26420 Harris-Montgomery Counties TX	26	28.89	25.78	23.08	17.15	57.69	17.42	3.85	39.66	15.38	0.00	0.00	0.00	0.00	0.01

* Based on 2014 Peer Mortgage Data (USPR)

** 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 Families is based on the 2010 Census information.

**** As a percentage of loans with borrower income information available. No information was available for 50.0% of loans originated and purchased by bank.

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Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES Geography: FLORIDA, NEW YORK, TEXAS Evaluation Period: JANUARY 1, 2013 TO DECEMBER 31, 2015									
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*	
	#	% of Total**	% of Businesses* **	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
Full Review:									
MD 33124 Miami-Dade County FL	428	63.69	79.54	44.16	29.21	33.41	37.38	0.44	0.33
Limited Review:									
MD 22744 Broward County	126	18.75	82.28	61.11	39.68	30.16	30.16	0.09	0.09
MD 48423 Palm Beach County FL	33	4.91	82.65	63.64	36.36	30.30	33.33	0.05	0.06
State of New York									
Full Review									
MD 35644 NY-Kings-Queens-Bronx Counties NY	1	0.15	75.76	100.00	0.00	0.00	100.00	0.00	0.00
State of Texas									
Full Review:									
MD 26420 Harris - Montgomery Counties TX	84	12.50	78.28	51.19	26.19	40.48	33.33	0.03	0.02

* Based on 2014 Peer Small Business Data -- US and PR

** 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.

*** Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2015).

**** 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 32.2% of small loans to businesses originated and purchased by the bank.

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Table 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography: FLORIDA, NEW YORK, TEXAS				Evaluation Period: JANUARY 1, 2013 TO APRIL 10, 2016			
Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
MD 33124 Miami-Dade County FL	57	11,094	77	43,312	134	44,744	64.44	0	0
Statewide	6	1,876	0	0	6	1,876	2.70	0	0
Regional			11	204	11	204	0.29	0	0
Limited Review:									
MD 22744 Broward County	15	7,397	10	7,418	25	14,815	21.31	0	0
MD 48423 Palm Beach County FL	3	841	5	6,951	8	7,791	86.12	0	0
State of New York									
Full Review									
MD 35644 NY-Kings-Queens-Bronx Counties NY	14	7,861			14	7,861	13.93	0	0
Statewide	15	2,659			15	2,659	13.91	0	0
State of Texas									
Full Review:									
MD 26420 Harris - Montgomery Counties TX	18	4,694	33	21,586	51	21,586	89.03	0	0
Statewide	15	2,659			15	2,659	10.97	0	0

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

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

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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS																	
Geography: FLORIDA, NEW YORK, TEXAS																	
Evaluation Period: JANUARY 1, 2013 TO APRIL 10, 2016																	
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
Full Review:																	
MD 33124 Miami-Dade County FL	94.97	11	0.00	0.00	27.27	27.27	45.46	1	1	0	-1	0	+1	5.06	26.89	34.46	33.01
Limited Review:																	
MD 22744 Broward County	4.07	4	0.00	0.00	25.00	0.00	75.00	1	0	0	0	0	+1	4.45	27.65	34.70	33.09
MD 48423 Palm Beach County FL	0.96	1	0.00	0.00	0.00	0.00	100.00		0	0	0	0		4.88	26.01	33.30	35.59
State of New York																	
Full Review																	
MD 35644 NY-Kings-Queens-Bronx Counties NY	100.00	1	0.00	0.00	100.00	0.00	0.00	0	0	0	0	0	0	19.87	33.40	25.57	20.93
State of Texas																	
Full Review:																	
MD 26420 Harris-Montgomery Counties TX	100.00	7	0.00	0.00	0.00	28.57	71.43	6	0	0	0	+2	+4	11.56	29.51	27.16	31.45