

PUBLIC DISCLOSURE

July 8, 1996

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Indian River National Bank
Charter Number 18582

958 20th Place
Vero Beach, Fl. 32961

Office of the Comptroller of the Currency

Miami Duty Station
5757 Blue Lagoon Drive, Suite 200
Miami, Fl. 33126

NOTE: This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

GENERAL INFORMATION

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

This document is an evaluation of the Community Reinvestment Act (CRA) performance of Indian River National Bank prepared by the Office of the Comptroller of the Currency, the institution's supervisory agency, as of July 8, 1996. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.

INSTITUTION'S CRA RATING: This institution is rated “Satisfactory.”

Indian River National Bank's (IRNB) CRA performance was evaluated using the small bank criteria. Our review covered the period from June 1993 to March 1996. IRNB's 73% average loan to deposit ratio is reasonable and approximates a similarly situated bank in the assessment area. A substantial majority of the bank's loans are within its assessment area. Lending to borrowers of different incomes, businesses of different sizes and geographic distribution of loans is reasonable. No CRA performance complaints regarding IRNB have been received.

The following table indicates the performance level of Indian River National Bank with respect to each of the five performance criteria.

SMALL INSTITUTION ASSESSMENT CRITERIA	<u>INDIAN RIVER NATIONAL BANK</u> PERFORMANCE LEVELS		
	Exceeds Standards for Satisfactory Performance	Meets Standards for Satisfactory Performance	Does not meet Standards for Satisfactory Performance
Loan to Deposit Ratio		X	
Lending in Assessment Area	X		
Lending to Borrowers of Different Incomes and to businesses of Different sizes		X	
Geographic Distribution of Loans		X	
Response to Complaints	No complaints were received since the prior examination.		

DESCRIPTION OF INSTITUTION

IRNB is a \$134 million community bank located in Indian River County. The bank is owned by Indian River Banking Company, a one bank holding company. IRNB's primary business focus is residential, small business, and consumer loans. The bank's loan portfolio consisted of 39% 1-4 family residential, 30% commercial, and 23% consumer loans as of March 31, 1996.

IRNB has four branches, including the main office, located within its assessment area. The bank provides drive-in facilities at all branches and ATM access through major networks. No financial or legal impediments affect the bank's ability to help meet the credit needs of its assessment area.

DESCRIPTION OF ASSESSMENT AREA

IRNB's assessment area is the County of Indian River, which is not a Metropolitan Statistical Area (MSA). The assessment area also includes two census tracts in Brevard County and three census tracts St. Lucie County. This assessment area meets the legal requirements for the Community Reinvestment Act and does not arbitrarily exclude any low- or moderate-income areas.

Indian River County consists of 23 Block Numbering Areas (BNAs). The income characteristics for these BNAs are 4% moderate income, 33% middle income and 58% upper income. There are no low income areas and 5% is considered uninhabited. We evaluated IRNB's distribution of loans to low, moderate, middle and upper income individuals using the 1995 and 1996 statewide non-MSA median family incomes of \$29,600 and \$31,600, respectively. Principal employers in the area include the local school district, Indian River Memorial Hospital and the citrus industry.

We conducted community contacts with two local community organizations. Both organizations indicated a need for affordable housing loans.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA :

I. Loan to Deposit Ratio

IRNB's average loan to deposit ratio is reasonable. The quarterly loan to deposit ratio from June 1993 to March 1996 averaged 73%. A similarly situated bank within the same assessment area averaged 75% during the same period.

II. Lending in Assessment Area

IRNB's lending within its assessment area is good. A substantial majority of loan originations during 1995 and year-to-date March 1996 are in the assessment area. Management reports showed that 97% of total originations in dollars and 95% of total originations in numbers were to borrowers within the assessment area. We verified the accuracy of management reports through a sample of loan files.

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

Lending to borrowers of different incomes and to businesses of different sizes is reasonable.

Borrowers of Different Income

We used management reports showing consumer real estate loans and the borrower's income to evaluate performance. Management reports show the distribution of loans among borrowers of different income levels generally correspond to the income characteristics of the assessment area, according to the 1990 Census data. We verified management's reports are accurate through loan sampling.

Consumer Real Estate Lending Patterns for 1995	IRNB's: Loan Distribution by Borrower's Income (# of loan originations)	Income Characteristics of Assessment Area: 1990 Census Data
Low income	9%	12%
Moderate income	7%	17%
Middle income	27%	22%
Upper income	57%	49%

Business of Different Sizes

Lending performance to small businesses is good. Due to asset size, IRNB is not required to monitor the distribution of its commercial loans. However, management believes that the vast majority of local businesses are small businesses with sales revenue below \$1 million. With unavailable data on revenues, we considered loans less than \$1 million an indicator of small business loans. IRNB has originated no loans exceeding \$1 million. Business loans originated range in size from \$5 thousand to \$980 thousand.

IV. Geographic Distribution of Loans

Lending patterns throughout the assessment area are good. We reviewed management reports showing the geographic distribution of real estate loans. We compared IRNB's lending patterns with the 1990 Census data. Most of the loans are located in the areas immediately surrounding the branch offices.

Real Estate Lending Patterns Jan '95 - Mar '96	IRNB's: Loan Distribution by Geographic Area (# of loan originations)	Geographic Characteristics of Assessment Area: 1990 Census Data
Low income	0%	0%
Moderate income	8%	7%
Middle income	42%	34%
Upper income	49%	55%
Uninhabited	0%	5%

V. Response to Complaints

IRNB has not received complaints regarding its Community Reinvestment Act activities.

Compliance with Antidiscrimination Laws and Regulations

The March 31, 1996 compliance examination noted no violations of the substantive provisions of antidiscrimination laws and regulations.