

PUBLIC DISCLOSURE

December 2, 1996

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Metro Bank of Dade County
06120962
Coral Gables, Florida

Federal Reserve Bank of Atlanta
104 Marietta Street, N.W.
Atlanta, Georgia 30303

NOTE: This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to the 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 Metro Bank of Dade County prepared by the Federal Reserve Bank of Atlanta, the institution's supervisory agency, as of December 2, 1996. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 228.

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

Metro Bank of Dade County was assigned a satisfactory rating based on a reasonable loan-to-deposit ratio and because the majority of the bank's loans are within its assessment area. Also, based on available resources and the demographics of the assessment area, lending activities reflect a reasonable penetration among individuals of different income levels and businesses of different sizes. The bank is in substantial compliance with all provisions of the antidiscrimination laws and regulations.

GENERAL INFORMATION (CONTINUED)

The following table indicates the performance level of Metro Bank of Dade County, Coral Gables, Florida, with respect to each of the five performance criteria.

| SMALL INSTITUTION ASSESSMENT CRITERIA | METRO BANK OF DADE COUNTY | | |
|--|---|--|--|
| | 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 previous examination. | | |

DESCRIPTION OF INSTITUTION

Metro Bank of Dade County opened for business on June 5, 1984. The bank's main office is located in a predominantly upper-income community of Coral Gables, Florida. The bank's three branches are located in Dadeland, West Kendall, and Kings Bay. The Kings Bay office in south Dade County opened on January 17, 1995. Metro Bank is locally owned and operated. Its primary competitors are other small banks in its assessment area. No legal or financial impediments exist that would prevent the bank from meeting the credit needs of its assessment area.

According to the September 30, 1996 Consolidated Reports of Condition and Income, the bank had \$125 million in assets. Loans represented 47.7 percent of total assets. Metro Bank offers a variety of consumer and business loans including secured and unsecured commercial loans; real estate loans including home equity, revolving lines of credit, and residential mortgage loans; revolving Execulines of credit; and secured and unsecured consumer loans for various purposes, particularly automobile loans.

The composition of the loan portfolio according to the September 30, 1996 Consolidated Reports of Condition and Income is as follows:

| LOAN TYPE | PERCENTAGE |
|--|-------------------|
| Construction and development | .7 |
| Secured by one- to four-family dwellings | 32.2 |
| Other real estate: | |
| Farmland | .4 |
| Multifamily | 1.3 |
| Nonfarm nonresidential | 30.5 |
| Commercial and industrial | 24.9 |
| Loans to individuals | 9.6 |
| All other | .4 |
| Total | 100.0 |

DESCRIPTION OF INSTITUTION (CONTINUED)

Although real estate loans make up a majority of the dollar volume of the bank's loan portfolio, the bank is most active in originating small business and consumer loans.

DESCRIPTION OF ASSESSMENT AREA: CORAL GABLES, FLORIDA

The assessment area is located in South Dade County and includes 80 census tracts. 3 tracts are low-income, 9 are moderate-income, 19 are middle-income, and 49 are upper-income. The bank's assessment area is bordered by Flagler Street on the north, Quail Roost Drive (S.W. 200 Street) on the south, Biscayne Bay on the east, and Krome Avenue on the west. The bank's assessment area encompasses a portion of Coconut Grove and all of Coral Gables, South Miami, downtown Miami, Kendall, West Perrine, and Richmond Heights. The community served by the bank is a mix of single-family residences, condominiums, and rental apartments. Many large and small shopping facilities, schools, office buildings, and recreational facilities surround the bank's four offices. The economy of the area is represented by professional service organizations, health care facilities, educational institutions, retail stores, and light industries.

The bank's assessment area is predominantly affluent. The total population of the assessment area represents 32.4 percent of the total population of the Miami-Hialeah Metropolitan Statistical Area (MSA). 55 percent of the families or households in the assessment area are considered upper-income. Based on 1990 Census information, the median family income of \$41,182 for the assessment area exceeds the median family income of \$31,113 for the MSA. The table below summarizes income levels of families in Metro Bank's assessment area.

| INCOME LEVEL | NUMBER OF FAMILIES IN ASSESSMENT AREA | PERCENTAGE OF FAMILIES IN ASSESSMENT AREA |
|---------------------|--|--|
| Low | 23,532 | 14.5 |
| Moderate | 20,563 | 12.6 |
| Middle | 29,084 | 17.9 |
| Upper | 89,509 | 55.0 |
| Total | 162,688 | 100.0 |

DESCRIPTION OF ASSESSMENT AREA (CONTINUED)

Three individuals familiar with the community were contacted in conjunction with the examination. The consensus among the individuals contacted was that a need exists in the community for affordable housing for low- and moderate-income families and for assistance to small businesses to become established and have access to working capital loans.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Loan-to-Deposit Ratio

The bank's loan-to-deposit ratio is reasonable and meets the standards for satisfactory performance. The bank's average loan-to-deposit ratio for the seven quarters ended September 30, 1996, was 58.1 percent. This ratio would be higher if the real estate loans originated by the bank and sold in the secondary market were included. The average loan-to-deposit ratio of seven other banks of similar asset size in the bank's assessment area was 52 percent for the same time period.

Lending in the Assessment Area

To evaluate the bank's performance, all small business and automobile loans originated in April through September 1996 were geocoded and analyzed. The analysis determined the percentage of loans within the assessment area, the pattern of lending to borrowers of different income levels and businesses of different sizes, and the geographic distribution of loans.

107 loans consisting of 56 small business loans and 51 automobile loans were analyzed. A majority of the bank's loans were within the assessment area. 42 (75 percent) of the small business loans and 35 (69 percent) of the automobile loans sampled were originated within the bank's assessment area.

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

The analysis of small business loans was based on the gross annual revenues of the businesses. Gross revenue figures were provided for 36 of the 42 small business loans made in the bank's assessment area. Metro Bank's origination of loans to businesses of different sizes is satisfactory. Of the 36 small business loans with gross revenue information, 33 (92 percent) were to entities with less than \$100,000 in gross annual revenues and 3 (8 percent) were to entities with gross annual revenues between \$100,000 and \$250,000.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA (CONTINUED)

The following table shows the distribution of the automobile loans by borrower income level and compares the distribution to the make-up of the assessment area by family income levels.

| INCOME LEVEL | PERCENTAGE OF FAMILIES IN ASSESSMENT AREA | PERCENTAGE OF AUTOMOBILE LOAN ORIGINATED |
|---------------------|--|---|
| Low | 14.5 | 33.3 |
| Moderate | 12.6 | 0.0 |
| Middle | 17.9 | 18.2 |
| Upper | 55.0 | 48.5 |

The distribution of the automobile loans was based on the gross annual income of the borrower and is consistent with the composition of the assessment area by family income levels. The bank's lending to borrowers of different income levels is satisfactory and is especially strong among low-income borrowers.

Geographic Distribution of Loans

The table below shows the distribution of small business and automobile loan originations in relation to the percentage of the population residing in the various types of census tracts.

| INCOME LEVEL OF CENSUS TRACT | PERCENTAGE OF POPULATION IN ASSESSMENT AREA | PERCENTAGE OF SMALL BUSINESS LOANS ORIGINATED | PERCENTAGE OF AUTOMOBILE LOANS ORIGINATED |
|-------------------------------------|--|--|--|
| Low | 1.5 | 0 | 0 |
| Moderate | 7.8 | 2 | 6 |
| Middle | 23.9 | 5 | 17 |
| Upper | 66.8 | 93 | 77 |

Although none of the small business or automobile loans sampled were located in low-income census tracts, the percentages of these loans in the moderate-, middle-, and upper-income census tracts reasonably reflect the proportion of the population in the three census tract groupings. Based on 1990 Census data, the percentage of the assessment area's population residing in the low-income census tracts is significantly low. Moreover, only one of the three low-income census tracts in the assessment area has a significant population.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA (CONTINUED)

Complaints

No complaints relating to CRA performance have been filed against the bank since the previous examination.

Compliance with Antidiscrimination Laws

A sample of loan application files was reviewed to determine the level of compliance with the requirements of the Equal Credit Opportunity Act and the Fair Housing Act. No violations of the substantive provisions of the antidiscrimination laws and regulations were noted. Personnel involved in the lending process have adequate knowledge of fair lending issues and how they relate to the credit application and evaluation process.

TO THE INSTITUTION EXAMINED:

THIS COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION WAS PREPARED BY THE FEDERAL RESERVE BANK OF ATLANTA. THE FOLLOWING ACTIONS MUST BE TAKEN TO FULFILL THE CRA'S REQUIREMENTS.

- C AT A MINIMUM, PLACE THE EVALUATION IN YOUR CRA PUBLIC FILE LOCATED AT YOUR HEAD OFFICE (AND A DESIGNATED OFFICE IN EACH OF YOUR LOCAL COMMUNITIES) NO LATER THAN 30 BUSINESS DAYS AFTER RECEIVING THE EVALUATION.
- C PROVIDE A COPY OF THE EVALUATION TO THE PUBLIC UPON REQUEST (YOU ARE PERMITTED TO CHARGE A FEE NOT TO EXCEED THE COST OF REPRODUCTION AND MAILING IF APPLICABLE) NO LATER THAN 30 BUSINESS DAYS AFTER RECEIVING THIS LETTER.

FEDERAL RESERVE BANK OF ATLANTA

ASSISTANT VICE PRESIDENT

(Date)

CYNTHIA C. GOODWIN

(Title)

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COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

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TO THE FEDERAL RESERVE BANK OF ATLANTA

A COPY OF THE COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION PREPARED AS OF THE CLOSE OF BUSINESS DECEMBER 2, 1996, BY AN EXAMINER FOR THE FEDERAL RESERVE BANK OF ATLANTA HAS BEEN RECEIVED AND WILL BE MADE AVAILABLE TO THE PUBLIC IN THE MANNER STATED IN THE LETTER WHICH ACCOMPANIED THE EVALUATION.

(Signature of Authorized Officer)

(Title)

METRO BANK OF DADE COUNTY

(Name of Bank)

CORAL GABLES, FLORIDA

(Location)

FEDERAL RESERVE BANK OF ATLANTA

Cynthia C. Goodwin
ASSISTANT VICE PRESIDENT

Board of Directors
Metro Bank of Dade County
1390 South Dixie Highway
Coral Gables, Florida 33146

Dear Board Members:

Enclosed is the bank's Community Reinvestment Act Performance Evaluation prepared by Federal Reserve Examiner Yolanda Peters using the guidelines established by the Federal Financial Institutions Examination Council. This evaluation was prepared in accordance with the Community Reinvestment Act (CRA), as amended by the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, and must be made available to the public. The following actions must be taken to fulfill the CRA's requirements.

- C At a minimum, place the evaluation in your CRA public file located at your head office (and a designated office in each of your local communities) no later than 30 business days after receiving this letter.
- C Provide a copy of the evaluation to the public upon request (you are permitted to charge a fee not to exceed the cost of reproduction and mailing if applicable) no later than 30 business days after receiving this letter.

Please acknowledge receipt of this evaluation by signing and returning the attached blue form. The format and content of the evaluation should not be altered or abridged in any manner. You may wish to comment on this information detailing actions the bank has taken since the examination to meet its obligations under the CRA. Any written comments concerning the evaluation placed in the public file should also be forwarded to this office. If you believe any of the information included in the public evaluation is proprietary, please contact this Reserve Bank so that the appropriate action can be taken.

Our Community Affairs staff is available to assist you in determining and responding to community credit needs. Please feel free to contact Mr. Courtney Dufries at (404) 589-7226. If you have any questions concerning this report or any other compliance matter, contact Ms. Gale Williams at (404) 589-7223.

Very truly yours,

Cynthia C. Goodwin

Enclosures

FEDERAL RESERVE BANK OF ATLANTA

Cynthia C. Goodwin
ASSISTANT VICE PRESIDENT

Ms. Patricia Hartje
Regional Compliance Manager
Office of the Comptroller of the Currency
Marquis One Tower, Suite 600
245 Peachtree Center Avenue, N.E.
Atlanta, Georgia 30303

Dear Ms. Hartje:

Enclosed for your information is a copy of the Community Reinvestment Act Performance Evaluation for Metro Bank of Dade County, Coral Gables, Florida, as of December 2, 1996.

A copy of our letter of transmittal to the bank's board of directors is also enclosed.

Very truly yours,

Cynthia C. Goodwin

Enclosures

FEDERAL RESERVE BANK OF ATLANTA

Cynthia C. Goodwin
ASSISTANT VICE PRESIDENT

Mr. Joel Palmer
Assistant Director II
Regional Operations - Compliance
Office of Thrift Supervision
1475 Peachtree Street, N.E.
Atlanta, Georgia 30309

Dear Mr. Palmer:

Enclosed for your information is a copy of the Community Reinvestment Act Performance Evaluation for Metro Bank of Dade County, Coral Gables, Florida, as of December 2, 1996.

A copy of our letter of transmittal to the bank's board of directors is also enclosed.

Very truly yours,

Cynthia C. Goodwin

Enclosures

FEDERAL RESERVE BANK OF ATLANTA

Cynthia C. Goodwin
ASSISTANT VICE PRESIDENT

Mr. Jimmy Loyless
Regional Director
Federal Deposit Insurance Corporation
One Atlantic Center, Suite 1600
1201 West Peachtree Street, N.E.
Atlanta, Georgia 30309-3449

Dear Mr. Loyless:

Enclosed for your information is a copy of the Community Reinvestment Act Performance Evaluation for Metro Bank of Dade County, Coral Gables, Florida, as of December 2, 1996.

A copy of our letter of transmittal to the bank's board of directors is also enclosed.

Very truly yours,

Cynthia C. Goodwin

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PUBLIC DISCLOSURE

**COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION**

NAME OF BANK: METRO BANK OF DADE COUNTY

CITY AND STATE: CORAL GABLES, FLORIDA

DATE OF EXAMINATION: DECEMBER 2, 1996