

PUBLIC DISCLOSURE

October 8, 1996

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

TransAtlantic Bank
06120251

Miami, 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 TransAtlantic Bank prepared by the Federal Reserve Bank of Atlanta, the institution's supervisory agency, as of October 8, 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.

The bank's overall CRA performance is rated satisfactory based on its reasonable loan-to-deposit ratio and the geographic distribution of its loan originations. Based on statistical samples of the bank's primary lending activities, the substantial majority of originations were within the assessment area. Lending to businesses of different sizes and to individuals of different income levels was consistent with the assessment area's demographic make-up.

GENERAL INFORMATION (CONTINUED)

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

SMALL INSTITUTION ASSESSMENT CRITERIA	TRANSATLANTIC BANK		
	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

TransAtlantic Bank had \$134.5 million in assets as of June 30, 1996. Since the previous CRA performance assessment as of April 5, 1995, the bank has expanded from two locations to its present six offices. The six offices are located throughout north and central Dade County, with the main office in downtown Miami. Based on the locations of the additional facilities, access to the bank's services has improved for low- and moderate-income areas previously served. The bank is primarily a business lender, but it also originates residential and consumer loans. Business loans for less than \$1 million were sampled to determine the bank's lending patterns. In addition, activity in consumer lending, in terms of the number of loans originated, was sufficient to consider its distribution within the assessment area for this performance evaluation.

Loan production from the four new branches was not substantial as of this examination; however, the growth in deposits attributed to these locations accounted for a downward trend in the bank's loan-to-deposit ratio. No conditions were noted that should preclude additional investment and lending in the community as a result of expansion. The composition of the loan portfolio according to the June 30, 1996 Consolidated Reports of Condition and Income is as follows:

LOAN TYPE	PERCENTAGE
Construction and development	10.0%
Secured by one- to four-family dwellings	9.1%
Other real estate:	
Multifamily	3.9%
Nonfarm nonresidential	26.4%
Commercial and industrial	32.4%
Loans to individuals	14.8%
All other	3.4%
Total	100%

DESCRIPTION OF ASSESSMENT AREA: NORTH AND CENTRAL DADE COUNTY, FLORIDA

TransAtlantic Bank's assessment area consists of 231 census tracts in the Miami-Hialeah Metropolitan Statistical Area (MSA) and one census tract in Broward County in the Fort Lauderdale-Hollywood-Pompano Beach MSA. The tracts include areas north of Southwest 112th Street in Dade County, except for Key Biscayne, Miami Beach, and other areas lying east of the Intracoastal Waterway. Of the 232 census tracts, 36 are low-income, 53 are moderate-income, 84 are middle-income, and 59 are upper-income. The population of the assessment area is over 1.6 million people, and the median family income is \$29,835, or approximately 96 percent of the Miami-Hialeah MSA's median family income.

The table below summarizes family income levels in the bank's assessment area.

FAMILY INCOME	NUMBER OF FAMILIES	PERCENT IN ASSESSMENT AREA
Low	101,395	24.7
Moderate	69,625	17.0
Middle	79,184	19.3
Upper	159,714	39.0
Total	409,918	100.0

The assessment area has a thoroughly diversified economy, with growing wholesale and international trade, transportation, professional, service, and financial sectors. The construction and retail trade sectors remain significant employers. Small businesses operating within or in support of these sectors are located throughout the assessment area. The 1993 County Business Patterns report from the U.S. Census Bureau listed 61,084 employer establishments in Dade County employing fewer than 50 people and 2,609 establishments with 50 or more employees. To a greater extent than larger employers, small establishments tend to rely on depository institutions as a source of credit. The large number of these businesses with fewer than 50 employees indicates a significant and continuing need for commercial credit throughout the community.

**TransAtlantic Bank
Miami, Florida
October 8, 1996**

**DESCRIPTION OF ASSESSMENT AREA: NORTH AND CENTRAL DADE COUNTY, FLORIDA
(CONTINUED)**

Two individuals involved with community development and affordable housing initiatives in the area's low-income sections were consulted in connection with the examination. The community contacts noted the need for substantially more participation from and cooperation among financial institutions for community development. In addition to decent housing and higher percentages of home ownership, a greater proportion of locally owned businesses is needed to help stabilize some of the community's economically depressed areas.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

The bank's loan-to-deposit ratio is reasonable, but has been declining since the acquisition of four additional branches since the previous examination. These branches have raised the bank's level of deposits without producing a substantial volume of loans as of September 30, 1996. The branch managers have lending authority, and any type of credit the bank offers may be applied for at any of the branches. The bank's average loan-to-deposit ratio for the six quarters ended June 30, 1996, is 70.72 percent. This average was compared to the six-quarter average loan-to-deposit ratios for nine peer institutions in Dade County with assets between \$100 million and \$150 million. The averages for the nine peer institutions ranged from 34.99 percent to 81.55 percent, with five averages significantly less than and two others substantially equal to that of TransAtlantic Bank.

The substantial majority of the business purpose and unsecured consumer loans sampled for evaluating geographic distribution were originated within the assessment area. Business purpose and unsecured consumer loans represent the two leading types of credit extended during the six months prior to the examination in terms of the number of loans originated. Of the sample of 115 business purpose loans for less than \$1 million, 96 percent were inside the assessment area. Of the 68 unsecured consumer loans sampled, 87 percent were inside the assessment area.

In reviewing the sample of business purpose loans, examiners noted that the bank lends to businesses of different sizes, which is considered particularly important for TransAtlantic Bank's overall performance because business purpose lending is its predominant lending activity. Of 110 sampled loans within the assessment area, 62 (56 percent) were to businesses with revenues of less than \$1 million. The following table summarizes the distribution of sampled business purpose loans within the bank's assessment area according to business revenue size.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA (CONTINUED)

Business Purpose Loan Borrower Characteristics

SALES/REVENUES	BUSINESS PURPOSE LOANS	
	Number	Percent
Less than \$100,000	21	19
\$100,000 - <\$250,000	11	10
\$250,000 - <\$1 million	30	27
\$1 million or more	48	44
Total	110	100

In the sample of unsecured consumer loans, examiners noted that originations in the assessment area were distributed among borrowers of different income levels generally consistent with the assessment area's demographic make-up, except that a higher proportion of these loans were extended to low- and moderate-income individuals. The bank conducted affirmative advertising during the review period that seemed to help produce this result. Most of these loans were to low- or moderate-income borrowers. The following table summarizes the distribution of these loans by family income category as compared with the family income composition of the assessment area.

Unsecured Consumer Loan Borrower Characteristics

BORROWER/ FAMILY INCOME	PERCENTAGE OF FAMILIES	UNSECURED CONSUMER LOANS	
		Number	Percent
Low	24.7	20	34
Moderate	17.0	20	34
Middle	19.3	7	12
Upper	39.0	12	20
Total	100.0	59	100

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA (CONTINUED)

The bank's level of lending in low- and moderate-income areas is satisfactory. The geographic distribution of business purpose and consumer loans sampled was found to be consistent with the demographic composition of the assessment area's census tracts. The following table summarizes the distribution of sampled business purpose and unsecured consumer loans by income grouping of census tracts compared to the number of families residing in each tract grouping.

Census Tract Income Characteristics

CENSUS TRACT INCOME	FAMILIES IN CENSUS TRACTS		BUSINESS PURPOSE LOANS	UNSECURED CONSUMER LOANS
	Number	Percent		
Low	35,459	8.7	22%	17%
Moderate	84,784	20.7	14%	34%
Middle	167,337	40.8	36%	30%
Upper	122,338	29.8	28%	19%
Total	409,918	100.0	100%	100%

The bank has received no CRA-related complaints since the previous examination.

No violations of the substantive provisions of the antidiscrimination laws and regulations were noted. Personnel involved in the lending process receive periodic fair lending training and have adequate knowledge of fair lending issues and how they relate to credit application, evaluation, and transaction processes. The bank solicits credit applications from all segments of the community, including low- and moderate-income neighborhoods. Management has adopted comprehensive policies and procedures that promote uniform application of underwriting guidelines, including internal reviews of adverse action and exceptions to credit policy.

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)

.....
COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

19

TO THE FEDERAL RESERVE BANK OF ATLANTA

A COPY OF THE COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION PREPARED AS OF THE CLOSE OF BUSINESS OCTOBER 8, 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)

TRANSATLANTIC BANK

(Name of Bank)

MIAMI, FLORIDA

(Location)

FEDERAL RESERVE BANK OF ATLANTA

Cynthia C. Goodwin
ASSISTANT VICE PRESIDENT

Board of Directors
TransAtlantic Bank
48 East Flagler Street
Miami, Florida 33131

Dear Board Members:

Enclosed is the bank's Community Reinvestment Act Performance Evaluation prepared by Federal Reserve Examiner Jack Libbe 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 TransAtlantic Bank, Miami, Florida, as of October 8, 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 TransAtlantic Bank, Miami, Florida, as of October 8, 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 TransAtlantic Bank, Miami, Florida, as of October 8, 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

PUBLIC DISCLOSURE

**COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION**

Name of Bank: TransAtlantic Bank

City and State: Miami, Florida

Date of Examination: October 8, 1996