

PUBLIC DISCLOSURE

March 17, 1997

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

United American Bank of Central Florida
06120866

Orlando, 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 United American Bank of Central Florida prepared by the Federal Reserve Bank of Atlanta, the institution's supervisory agency, as of March 17, 1997. 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 Outstanding.

The bank's 80.7 percent average loan-to-deposit ratio for the six quarters since the previous examination is more than reasonable given its size, financial condition, and assessment area credit needs. A substantial majority of loans are in the institution's assessment area. Given the demographics of the assessment area, the distribution of borrowers by income reflects excellent penetration among individuals of different income levels and businesses of different sizes. No complaints have been received concerning the bank's performance in meeting the credit needs of the assessment area. No evidence of discrimination or other illegal credit practices was noted during the examination.

GENERAL INFORMATION (CONTINUED)

The following table indicates the performance level of United American Bank of Central Florida with respect to each of the five performance criteria.

SMALL INSTITUTION ASSESSMENT CRITERIA	<u>UNITED AMERICAN BANK OF CENTRAL FLORIDA</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 previous examination.		

DESCRIPTION OF INSTITUTION

United American Bank of Central Florida (United American) is located in Orlando, Florida, and has eight offices. According to the December 31, 1996 Consolidated Reports of Condition and Income, the bank had total assets of \$202.5 million. No legal or financial impediments that would prevent the bank from meeting the credit needs of its assessment area were identified.

United American is a full-service bank that offers a variety of banking products and services to meet community credit needs. The composition of the loan portfolio according to the December 31, 1996 Consolidated Report of Condition and Income is as follows:

LOAN TYPE	PERCENTAGE
Construction and development	9.5%
Secured by one- to four-family dwellings	10.8%
Other real estate:	
Farmland	1.5%
Multifamily	2.8%
Nonfarm nonresidential	46.4%
Commercial and industrial	25.4%
Loans to individuals	2.7%
All other	0.9%
Total	100.0%

As shown in the preceding table, the bank has concentrated its lending efforts on nonresidential real estate loans and loans for commercial and industrial purposes. The loan portfolio composition has not changed significantly since the previous examination, despite sustained asset growth. The bank's net loans have increased by 46.7 percent since September 30, 1995.

DESCRIPTION OF ASSESSMENT AREA: ORLANDO, FLORIDA

The bank's assessment area includes most of Orange, Osceola, and Seminole counties in central Florida and consists of 94 percent of the census tracts in the Orlando Metropolitan Statistical Area (MSA). The bank's main office is located in the Orlando business district; the branch offices are located throughout the metropolitan Orlando area. The assessment area consists of 172 census tracts: 7 are low-income tracts, 30 are moderate-income tracts, 89 are middle-income tracts, and 46 are upper-income tracts. The four income levels used for the analysis were defined using the following percentages of the median family income for the Orlando MSA.

INCOME LEVEL	PERCENTAGE OF MEDIAN FAMILY INCOME
Low-income	Less than 50%
Moderate-income	50% to 79%
Middle-income	80% to 119%
Upper-income	120% and over

The assessment area has a total population of 1,003,186 and includes 261,141 families. According to the 1990 Census, the median family income in the bank's assessment area was \$36,167, which was above that of the state of Florida at \$32,212. The distribution of family income in the assessment area varies only slightly from that of the state.

**NUMBER AND PERCENTAGE OF FAMILIES BY INCOME LEVEL IN THE ASSESSMENT AREA
 COMPARED TO THE STATE OF FLORIDA**

INCOME LEVEL	ASSESSMENT AREA		STATE OF FLORIDA	
	NUMBER OF FAMILIES	PERCENTAGE BY INCOME LEVEL	NUMBER OF FAMILIES	PERCENTAGE BY INCOME LEVEL
Low-income	42,721	16.4%	677,883	19.1%
Moderate-income	47,463	18.2%	665,313	18.8%
Middle-income	61,833	23.7%	804,174	22.7%
Upper-income	109,124	41.7%	1,393,954	39.4%
Total	261,141	100.0%	3,541,324	100.0%

DESCRIPTION OF ASSESSMENT AREA: ORLANDO, FLORIDA (CONTINUED)

As indicated above, the largest income group in the bank's assessment area is upper-income. Compared to the state of Florida, the assessment area has a slightly lower proportion of low- and moderate-income families and a slightly higher proportion of middle- and upper-income families. According to the 1990 Census, the total number of housing units in the assessment area was 419,493, of which 55.1 percent were owner-occupied, 34.6 percent were rental, and 10.3 percent were vacant. The median housing value was \$84,720, compared with \$76,487 for the state. The median housing age for the assessment area was 23 years, compared with 20 years for the state.

The service and retail trade industries dominate the local employment environment. The five major types of industries in the Orlando MSA are as follows:¹

TYPE OF INDUSTRY	NUMBER OF EMPLOYEES	NUMBER OF ESTABLISHMENTS
Services and other	240,288	13,999
Retail trade	133,179	8,636
Manufacturing	50,973	1,605
Finance, insurance, and real estate	38,232	3,840
Transportation and public utilities	37,033	1,448

The 1993 U.S. Census employment data for the Orlando business patterns show a total of 36,635 businesses in the Orlando MSA. 34,604 (94 percent) of the businesses had fewer than 50 employees. According to the U.S. Bureau of Labor Statistics report for October 1996, the unemployment rate for the Orlando MSA was 3.8 percent, which was down from the 4.3 percent unemployment rate for October 1995.

During this examination, three members of the community were contacted to discuss economic conditions in the metropolitan Orlando area. The individuals contacted represented community development interests and a local church. The contacts said that the Orlando area has experienced continued economic growth and that existing community credit needs present local financial institutions ample opportunity to become involved in community development. The contacts stated that local financial institutions participate in community development activities.

¹This table reflects a count of business establishments and not a count of firms. An establishment is categorized by its size, not by the size of the business that owns it. The information is collected in only one month (March) of each year.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Loan-To-Deposit Ratio

The bank's average loan-to-deposit ratio for the six quarters since the previous examination is 80.7 percent. The actual ratios at the end of each quarter are shown in the table below.

QUARTERLY LOAN-TO-DEPOSIT RATIOS			
QUARTER ENDING	NET LOANS (THOUSANDS)	DEPOSITS (THOUSANDS)	LOAN-TO-DEPOSIT RATIO
September 30, 1995	\$102,009	\$131,490	77.6%
December 31, 1995	\$111,378	\$134,358	82.9%
March 31, 1996	\$113,694	\$147,033	77.3%
June 30, 1996	\$126,417	\$158,455	79.8%
September 30, 1996	\$138,638	\$169,936	81.6%
December 31, 1996	\$149,616	\$176,536	84.8%

The bank's average loan-to-deposit ratio is above that of similarly sized financial institutions¹ in the assessment area. The other financial institutions have average loan-to-deposit ratios ranging from 48.3 percent to 78.1 percent. The bank ranks first of these six financial institutions. In addition, the bank's ratio does not include an approximate \$28 million in construction loans paid off during the review period, which would have resulted in an even higher ratio. This ratio is reflective of the bank's strong advertising and willingness to lend in the community. They have completed effectively as the community bank in the area.

Lending in Assessment Area

The bank's record of lending in the assessment area exceeds standards for satisfactory performance. The vast majority of the loans sampled were extended to individuals or businesses in the bank's assessment area. During the examination, 52 consumer motor vehicle loans and 78 small business loans were geocoded to determine the percentage of loans originated in the assessment area. The geographic distribution of the loans sampled is shown in the following table:

¹Financial institutions in the assessment area with assets of greater than \$100 million but less than \$300 million.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA (CONTINUED)

DISTRIBUTION OF LOANS INSIDE/OUTSIDE ASSESSMENT AREA

TYPE OF LOAN	NUMBER OF LOANS IN SAMPLE	PERCENTAGE OF LOANS INSIDE ASSESSMENT AREA	PERCENTAGE OF LOANS OUTSIDE ASSESSMENT AREA	TOTAL
Consumer loans	52	96.2%	3.8%	100%
Small business loans	78	92.3%	7.7%	100%

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

The bank's lending to borrowers of different income levels and to businesses of different sizes is in close proportion to the demographic composition of the assessment area. The bank's lending to borrowers of various income levels, based on the sample of consumer motor vehicle loans in the assessment area, is shown below.

NUMBER AND PERCENTAGE OF MOTOR VEHICLE LOANS GRANTED COMPARED TO FAMILIES BY INCOME LEVEL IN THE ASSESSMENT AREA

INCOME LEVEL ¹	ASSESSMENT AREA		MOTOR VEHICLE LOANS	
	NUMBER OF FAMILIES	PERCENTAGE BY INCOME LEVEL	NUMBER OF LOANS	PERCENTAGE OF LOANS
Low-income	42,721	16.4%	8	16.0%
Moderate-income	47,463	18.2%	12	24.0%
Middle-income	61,833	23.7%	11	22.0%
Upper-income	109,124	41.7%	19	38.0%
Total	261,141	100.0%	50	100.0%

The analysis shows good penetration of low- and moderate-income borrowers. The bank extended 40.0 percent of the consumer loans to low- and moderate-income families, and 34.6 percent of the families in the assessment area have incomes at these levels. The analysis also shows a strong penetration (38.0 percent) of the upper-income group. More families in the assessment area are at this income level than any other.

¹1990 Census data used a median family income of \$36,167 to classify income levels of families in the assessment area. The CRA sampling process used a 1996 median family income of \$41,900 for the Orlando MSA. This number is higher than the median family income used to determine the percentage of families in the assessment area because it is based on a more current figure.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA (CONTINUED)

A sample of 72 small business loans was analyzed to determine their distribution according to the loan amount. The following table shows the distribution of the loans made to small businesses by loan amount.

DISTRIBUTION OF SMALL BUSINESS LOANS BY LOAN AMOUNT

LOAN AMOUNT	NUMBER OF LOANS	PERCENTAGE OF LOANS
Less than \$100,000	58	80.5%
\$100,000 to \$249,000	8	11.1%
\$250,000 to \$499,000	2	2.8%
\$500,000 to \$749,000	4	5.6%
\$750,000 to \$1 million	0	0%
Total	72	100%

The preceding table shows that a substantial majority of the loans granted were for amounts less than \$100,000. None of the sampled loans was for an amount in excess of \$750,000.

The pattern of small business lending activity shown in the sample is indicative of the bank's historical lending activities. A review of the bank's June 30, 1996 Consolidated Reports of Condition and Income also shows that the majority (65.5 percent) of the bank's small business loans are made for amounts of less than \$100,000. The table below illustrates the review.

DISTRIBUTION OF SMALL BUSINESS LOANS BY ORIGINAL LOAN AMOUNT ACCORDING TO THE JUNE 30, 1996 CONSOLIDATED REPORTS OF CONDITION AND INCOME

LOAN AMOUNT	NUMBER OF LOANS	PERCENTAGE OF LOANS
Less than \$100,000	546	65.5%
\$100,000 to \$249,000	156	18.7%
\$250,000 to \$1 million	132	15.8%
Total	834	100%

Geographic Distribution of Loans

The geographic distribution of loans reflects a reasonable dispersion throughout the assessment area. The distribution of loans by income level of the census tracts is summarized in the following table:

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA (CONTINUED)

CENSUS TRACT INCOME LEVEL	PERCENTAGE OF POPULATION RESIDING IN CENSUS TRACTS BY INCOME LEVEL	PERCENTAGE OF CONSUMER LOANS	PERCENTAGE OF BUSINESS LOANS
Low-income	2.8%	0.0%	8.3%
Moderate-income	13.2%	10.0%	16.7%
Middle-income	57.0%	50.0%	45.8%
Upper-income	27.0%	40.0%	29.2%

As shown in the above table, none of the consumer loans in the sample were made in any of the assessment area's seven low-income census tracts and 8.3 percent of small business loans were originated in the low-income tracts. Overall, lending in the low-income census tracts exceeds the 2.8 percent of the population residing in the low-income tracts. Management has stated a willingness to lend in these areas and been more successful in business lending than consumer lending because 2,605 (39.7%) of the households located in the low-income tracts are below poverty level limiting opportunities for the bank to make consumer loans. However, the percentage of business and consumer loans reasonably matched the community composition and meets standard for satisfactory performance.

Complaints

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

Compliance with Antidiscrimination Laws

The bank's compliance with the substantive provisions of the antidiscrimination laws and regulations was assessed. No evidence of discrimination or other illegal credit practices was identified.