

PUBLICDISCLOSURE

March10,2008

COMMUNITYREINVESTMENTACT PERFORMANCEEVALUATION

**MetroBankofDadeCounty
Miami,Florida**

RSSDIDNumber:664336

SEN:681736

**FEDERALRESERVEBANKOFATLANTA
1000PeachtreeStreet,N.E.
Atlanta,Georgia30309-4470**

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|-------|--|
| 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, 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. |
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INSTITUTION

INSTITUTION'S RATING

This institution is rated : Satisfactory.

LENDING TEST

The bank's loan-to-deposit ratio is **MORE THAN REASONABLE** given the institution's size, financial condition, and assessment area credit needs. A **SUBSTANTIAL MAJORITY** of the bank's commercial loans are made in the bank's assessment areas. The geographic distribution of loans reflects **POOR** dispersion throughout the assessment area. The distribution of borrowers reflects **REASONABLE** penetration among businesses of different sizes. The bank has not received any CRA-related complaints since the previous examination.

COMMUNITY DEVELOPMENT TEST

The institution's community development performance demonstrates **ADEQUATE** responsiveness to the community development needs of its assessment areas through community development loans, qualified investments, and community development services, as appropriate, considering the institution's capacity and the need and availability of such opportunities for community development in the institution's assessment areas.

The following table indicates the performance level of Metro Bank of Dade County with respect to the lending and community development tests.

| PERFORMANCE LEVELS | <u>MetroBankofDadeCounty</u> | |
|---------------------------|-------------------------------------|-----------------------------------|
| | PERFORMANCE TESTS | |
| | Lending Test | Community Development Test |
| Outstanding | | |
| Satisfactory | X | X |
| Need to Improve | | |
| Substantial Noncompliance | | |

INSTITUTION(Continued)

SCOPE OF EXAMINATION

Metro Bank of Dade County's CRA performance review was based on CRA activities within its assessment area using the Interagency Intermediate Small Institution Examination Procedures. Under these procedures, effective as of September 1, 2005, intermediate small banks with asset sizes greater than \$250 million but less than \$1 billion may be evaluated using two separate, but related tests; a lending test and a community development test, at the bank's election. The community development test includes an evaluation of community development loans, investments, and services in light of community development needs and the capacity of the bank.

The evaluation included an analysis of commercial loans originated from January 1, 2006 through December 31, 2007. For this analysis, the commercial loans sample combines commercial and industrial as well as nonresidential real estate loans for review. These loans will be referred to as "commercial loans" throughout the analysis. Commercial loans made up the substantial percentage of the bank's loan portfolio and experienced high volume in terms of the number and dollar amount of loans originated during the review period. The bank originated 24 HMDA loans over the review period. However, all but two of these were made to businesses for investment purposes, and the income was reported as not applicable as required by the regulation. Therefore, a meaningful analysis of HMDA loans could not be performed. As a result, commercial loans were the only product considered in determining the bank's lending test performance. For the community development test, community development loans, qualified investments and donations, and community development services provided from October 1, 2003 through December 31, 2007 were evaluated.

INSTITUTION(Continued)

DESCRIPTIONOFINSTITUTION

Metro Bank of Dade County (Metro Bank) is a full-service community bank that is wholly-owned by Metro Bank Financial Services, Incorporated. Both companies are headquartered in Miami, Florida. The bank's assessment area includes all of Miami-Dade and Broward counties, which are part of the Miami-Fort Lauderdale-Pompano Beach Metropolitan Statistical Area (MSA).

Metro Bank operates six branch offices and four ATM's in its assessment area. Three ATMs are at branch offices and one is at an off-site location. The off-site ATM is located in a moderate-income tract. The bank does not have any branches located in low- or moderate-income tracts; however, four branches are located two miles or less from moderate-income tracts. The bank has not opened or closed any branches since the previous examination. As of September 30, 2007, the bank's total assets were \$368.3 million, an increase of over 53 percent from September 30, 2005. Gross loans totaled \$290.2 million and total deposits were \$260 million.

The composition of the loan portfolio according to the September 30, 2007 Consolidated Reports of Condition (Call Report) is displayed in the following table:

| COMPOSITION OF LOAN PORTFOLIO | | | | | | |
|---|------------------|----------------|------------------|----------------|------------------|----------------|
| Loan Type | 9/30/2007 | | 12/31/2006 | | 12/31/2005 | |
| | \$(000s) | Percent | \$(000s) | Percent | \$(000s) | Percent |
| Construction and Development | 70,667 | 24.6% | 55,856 | 24.8% | 39,432 | 21.3% |
| Secured by One-to-Four-Family Dwellings | 34,134 | 11.9% | 27,890 | 12.4% | 29,119 | 15.7% |
| Other Real Estate: | | | | | | |
| Farmland | 5,187 | 1.8% | 0 | 0.0% | 0 | 0.0% |
| Multifamily | 20,861 | 7.3% | 21,539 | 9.6% | 19,872 | 10.7% |
| Nonfarm nonresidential | 126,168 | 44.0% | 89,676 | 39.9% | 70,007 | 37.8% |
| Commercial and Industrial | 27,348 | 9.5% | 27,899 | 12.4% | 24,615 | 13.3% |
| Loans to Individuals | 2,443 | 0.9% | 2,056 | 0.9% | 2,250 | 1.2% |
| Agricultural Loans | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| Total | \$286,808 | 100.00% | \$224,916 | 100.00% | \$185,295 | 100.00% |

*This table does not include the entire loan portfolio. Specifically, it excludes loans to depositor institutions, bankers acceptances, lease financing receivables, obligations of state and political subdivisions, and other loans that do not meet any other category. Contra assets are also not included in this table.

As indicated by the table above, the bank's loan portfolio consisted primarily of nonfarm nonresidential real estate loans and construction and development loans as of September 30, 2007. From December 31, 2005 to September 30, 2007, the bank's loan portfolio grew by 54.8 percent. The most significant growth by dollar

INSTITUTION(Continued)

amount occurred in nonfarm nonresidential real estate loans, which increased 80.2 percent during this period.

Although Metro Bank offers a variety of loan products to meet the credit needs of its assessment area, the bank's primary focus continues to be commercial real estate lending, with concentrations in gas stations and loan to developers. The bank makes very few consumer real estate loans. Home equity lines of credit account for the greatest volume of consumer lending.

Metro Bank complies with the requirements of the CRA. No known legal impediment exists that would restrain the bank from meeting the credit needs of its assessment area. Also, no significant local economic factors affected the bank's ability to comply with the regulation. The bank received a "Satisfactory" rating under small bank procedures at its previous CRA examination conducted by the Federal Reserve Bank of Atlanta on February 2, 2004.

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TEST
LENDING TEST**

Overview

The bank's overall CRA rating was based primarily on Metro Bank's performance in the Miami-Dade Assessment Area. Greater weight was given to performance in Miami-Dade County because the greater percentage of the bank's deposits, loans, and branches are in this assessment area. Based on the bank's size and lending capacity and the percentage of loans extended in its assessment areas, the overall rating of the institution for the lending test is **SATISFACTORY**.

The following narrative details the bank's efforts with regard to each performance criterion.

Loan-To-Deposit Analysis

Metro Bank's average loan-to-deposit (LTD) ratio for the 9 quarters ending December 31, 2007 was 100.2 percent and is considered **MORE THAN REASONABLE** given the institution's size, financial condition, and assessment area credit needs. The bank's LTD ratio ranged from a low of 91.7 percent as of March 31, 2006 to a high of 114.9 percent as of December 31, 2007. Metro Bank's average LTD ratio was compared with the

INSTITUTION(Continued)

average LTD ratios of six financial institutions of similar asset size operating in the bank’s assessment areas. The LTD ratios for these six banks ranged from 35.9 percent to 102.5 percent.

Assessment Area Concentration

A **SUBSTANTIAL MAJORITY** of the bank’s lending occurred inside its assessment areas. The following table shows the distribution of commercial loans that were originated from January 1, 2006 to December 31, 2007 inside and outside the bank’s assessment areas, by number of loans and by dollar amount.

Lending Inside and Outside the Assessment Area

| Loan Type | Inside | | | | Outside | | | |
|---------------------------------|------------|-------------|------------------|-------------|-----------|------------|-----------------|-------------|
| | # | % | \$(000s) | % | # | % | \$(000s) | % |
| Small Business | 141 | 92.8 | \$113,808 | 88.2 | 11 | 7.2 | \$15,207 | 11.8 |
| Total Small Bus. related | 141 | 92.8 | \$113,808 | 88.2 | 11 | 7.2 | \$15,207 | 11.8 |

Note: Affiliate loans not included

As indicated by the table above, 92.8 percent of the bank’s commercial loans by number were made to businesses inside the bank’s assessment areas. Also, 88.2 percent of the loans by dollar amount were made inside the bank’s assessment areas. This level of lending inside the assessment areas indicates that the bank is serving the credit needs of its community.

Geographic Distribution

The bank’s geographic distribution of loans reflects **POOR** dispersion throughout the bank’s assessment areas. This conclusion was based upon the bank’s performance in the Miami-Dade Assessment Area in comparison to available demographic data. The geographic analysis of commercial lending within the Miami-Dade Assessment Area is discussed later in this report.

Distribution by Borrower Profile

The distribution of borrowers reflects **REASONABLE** penetration among businesses of different revenue sizes. This conclusion was based upon the bank’s performance in the Miami-Dade Assessment Area in comparison to available demographic data. The analysis of commercial lending within the Miami-Dade Assessment Area by borrower profile is discussed later in this report.

INSTITUTION(Continued)

Responsiveness to Complaints

The bank has not received any CRA-related complaint since the previous examination.

COMMUNITY DEVELOPMENT TEST

Overview

According to the community development test, an institution should appropriately assess the needs in its community; engage in different types of community development activities based on those needs and the institution's capacity; and take reasonable steps to apply its community development resources strategically to meet those needs. Areas examined include community development lending, qualified investments, and community development services.

Taking into consideration the bank's capacity, competition, and the need and availability of opportunities for community development in the bank's assessment areas, the overall rating of the institution for the community development test is **SATISFACTORY**.

Metro Bank originated 13 community development loans totaling \$5,113,822 during the review period. These included nine loans through the Neighborhood Lending Partners, Inc. (NLP), which is a multi-bank lending consortium that provides financing for developers of affordable housing and community revitalization. NLP is also a Community Development Financial Institution (CDFI) and a Community Development Entity (CDE). The purpose of the loans was mainly for purchasing land to build affordable housing or purchasing existing affordable housing for low- or moderate-income families and individuals. \$35,000 of the total community development loans were originated in the Miami-Dade Assessment Area to finance 532 affordable housing units. The following table shows the bank's community development loans for the review period.

| METROBANK COMMUNITY DEVELOPMENT LOANS | | |
|--|------------------------|--------------------|
| Assessment Area | Number of Loans | Loan Amount |
| Miami-Dade County | 10 | \$5,078,752 |
| Broward County | 3 | \$35,070 |
| Total | 13 | \$5,113,822 |

INSTITUTION(Continued)

The bank has elected to support some community development initiatives through its participation in the CRA Qualified Investment Fund and contributions and sponsorships to various charitable and community development organizations that support the needs of low-and-moderate-income families or individuals. Metro Bank invested \$500,000 in the CRA Qualified Investment Fund which was specifically allocated to a Ginnie Mae Pool that financed an affordable housing property for senior citizens. The property is located in a moderate-income census tract and 136 of the 137 units receive Section 8 housing assistance. The following table depicts the investments, donations, and sponsorships for the review period.

| METROBANK COMMUNITY DEVELOPMENT INVESTMENTS, DONATIONS, AND SPONSORSHIPS | | |
|---|---|------------------|
| Assessment Area | Name | Amount |
| Miami-Dade County | CRA Qualified Investment Fund | \$500,000 |
| | Neat Stuff | \$500 |
| | Habitat for Humanity of Greater Miami | \$750 |
| Miami-Dade County and Broward County | H.O.P.E., Inc. | \$500 |
| | America's Second Harvest - Daily Food Bank | \$1,520 |
| | Neighborhood Lending Partners, Inc. | \$500 |
| | Haven Economic Development | \$1,000 |
| Total | | \$504,770 |

Metro Bank offers a consumer checking account that benefit low-and moderate income individuals. This account requires no minimum balance to open and no service charges if transaction limitations are not exceeded. The bank also offers a business checking account which is intended to benefit small businesses. This account requires no minimum balance to open or maintain and no monthly service fees. Additionally, the bank offers an Electronic Transfer Account (ETA), which is a low-cost account designed by the United States Department of the Treasury. This account is for individuals who are required to receive federal benefit, wage, salary, or retirement payments electronically. This account was designed for recipients who do not have or may not qualify for a checking or savings account. Metro Bank is one of only two banks in the assessment area that offer the ETA account.

The bank also offers Internet and Telephone banking and SBA Loans. As mentioned previously, four of the bank's branches are located within two miles of moderate-income census tracts and one of the four ATMs is located in a moderate-income census tract. Officers and employees of the bank have also used their financial expertise to provide community development services that benefit residents in the assessment area. The following table depicts community development services for the review period.

INSTITUTION(Continued)

| METROBANKCOMMUNITYDEVELOPMENTSERVICES | | |
|---------------------------------------|--------------------------|---|
| ASSESSMENT AREA | ORGANIZATION | POSITION/SERVICE |
| Miami-Dade Countyand BrowardCounty | HavenEconomicDevelopment | Abankofficerpresented HomeBuyerEducationWorkshopsforthis organization that focuses on affordable housing, home ownership skills, and building economic wealth for low-and moderate-income familiesintheMiamiarea. |
| | H.O.P.E.,Inc. | Abankofficerservedasamemberof theboardtohelpoverseethe overall performance of the organization dedicated to fair and affordablehousinginSouthFlorida. |

Although the table indicates a limited number of instances where bank employees provided community development services, it should be noted that the bank only became subject to the intermediate small bank procedures as of January 1, 2007. In addition, the bank has contacted several organizations in an effort to try to become involved either through presentations, assistance or sponsorships. These organizations have the purpose of promoting and providing affordable housing and neighborhood revitalization and providing assistance to low-and moderate-income individuals.

The bank is also an active member of the Coral Gables Chamber of Commerce, and participates as an active sponsor for the Women's Business Network Luncheon, which is held at the Chamber. The sponsorship gives the bank the opportunity during the luncheons to inform the attendees about the bank's products and services that are specifically targeted to small businesses as well as to women who are interested in starting new businesses.

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| INSTITUTION(Continued) |
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COMPLIANCEWITHANTIDISCRIMINATIONLAWS

Metro Bank solicits applications from all segments of its communities, including low- and moderate-income areas. The bank's policies and internal control procedures are adequate to ensure that the evaluation of credit applications is based solely on financial and economic considerations. The bank has adopted an antidiscrimination policy. No evidence of prohibited discrimination or the use of other illegal credit practices was noted during the examination. The bank complies with the substantive provisions of antidiscrimination laws and regulations.

METROPOLITAN AREA: MIAMI-DADE

SCOPE OF EXAMINATION

Metro Bank's performance in the Miami-Dade Assessment Area was reviewed using full-scope examination procedures. Of the commercial loans sampled during the review period, 74.3 percent were made in the Miami-Dade Assessment Area. As noted previously, commercial lending is the bank's primary business line and commercial loans were the only product considered in determining the bank's lending test performance.

DESCRIPTION OF INSTITUTION'S OPERATIONS

Overview

The location, climate, population, and size of Miami-Dade County make it suitable for a variety of economic activities. The county has a diversified economic base and hosts the regional headquarters for more than 150 multinational corporations. The county also offers business incentive programs, financial assistance, training assistance programs, and a competitive corporate tax structure. Growth in key industries such as aviation, banking, financial services, real estate, trade, tourism, light manufacturing, health care, communication, biotechnology, information technology, and film and entertainment comprise important economic elements and help stabilize the county's economy.

Metro Bank operates four banking offices and four ATMs in the Miami-Dade County assessment area. According to the FDIC Market Share Report, as of June 30, 2007, the bank had deposits of \$207.2 million in the assessment area, representing 85 percent of the bank's total deposits.

Demographic Data by Census Tracts

For all loans originated during the review period, 2000 census demographic data was used to define the bank's assessment area. The assessment area includes 347 census tracts. Twenty-seven are low-income tracts, 99 are moderate-income tracts, 114 are middle-income tracts, 104 are upper-income tracts and 3 are undefined.

Population Information

According to the 2000 census, the population of the Miami-Dade Assessment Area was 2,253,362 persons, which represents approximately 14.1 percent of the state of Florida's total population of 15,982,378 persons. Between the 2000 census and population estimates as of July 1, 2006, the population of Miami-Dade County increased by 148,856 persons, or 6.6 percent.

METROPOLITANAREA:MIAMI-DADE

HousingCharacteristics

2000censusdataindicatesthatthemedianvalueof housingunitsintheassessmentareawas\$113,203, whichis 21.5 percent higher than the median housing value f or the state of Florida at \$93,200. The median age of housingintheassessmentareais28years,whichi sthehigherthanthemedianageofthehousingsto ckforthe stateofFloridaat20years.

HUDEstimatedMedianFamilyIncomesfor2006and20 07

The2006HUDEstimatedmedianfamilyincomeforthe Miami-FortLauderdale-PompanoBeachMSA,which includesMiami-DadeCounty,was\$48,300. Basedon theHUDEstimatedmedianfamilyincome,low-income families werethosefamilieswithgrossannualinco mesof\$24,150orless. Moderate-incomefamiliesw ere familieswithgrossannualincomesrangingfrom\$24 ,151to\$38,640. The2007HUDEstimatedmedianfam ily income for the Miami-Fort Lauderdale-Pompano Beach MSA was \$45,200. Based on the HUD estimated medianfamilyincome,low-incomefamilieswerethos efamilieswithgrossannualincomesof\$22,600or less. Moderate-incomefamilieswerefamilieswithgrossa nnualincomesrangingfrom\$22,601to\$36,160.

EmploymentStatistics

Accordingto2005REIS,employmentinMiamiDadeCo untywasdependentonawidearrayofindustries including, but not limited to, government agencies, retail trade, health care and social services, and administrativeandwasteservices. Thefollowingt ableprovidestheunemploymentratesfortheMiami- Dade CountyAssessmentAreaandthestateofFlorida.

| UNEMPLOYMENT RATES (Not Seasonally Adjusted) | | | |
|---|-------------------------|-------------------------|-------------------------------|
| Region | 2005(annualized) | 2006(annualized) | December2007(monthly) |
| Miami-DadeCounty | 4.5% | 3.8% | 3.9% |
| StateofFlorida | 3.9% | 3.4% | 4.5% |

METROPOLITANAREA:MIAMI-DADE(Continued)

Competition

The Miami-Dade Assessment Area is a highly competitive banking market. According to the June 30, 2007 FDIC/OTS Summary of Deposits Report, there are 75 financial institutions operating 626 branches in the assessment area. Metro Bank ranked 44th out of the 75 financial institutions in the assessment area with a deposit market share of 0.3 percent. Among the bank's competition in the area are financial institutions of various sizes, including local, statewide, multi-regional, and national banks. However, local competition does not seem to adversely affect the bank's ability to serve the credit needs of its assessment area.

Community Contact

As a part of the CRA examination, information was obtained from one local economic development organization regarding local economic conditions and community credit needs. The contact stated ample opportunities exist for banks to participate in small business loans, affordable housing loans, and investment funding to support community development programs in Miami-Dade County. The contact also stated that financial institutions overall are meeting the needs of small businesses in Miami-Dade County.

METROPOLITANAREA:MIAMI-DADE(Continued)

The following tables show selected demographic and lending data for the Miami-Dade County assessment area based on 2000 census data. Certain components of the data in the table are discussed in this evaluation as they apply to particular parts of the analysis.

Assessment Area Demographics

Assessment Area: Miami-Dade

| Income Categories | Tract Distribution | | Families by Tract Income | | Families < Poverty Level as % of Families by Tract | | Families by Family Income | |
|------------------------------|--|---|--------------------------|-------------------------|--|-----------------------------|---------------------------|--------------|
| | # | % | # | % | # | % | # | % |
| Low-income | 27 | 7.8 | 23,826 | 4.3 | 10,095 | 42.4 | 127,088 | 23.0 |
| Moderate-income | 99 | 28.5 | 151,512 | 27.4 | 35,406 | 23.4 | 93,806 | 17.0 |
| Middle-income | 114 | 32.9 | 198,464 | 35.9 | 24,453 | 12.3 | 102,360 | 18.5 |
| Upper-income | 104 | 30.0 | 178,682 | 32.3 | 10,154 | 5.7 | 229,230 | 41.5 |
| Unknown-income | 3 | 0.9 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Total Assessment Area | 347 | 100.0 | 552,484 | 100.0 | 80,108 | 14.5 | 552,484 | 100.0 |
| | Housing Units by Tract | Housing Types by Tract | | | | | | |
| | | Owner-Occupied | | Rental | | Vacant | | |
| | | # | % | % | # | % | # | % |
| Low-income | 44,415 | 7,586 | 1.7 | 17.1 | 30,530 | 68.7 | 6,299 | 14.2 |
| Moderate-income | 243,755 | 89,044 | 19.8 | 36.5 | 136,133 | 55.8 | 18,578 | 7.6 |
| Middle-income | 287,834 | 166,193 | 37.0 | 57.7 | 101,379 | 35.2 | 20,262 | 7.0 |
| Upper-income | 276,253 | 186,510 | 41.5 | 67.5 | 59,399 | 21.5 | 30,344 | 11.0 |
| Unknown-income | 21 | 0 | 0.0 | 0.0 | 0 | 0.0 | 21 | 100.0 |
| Total Assessment Area | 852,278 | 449,333 | 100.0 | 52.7 | 327,441 | 38.4 | 75,504 | 8.9 |
| | Total Businesses by Tract | Businesses by Tract & Revenue Size | | | | | | |
| | | Less Than or = \$1 Million | | Over \$1 Million | | Revenue Not Reported | | |
| | | # | % | # | % | # | % | |
| Low-income | 5,697 | 5.3 | 4,745 | 5.1 | 663 | 6.1 | 289 | 7.6 |
| Moderate-income | 24,839 | 23.1 | 21,592 | 23.3 | 2,120 | 19.5 | 1,127 | 29.5 |
| Middle-income | 33,756 | 31.5 | 29,341 | 31.7 | 3,246 | 29.9 | 1,169 | 30.6 |
| Upper-income | 42,506 | 39.6 | 36,592 | 39.5 | 4,689 | 43.2 | 1,225 | 32.0 |
| Unknown-income | 516 | 0.5 | 355 | 0.4 | 147 | 1.4 | 14 | 0.4 |
| Total Assessment Area | 107,314 | 100.0 | 92,625 | 100.0 | 10,865 | 100.0 | 3,824 | 100.0 |
| | Percentage of Total Businesses: | | | 86.3 | | 10.1 | | 3.6 |

Based on 2000 Census Information.

METROPOLITANAREA:MIAMI-DADE(Continued)

LoanDistributionTable

AssessmentArea:Miami-Dade

| | CommercialLoans | | | |
|----------------------|----------------------|---------------|---------------|---------------|
| | # | % | \$(000s) | % |
| | ByTractIncome | | | |
| Low | 5 | 4.8% | 680 | 1.2% |
| Moderate | 10 | 9.6% | 3,680 | 6.4% |
| Middle | 17 | 16.3% | 4,016 | 7.0% |
| Upper | 72 | 69.2% | 49,168 | 85.4% |
| Unknown | 0 | 0.0% | 0 | 0.0% |
| <i>Total</i> | <i>104</i> | <i>100.0%</i> | <i>57,544</i> | <i>100.0%</i> |
| | ByRevenue | | | |
| \$1MillionorLess | 70 | 67.3% | 38,506 | 66.9% |
| Over\$1Million | 34 | 32.7% | 19,038 | 33.1% |
| NotKnown | 0 | 0.0% | 0 | 0.0% |
| <i>Total</i> | <i>104</i> | <i>100.0%</i> | <i>57,544</i> | <i>100.0%</i> |
| | ByLoanSize | | | |
| \$100,000orless | 63 | 60.6% | 2,235 | 3.9% |
| \$100,001-\$250,000 | 13 | 12.5% | 2,370 | 4.1% |
| \$250,001-\$1Million | 13 | 12.5% | 7,183 | 12.5% |
| Over\$1Million | 15 | 14.4% | 45,756 | 79.5% |
| <i>Total</i> | <i>104</i> | <i>100.0%</i> | <i>57,544</i> | <i>100.0%</i> |

OriginationsandPurchases

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

Overview

For this analysis, a sample of commercial loans originated from January 1, 2006 through December 31, 2007 were reviewed. As noted earlier, commercial lending is the bank's primary loan product and the only product considered in determining the bank's lending test performance for the Miami-Dade Assessment Area.

Geographic Distribution

For this analysis, the geographic distribution of commercial lending was compared with available demographic information. Performance context issues were also considered.

Of the 104 commercial loans sampled that were originated to businesses in the bank's assessment area, 4.8 percent were extended to businesses in low-income census tracts, which is slightly less than the percentage of small businesses in these tracts at 5.1 percent. However, 9.6 percent of the bank's commercial loans were extended to businesses in moderate-income tracts, which is significantly less than the percentage of small businesses in these tracts at 23.3 percent. According to bank management, small businesses tend to

METROPOLITAN AREA: MIAMI-DADE (Continued)

bank with financial institutions that are in close proximity to their business location mainly for convenience and time savings due to increased traffic congestion in the Miami-Dade County area. In an effort to reach out to small businesses in its assessment area, the bank's marketing plan was revised to include advertising for SBA and other small business loan products.

Based on demographic factors and competition, Metro Bank's performance with regard to the geographic distribution of commercial lending reflects **POOR** dispersion throughout the assessment area.

Distribution by Borrower Profile

For this analysis, commercial lending across business revenue sizes was compared with available demographic information. Performance context issues were also considered.

Of the 104 commercial loans in the sample originated to businesses located within the Miami-Dade Assessment Area, 67.3 percent were originated to businesses with reported gross annual revenues of \$1 million or less. This is less than the percentage of businesses in the assessment area with gross annual revenues of \$1 million or less at 86.3 percent. However, the majority (73.1 percent) of the bank's commercial loan originations were for amounts of \$250,000 or less. Also, 60.6 percent of the commercial loans were originated in amounts of \$100,000 or less, which indicates a willingness to lend to small businesses. Several performance context issues may explain why the bank's lending to small businesses is less than the percentage of small businesses in the assessment area.

Other factors affecting small businesses and thus affecting the bank's small business lending opportunities, include increasing prices of land, the property tax structure in the county, the increasing cost of property insurance and housing, and increasing rental rates, not only in Miami-Dade County, but for the state of Florida.

METROPOLITAN AREA: MIAMI-DADE (Continued)

overall. A summary of historical findings for 2006 and 2007 found in the 2008 Industrial Report published by the Commercial Industrial Association of South Florida indicated that increasing prices for land caused developers to use industrial land for residential development and other more intensive purposes, which resulted in a decline in construction of industrial facilities. Additionally, companies are considering locations outside of the Miami-Dade County area due to traffic congestion, the lengthy permitting process, hurricanes, and the high cost of living (real estate taxes, insurance, and housing costs).

The high cost of living (property taxes, insurance, and housing costs) impacts small businesses by not only affecting the established employees, possible new hires, and owners, but also their customers who are experiencing the declining trend in the housing market. The increasing cost of property insurance is also having an indirect impact. Many insurers have elected to cease doing business in Florida, and those companies that have decided to stay have substantially increased both annual premiums and hurricane deductibles, making both homeowner's and commercial insurance extremely expensive. According to the Insurance Information Institute, exposure to windstorm and soaring insured property values make Florida the number one state in terms of potential losses insurance companies may face. Due to this risk, insurance rates are not expected to decrease.

Based on demographic data, competition, and performance context issues, Metro Bank's lending performance reflects a **REASONABLE** penetration among businesses of various revenues.

COMMUNITY DEVELOPMENT TEST

Metro Bank's community development activities in the Miami-Dade Assessment Area are considered **SATISFACTORY**. Please refer to the "Institution" section on page 6 for a full discussion.

METROPOLITAN AREA: LIMITED REVIEW AREA

The following assessment area of Metro Bank was not reviewed using full-scope examination procedures; however, through the use of available facts and data, including performance and demographic information, conclusions regarding performance, which did not impact the overall rating, are provided. Please refer to the tables in Appendix C for demographic and lending information regarding this area.

The following table compares the bank's overall performance to the assessment area.

| Assessment Areas | Lending Test | Community Development Test |
|------------------|--------------|----------------------------|
| Broward | Consistent | Not Consistent (-) |

Community Contact

As a part of the CRA examination, information was obtained from one local economic development organization regarding local economic conditions and community credit needs. The contact stated that tightened credit standards are having an impact on the ability of small businesses to get financing for amounts less than \$100,000. Also, various business programs are available that can allow for financial institutions to get involved in assisting small businesses.

APPENDIXA–SCOPEOFEXAMINATION

TIMEPERIODREVIEWED

January1,2006toDecember31,2007–LendingTest
 October1,2003toDecember31,2007–CommunityDevelopmentTest

FINANCIALINSTITUTION

MetroBankofDadeCounty,Miami,Florida

PRODUCTSREVIEWED

CommercialLoans

AFFILIATE(S)

MetroBankFinancialServices,
 Incorporated

AFFILIATERELATIONSHIP

FinancialHoldingCompany

PRODUCTSREVIEWED

None

LISTOFASSESSMENTAREASANDTYPEOFEXAMINATION

| <i>ASSESSMENTAREA</i> | <i>TYPE OFEXAMINATION</i> | <i>BRANCHES VISITED</i> | <i>OTHER INFORMATION</i> |
|---|---------------------------------|-----------------------------|------------------------------|
| Miami-MiamiBeach-Kendall MetropolitanDivision(Miami- DadeCounty) | Full-ScopeExam Procedures | WestKendallBranch | |
| FortLauderdale-Pompano Beach-DeerfieldBeach MetropolitanDivision(Broward County) | Limited-ScopeExam Procedures | | |

APPENDIXB-DEMOGRAPHIC/LOANDISTRIBUTIONTABLES- LIMITEDREVIEWAREA

AssessmentAreaDemographics

AssessmentArea:Broward

| IncomeCategories | Tract Distribution | | Familiesby TractIncome | | Families<Poverty Levelas%of FamiliesbyTract | | FamiliesbyFamily Income | |
|----------------------------|-------------------------------------|--|------------------------|------------------------|---|----------------------------|-------------------------|--------------|
| | # | % | # | % | # | % | # | % |
| Low-income | 12 | 4.3 | 11,716 | 2.8 | 4,150 | 35.4 | 86,404 | 20.9 |
| Moderate-income | 72 | 25.8 | 104,298 | 25.2 | 15,986 | 15.3 | 75,249 | 18.2 |
| Middle-income | 117 | 41.9 | 179,424 | 43.3 | 11,991 | 6.7 | 84,785 | 20.5 |
| Upper-income | 78 | 28.0 | 118,520 | 28.6 | 3,837 | 3.2 | 167,520 | 40.5 |
| Unknown-income | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| TotalAssessmentArea | 279 | 100.0 | 413,958 | 100.0 | 35,964 | 8.7 | 413,958 | 100.0 |
| | HousingUnits byTract | HousingTypesbyTract | | | | | | |
| | | Owner-Occupied | | | Rental | | Vacant | |
| | | # | % | % | # | % | # | % |
| Low-income | 19,960 | 4,649 | 1.0 | 23.3 | 13,036 | 65.3 | 2,275 | 11.4 |
| Moderate-income | 203,409 | 108,262 | 23.8 | 53.2 | 69,934 | 34.4 | 25,213 | 12.4 |
| Middle-income | 333,388 | 208,788 | 45.9 | 62.6 | 86,096 | 25.8 | 38,504 | 11.5 |
| Upper-income | 184,286 | 132,926 | 29.2 | 72.1 | 30,754 | 16.7 | 20,606 | 11.2 |
| Unknown-income | 0 | 0 | 0.0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| TotalAssessmentArea | 741,043 | 454,625 | 100.0 | 61.3 | 199,820 | 27.0 | 86,598 | 11.7 |
| | TotalBusinessesby Tract | BusinessesbyTract&RevenueSize | | | | | | |
| | | LessThanor=\$1 Million | | Over\$1 Million | | RevenueNot Reported | | |
| | | # | % | # | % | # | % | |
| Low-income | 3,779 | 4.4 | 3,191 | 4.2 | 454 | 6.3 | 134 | 4.9 |
| Moderate-income | 20,913 | 24.5 | 18,142 | 24.0 | 2,132 | 29.4 | 639 | 23.3 |
| Middle-income | 37,070 | 43.4 | 32,774 | 43.4 | 3,072 | 42.4 | 1,224 | 44.6 |
| Upper-income | 23,705 | 27.7 | 21,377 | 28.3 | 1,583 | 21.9 | 745 | 27.2 |
| Unknown-income | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| TotalAssessmentArea | 85,467 | 100.0 | 75,484 | 100.0 | 7,241 | 100.0 | 2,742 | 100.0 |
| | PercentageofTotalBusinesses: | | | 88.3 | | 8.5 | | 3.2 |

Basedon2000CensusInformation.

APPENDIXB-DEMOGRAPHIC/LOANDISTRIBUTIONTABLES- LIMITEDREVIEWAREA

LoanDistributionTable

AssessmentArea:Broward

| | CommercialLoans | | | |
|----------------------|----------------------|---------------|---------------|---------------|
| | # | % | \$(000s) | % |
| | ByTractIncome | | | |
| Low | 1 | 2.8% | 2,200 | 4.1% |
| Moderate | 12 | 33.3% | 15,299 | 28.5% |
| Middle | 7 | 19.4% | 18,080 | 33.7% |
| Upper | 16 | 44.4% | 18,076 | 33.7% |
| Unknown | 0 | 0.0% | 0 | 0.0% |
| <i>Total</i> | <i>36</i> | <i>100.0%</i> | <i>53,655</i> | <i>100.0%</i> |
| | ByRevenue | | | |
| \$1MillionorLess | 18 | 50.0% | 29,572 | 55.1% |
| Over\$1Million | 18 | 50.0% | 24,083 | 44.9% |
| NotKnown | 0 | 0.0% | 0 | 0.0% |
| <i>Total</i> | <i>36</i> | <i>100.0%</i> | <i>53,655</i> | <i>100.0%</i> |
| | ByLoanSize | | | |
| \$100,000orless | 17 | 47.2% | 474 | 0.9% |
| \$100,001-\$250,000 | 1 | 2.8% | 150 | 0.3% |
| \$250,001-\$1Million | 5 | 13.9% | 3,070 | 5.7% |
| Over\$1Million | 13 | 36.1% | 49,961 | 93.1% |
| <i>Total</i> | <i>36</i> | <i>100.0%</i> | <i>53,655</i> | <i>100.0%</i> |

OriginationsandPurchases

APPENDIX C – GLOSSARY

Aggregatelending: Thenumberofloansoriginatedandpurchasedbyall reportinglendersinspecifiedincome categoriesasapercentageoftheaggregatenumbersofloansoriginatedandpurchasedbyallreporting lendersinthemetropolitanarea/assessmentarea.

Census tract: 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 statistical 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: All Agencies have adopted the following language. Affordable housing (including multifamily 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.

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 nonrelatives 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-scope review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (for example, innovativeness, complexity, and responsiveness).

APPENDIX C – GLOSSARY (Continued)

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 applicants, the amount of loan requested, and the disposition of the application (for example, approved, denied, and withdrawn).

Home mortgage loans : Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans, loans for the purchase of manufactured homes and refinancing of home improvement and home purchase loans.

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-scope review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (for example, 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 metropolitan area/assessment area.

Metropolitan area (MA): A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. An MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. A MD is a division of a MSA based on specific criteria including commuting patterns. Only a MSA that has a population of at least 2.5 million may be divided into MDs.

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.

APPENDIXC–GLOSSARY(Continued)

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 multistate 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 multistate metropolitan area, the institution will receive a rating for the multistate 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. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial 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.

Upper-income: Individual income that is more than 120 percent of the area median income, or median family income that is more than 120 percent, in the case of geography.

APPENDIXD-DEFINITIONSANDABBREVIATIONS

Definitions

Throughout this evaluation, the following definitions are used for the various income levels. These levels are defined in the CRA.

| | |
|-------------------------|---|
| <i>Low-Income-</i> | An individual income, or median family income for geographies, that is less than 50 percent of the area median income. |
| <i>Moderate-Income-</i> | An individual income, or median family income for geographies, that is at least 50 percent but less than 80 percent of the area median income. |
| <i>Middle-Income-</i> | An individual income, or median family income for geographies, that is at least 80 percent but less than 120 percent of the area median income. |
| <i>Upper-Income-</i> | An individual income or median family income for geographies that is 120 percent or more of the area median income. |

Abbreviations

| | |
|-------|---|
| ATMs- | Automated Teller Machines |
| CDE- | Community Development Entity |
| CDFI- | Community Development Financial Institution |
| CRA- | Community Reinvestment Act (Regulation BB) |
| FDIC- | Federal Deposit Insurance Corporation |
| HMDA- | Home Mortgage Disclosure Act (Regulation C) |
| HUD- | Department of Housing and Urban Development |
| LTD- | Loan-to-Deposit Ratio |
| MSA- | Metropolitan Statistical Area |
| REIS- | Regional Economic Information Systems |
| SBA- | Small Business Administration |

ROUNDING CONVENTION

Because percentages presented in tables were rounded to the nearest whole number in most cases, some columns may not total exactly 100 percent.

| |
|-------------------------------------|
| APPENDIXE-GENERALINFORMATION |
|-------------------------------------|

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 CRA performance of **Metro Bank of Dade County** prepared by the **Federal Reserve Bank of Atlanta**, the institution's supervisory agency, as of **March 10, 2008**. The agency evaluates performance in assessment area(s), as they are delineated by the institution, rather than in individual branches. This assessment area evaluation may include visits to some, but not necessarily all, of the institution's branches. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 228.