

# **PUBLIC DISCLOSURE**

**February 7, 2005**

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

**Commercial Bank of Florida  
Miami, Florida**

**RSSD ID Number: 889036**

**FEDERAL RESERVE BANK OF ATLANTA  
1000 Peachtree Street, N.E.  
Atlanta, Georgia 30309-4470**

<p>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.</p>
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<b>DEFINITIONS AND ABBREVIATIONS</b>
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**Abbreviations**

ATM -	Automated Teller Machine
CDFI -	Community Development Financial Institution
CRA -	Community Reinvestment Act (Regulation BB)
FFIEC -	Federal Financial Institutions Examination Council
HMDA -	Home Mortgage Disclosure Act (Regulation C)
LMI -	Low- and Moderate-Income
LTD -	Loan-to-Deposit Ratio
MD -	Metropolitan Division
MSA -	Metropolitan Statistical Area
REIS -	Regional Economic Information System

**Performance Definitions Regarding Lending**

Excellent -	This rating is assigned to an institution with lending performance that substantially exceeds the characteristics of demographic data and aggregate performance.
Good -	This rating is assigned to an institution with lending performance that exceeds the characteristics of demographic data and aggregate performance.
Adequate -	This rating is assigned to an institution with lending performance that is comparable to the characteristics of demographic data and aggregate performance.
Poor -	This rating is assigned to an institution with lending performance that is significantly below the characteristics of demographic data and aggregate performance.

<b>ROUNDING CONVENTION</b>
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**Footnote to Demographic Tables**

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

<b>GENERAL INFORMATION</b>
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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 **Commercial Bank of Florida** prepared by the **Federal Reserve Bank of Atlanta**, the institution's supervisory agency, as of **February 7, 2005**. The agency evaluates performance in assessment area(s), as they are delineated by the institution, rather than 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.

<b>INSTITUTION</b>
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**INSTITUTION'S CRA RATING: This institution is rated Outstanding.**

- **Lending Test** – The bank's lending levels reflect **EXCELLENT** responsiveness to assessment area credit needs. A **SUBSTANTIAL MAJORITY** of the bank's HMDA and small business loans are made in the bank's assessment area. The geographic distribution of loans reflects **EXCELLENT** penetration throughout the assessment area. The distribution of borrowers reflects **GOOD** penetration among customers of different income levels and businesses of different sizes. Commercial Bank of Florida exhibits a **GOOD** record of serving the credit needs of low-income individuals and areas and very small businesses. The bank is a **LEADER** in making community development loans. Community development loans totaled \$54 million during the review period. The bank makes **LIMITED USE** of innovative and flexible lending practices in serving assessment area credit needs.
- **Investment Test** – Considering the level of opportunity and competition in the bank's assessment area, the bank had an **EXCELLENT** level of qualified community development investments and grants, **OCCASIONALLY** in a leadership position. Qualified investments during the review period totaled \$4.2 million. In addition, the bank made contributions and grants to nonprofit organizations totaling \$126,439. The bank has exhibited **EXCELLENT** responsiveness to credit and community development needs. The bank **OCCASIONALLY USES** innovative or complex investments to support community development initiatives.
- **Service Test** – The bank's systems for delivering retail-banking services are **ACCESSIBLE** to **ESSENTIALLY ALL** portions of the assessment area. Services **DO NOT VARY IN A WAY THAT INCONVENIENCES CERTAIN PORTIONS** of the assessment area. The bank has not opened or closed any branches since the previous examination. In addition, the bank **PROVIDES A RELATIVELY HIGH LEVEL** of community development services throughout the bank's assessment area to organizations that promote community development.

**INSTITUTION (Continued)**

The following table indicates the performance level of Commercial Bank of Florida with respect to the lending, investment, and service tests.

<b>PERFORMANCE LEVELS</b>	<b><u>Commercial Bank</u></b>		
	<b>PERFORMANCE LEVELS</b>		
	<b>Lending Test*</b>	<b>Investment Test</b>	<b>Service Test</b>
Outstanding	<b>X</b>	<b>X</b>	
High Satisfactory			<b>X</b>
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			

\*Note: The lending test is weighted more heavily than the investment and service tests when arriving at an overall rating.

**DESCRIPTION OF INSTITUTION**

Commercial Bank of Florida is a full service community bank headquartered in Miami, Florida. The bank is a subsidiary of a one-bank holding company, Commercial Bancshares, Inc., also headquartered in Miami, Florida. Commercial Bank of Florida currently operates 14 full-service offices within Miami-Dade and Broward counties. During March 2003, the bank opened a proprietary ATM facility in an upper-income census tract in Miami-Dade County.

According to the September 30, 2004 Consolidated Reports of Condition and Income (Call Report), Commercial Bank of Florida had total assets of \$863.8 million, 51 percent of which were loans and leases. During the period from January 1, 2003, through September 30, 2004, total assets of the bank increased 24.5 percent, or \$170 million.

The following table shows the composition of the bank's loan portfolio according to the December 31, 2002, December 31, 2003, and the September 30, 2004 Call Reports.

**INSTITUTION (Continued)**

<b>COMPOSITION OF LOAN PORTFOLIO</b>						
<b>Loan Type</b>	<b>9/30/2004</b>		<b>12/31/2003</b>		<b>12/31/2002</b>	
	<b>\$ (000s)</b>	<b>%</b>	<b>\$ (000s)</b>	<b>%</b>	<b>\$ (000s)</b>	<b>%</b>
Construction and Development	\$10,837	2.5%	\$5,268	1.3%	\$6,680	1.9%
Secured by One- to Four- Family Dwellings	\$31,084	7.1%	\$28,923	7.1%	\$31,891	9.2%
Other Real Estate: Farmland	\$4,580	1.0%	\$4,043	1.0%	\$2,458	0.7%
Multifamily	\$67,939	15.5%	\$56,628	13.9%	\$47,861	13.8%
Nonfarm Nonresidential	\$286,772	65.5%	\$268,586	65.8%	\$207,829	60.1%
Commercial and Industrial	\$33,955	7.8%	\$41,637	10.2%	\$44,710	12.9%
Loans to Individuals	\$2,841	0.6%	\$3,094	0.8%	\$4,341	1.3%
Agricultural Loans	\$0	0.0%	\$0	0.0%	\$0	0.0%
<b>Total</b>	<b>\$438,008</b>	<b>100.0%</b>	<b>\$408,179</b>	<b>100.0%</b>	<b>\$345,770</b>	<b>100.0%</b>

\* This table does not include the entire loan portfolio. Specifically, it excludes loans to depository 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 illustrated by the table above, the bank's loan portfolio consisted primarily of loans secured by nonfarm nonresidential real estate, followed by multifamily real estate loans. In addition, the table shows the trend in the bank's loan portfolio for the past two years compared to the most recent portfolio dated September 30, 2004. Based on data provided in the table, the bank's composition of loans has remained relatively stable. The bank's gross loans and leases have increased 25.6 percent since year-end 2002. Commercial Bank of Florida complies with the CRA. No known legal impediments exist that would restrain the bank from meeting the credit needs of its assessment area.

Commercial Bank of Florida's average net LTD ratio for the seven quarters ended September 30, 2004, was 60.3 percent. The bank's LTD ratio was fairly stable, ranging from a low of 57.6 percent to a high of 62.3 percent during the seven-quarter period. Commercial Bank of Florida's average net LTD ratio was compared with the LTD ratios of six financial institutions of similar asset size with branch offices in the bank's assessment area. The LTD ratio of the six financial institutions with similar asset size ranged from a low of 46.6 percent to a high of 109.8 percent.

Commercial Bank of Florida's product offerings include the traditional deposit and loan products. While the bank offers a variety of loan products to meet the credit needs of its assessment area, the bank's primary lending focus is commercial loans. The bank received a satisfactory CRA rating at its previous evaluation conducted by the Federal Reserve Bank of Atlanta dated November 4, 2002.

<b>DESCRIPTION OF ASSESSMENT AREA: Miami-Dade and Broward Counties</b>
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**Overview**

Commercial Bank of Florida's assessment area includes all of Miami-Dade and Broward counties. According to the 2000 Office of Management and Budget (OMB) standards for defining Metropolitan areas, Miami-Dade County includes the Miami-Miami Beach-Kendall, Florida Metropolitan Division. Broward County includes the Fort Lauderdale-Pompano Beach-Deerfield Beach, Florida Metropolitan Division. Both Metropolitan Divisions are part of the Miami-Fort Lauderdale-Miami Beach MSA. The assessment area consists of entire counties and does not arbitrarily exclude any low- or moderate-income census tracts.

**Demographic Data**

The table on page 7 provides demographic data that were used in analyzing the bank's CRA performance. Certain components of the data in the table are discussed in this evaluation as they apply to particular parts of the analysis.

**Population Characteristics**

According to the 2000 census data, the assessment area's population is 3,876,380 persons, representing 24.3 percent of the population for the state of Florida. The portion of the total population represented by minorities is 63.7 percent, with Hispanic or Latino persons making up the largest minority group in the assessment area at 40.3 percent.

**Census Income Characteristics**

According to the 2000 census, there are 966,442 families in the assessment area. Of these, 22 percent are low-income, 17.5 percent are moderate-income, 19.4 percent are middle-income, and 41.1 percent are upper-income. Of the 966,442 families in the assessment area, 116,072 (12 percent) have incomes below the poverty level. A significant amount of poverty exists in the low-income census tracts, where 40.1 percent of families have incomes below the poverty level. 20.1 percent of families in the moderate-income census tracts are below poverty level. According to HUD, the estimated 2003 and 2004 median family income for Broward County was \$56,400 and \$57,400, respectively. The HUD estimated 2003 and 2004 median family income for Miami-Dade County was \$43,800 and \$45,700, respectively.



<b>DESCRIPTION OF ASSESSMENT AREA: Miami-Dade and Broward Counties (Continued)</b>
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**Census Housing Characteristics**

According to the 2000 census, there are 1,593,321 housing units in the bank's assessment area, 56.7 percent of which are owner-occupied units. With the median housing value at \$108,361 in the assessment area, housing units are less affordable than in the state of Florida overall at \$93,200. Out of the total housing units located in low-income census tracts, only 19 percent are owner-occupied units. A higher percentage (44 percent) of the total housing units located in moderate-income census tracts are owner-occupied units. Conversely, out of the total housing units located in middle- and upper-income census tracts, 60.4 percent and 69.4 percent are owner-occupied units, respectively. In addition, as previously stated, there is a high level of poverty in low- and moderate-income census tracts.

**DESCRIPTION OF ASSESSMENT AREA: Miami-Dade and Broward Counties (Continued)**

**Assessment Area Demographics**

**Assessment Area: Miami - Ft. Lauderdale (2000 Census)**

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	39	6.2	35,542	3.7	14,245	40.1	213,492	22.1
Moderate-income	171	27.3	255,810	26.5	51,392	20.1	169,055	17.5
Middle-income	231	36.9	377,888	39.1	36,444	9.6	187,145	19.4
Upper-income	182	29.1	297,202	30.8	13,991	4.7	396,750	41.1
Tract not reported	3	0.5	0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>626</b>	<b>100.0</b>	<b>966,442</b>	<b>100.0</b>	<b>116,072</b>	<b>12.0</b>	<b>966,442</b>	<b>100.0</b>
	<b>Housing Units by Tract</b>	<b>Housing Types by Tract</b>						
		<b>Owner-Occupied</b>			<b>Rental</b>		<b>Vacant</b>	
		#	%	%	#	%	#	%
Low-income	64,375	12,235	1.4	19.0	43,566	67.7	8,574	13.3
Moderate-income	447,164	197,306	21.8	44.1	206,067	46.1	43,791	9.8
Middle-income	621,222	374,981	41.5	60.4	187,475	30.2	58,766	9.5
Upper-income	460,539	319,436	35.3	69.4	90,153	19.6	50,950	11.1
Tract not reported	21	0	0.0	0.0	0	0.0	21	
<b>Total Assessment Area</b>	<b>1,593,321</b>	<b>903,958</b>	<b>100.0</b>	<b>56.7</b>	<b>527,261</b>	<b>33.1</b>	<b>162,102</b>	<b>10.2</b>
	<b>Total Businesses by Tract</b>	<b>Businesses by Tract &amp; Revenue Size</b>						
		<b>Less Than or = \$1 Million</b>			<b>Over \$1 Million</b>		<b>Revenue Not Reported</b>	
		#	%	#	%	#	%	#
Low-income	8,888	5.0	7,372	4.8	1,079	6.1	437	6.0
Moderate-income	43,056	24.1	36,887	24.0	4,228	23.9	1,941	26.5
Middle-income	65,900	36.9	57,026	37.1	6,159	34.8	2,715	37.0
Upper-income	60,327	33.8	52,033	33.9	6,077	34.4	2,217	30.2
Unknown-income	470	0.3	314	0.2	134	0.8	22	0.3
<b>Total Assessment Area</b>	<b>178,641</b>	<b>100.0</b>	<b>153,632</b>	<b>100.0</b>	<b>17,677</b>	<b>100.0</b>	<b>7,332</b>	<b>100.0</b>
	<b>Percentage of Total Businesses:</b>			<b>86.0</b>		<b>9.9</b>		<b>4.1</b>

**DESCRIPTION OF ASSESSMENT AREA: Miami-Dade and Broward Counties (Continued)**

**OTHER INFORMATION**

**Employment Statistics**

A review of data from REIS suggests that government and government enterprises (156,697 jobs), retail trade (136,445 jobs) and, health care and social assistance (120,246 jobs) are the largest employers in Miami-Dade County. In Broward County, the retail trade industry with 110,237 jobs is the largest employer. The average annual unemployment rate (not seasonally adjusted) in 2003 was 7.2 percent for Miami-Dade County and 5.5 percent for Broward County. The annual 2003 unemployment rate for the state of Florida was 5.1 percent. The November 2004 unemployment rate (not seasonally adjusted) was 5.7 percent for Miami-Dade County, 4.2 percent for Broward County, and 4.4 percent for the state of Florida. The unemployment rates for the bank's assessment area as well as for the state of Florida are indicating a downward trend.

**Business Size Characteristics**

The demographic tables provided earlier in this report provide key demographic business data by census tract income categories within the assessment area. The table illustrates that, in 2004, according to Dun & Bradstreet, 86 percent of the businesses in the assessment area had total annual revenues of less than \$1 million, and therefore are considered to be small businesses.

**Competition**

Commercial Bank of Florida operates in a highly competitive banking market due to the significant presence of banks in the assessment area. The competition comes mainly from FDIC-Insured institutions with branch offices located throughout the bank's assessment area. Many of these banks are statewide, multi-regional, or national banks. According to deposit market share reports from the FDIC as of June 30, 2004, Commercial Bank of Florida ranked 23rd in deposit market share in the assessment area, at 0.57 percent (\$708.8 million) of the market. The top financial institution had a deposit market share of 19.2 percent. Local competition does not appear to have adversely affected the bank's ability to serve the credit needs of its assessment area.

**Community Contacts**

As a part of the CRA Performance Evaluation, information was obtained from two community leaders regarding local economic conditions and community credit needs. One contact, whose organization's purpose

<b>DESCRIPTION OF ASSESSMENT AREA: Miami-Dade and Broward Counties (Continued)</b>
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is to revitalize an economically depressed area in South Florida, stated that she is satisfied by the level of participation of Commercial Bank of Florida with her organization. The second contact, who represents an organization that provides housing assistance to people with disabilities in low- to very low-income areas, stated that ample opportunity exists in Broward County for bank involvement in making home loans.

<b>CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS</b>
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**SCOPE OF EXAMINATION**

The examination review period covered HMDA loans and small business loans originated from January 1, 2003 through December 31, 2004. The analysis was based on 2000 census data reflecting OMB demographic changes. The bank's performance in the assessment area was reviewed using full scope examination procedures.

Commercial Bank of Florida's assessment area is defined as 626 census tracts, 39 of which are low-income tracts, 171 are moderate-income, 231 are middle-income, and 182 are upper-income. Three tracts are not classified. The assessment area does not arbitrarily exclude any low- or moderate-income areas.

For purposes of CRA, HMDA loans are those loans as defined in the Federal Reserve Board's Regulation C. The loan categories are home purchase, home refinance, multifamily, and home improvement loans. Small business loans are loans with original amounts of \$1 million or less. A community development loan is a loan to an entity for the purpose of providing affordable housing to or community services for low- and moderate-income persons, revitalization or stabilization of low- and moderate-income areas through the creation or retention of jobs for low- and moderate-income persons, or economic development through the financing of small businesses and farms that meet certain eligibility standards.

The following two tables display the bank's HMDA and small business lending performance in the assessment area for the years 2003 and 2004.

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS (Continued)**

**Loan Distribution Table**  
**Assessment Area: Miami - Ft. Lauderdale 2003**

Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	#	%	\$(000s)	%	#	%	\$(000s)	%
<b>Home Purchase</b>								
Low	0	0.0%	0	0.0%	2	20.0%	123	5.6%
Moderate	3	30.0%	206	9.3%	0	0.0%	0	0.0%
Middle	1	10.0%	220	10.0%	1	10.0%	106	4.8%
Upper	6	60.0%	1,780	80.7%	6	60.0%	1,757	79.6%
Unknown	0	0.0%	0	0.0%	1	10.0%	220	10.0%
<b>Total</b>	<b>10</b>	<b>100.0%</b>	<b>2,206</b>	<b>100.0%</b>	<b>10</b>	<b>100.0%</b>	<b>2,206</b>	<b>100.0%</b>
<b>Refinance</b>								
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	3	30.0%	136	11.0%	1	10.0%	15	1.2%
Upper	7	70.0%	1,105	89.0%	7	70.0%	781	62.9%
Unknown	0	0.0%	0	0.0%	2	20.0%	445	35.9%
<b>Total</b>	<b>10</b>	<b>100.0%</b>	<b>1,241</b>	<b>100.0%</b>	<b>10</b>	<b>100.0%</b>	<b>1,241</b>	<b>100.0%</b>
<b>Home Improvement</b>								
Low	0	0.0%	0	0.0%	1	3.2%	1	0.1%
Moderate	1	3.2%	20	1.5%	3	9.7%	40	3.1%
Middle	9	29.0%	398	30.8%	5	16.1%	115	8.9%
Upper	21	67.7%	876	67.7%	18	58.1%	1,038	80.2%
Unknown	0	0.0%	0	0.0%	4	12.9%	100	7.7%
<b>Total</b>	<b>31</b>	<b>100.0%</b>	<b>1,294</b>	<b>100.0%</b>	<b>31</b>	<b>100.0%</b>	<b>1,294</b>	<b>100.0%</b>
<b>Multi-Family</b>								
Low	2	10.5%	3,323	14.8%	0	0.0%	0	0.0%
Moderate	11	57.9%	15,776	70.4%	0	0.0%	0	0.0%
Middle	3	15.8%	2,075	9.3%	0	0.0%	0	0.0%
Upper	3	15.8%	1,244	5.5%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	19	100.0%	22,418	100.0%
<b>Total</b>	<b>19</b>	<b>100.0%</b>	<b>22,418</b>	<b>100.0%</b>	<b>19</b>	<b>100.0%</b>	<b>22,418</b>	<b>100.0%</b>
<b>HMDA Totals</b>								
Low	2	2.9%	3,323	12.2%	3	4.3%	124	0.5%
Moderate	15	21.4%	16,002	58.9%	3	4.3%	40	0.1%
Middle	16	22.9%	2,829	10.4%	7	10.0%	236	0.9%
Upper	37	52.9%	5,005	18.4%	31	44.3%	3,576	13.2%
Unknown	0	0.0%	0	0.0%	26	37.1%	23,183	85.4%
<b>Total</b>	<b>70</b>	<b>100.0%</b>	<b>27,159</b>	<b>100.0%</b>	<b>70</b>	<b>100.0%</b>	<b>27,159</b>	<b>100.0%</b>
<b>SMALL BUSINESS/FARM</b>								
Income Categories	SMALL BUSINESS				SMALL FARM			
	#	%	\$(000s)	%	#	%	\$(000s)	%
<b>By Tract Income</b>								
Low	15	5.2%	2,773	4.8%	0	0.0%	0	0.0%
Moderate	60	20.6%	13,915	24.2%	0	0.0%	0	0.0%
Middle	61	21.0%	13,072	22.8%	0	0.0%	0	0.0%
Upper	147	50.5%	24,509	42.7%	0	0.0%	0	0.0%
Unknown	8	2.7%	3,180	5.5%	0	0.0%	0	0.0%
<b>Total</b>	<b>291</b>	<b>100.0%</b>	<b>57,449</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>
<b>By Loan Size</b>								
\$100,000 or less	153	52.6%	7,440	13.0%	0	0.0%	0	0.0%
\$100,001 - \$250,000	67	23.0%	12,022	20.9%	0	0.0%	0	0.0%
\$250,001 - \$1 Million*	71	24.4%	37,987	66.1%	0	0.0%	0	0.0%
Over \$1 Million*	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>291</b>	<b>100.0%</b>	<b>57,449</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>
<b>By Revenue</b>								
\$1 Million or Less	120	41.2%	24,955	43.4%	0	0.0%	0	0.0%
Over \$1 Million	153	52.6%	30,492	53.1%	0	0.0%	0	0.0%
Not Known	18	6.2%	2,002	3.5%	0	0.0%	0	0.0%
<b>Total</b>	<b>291</b>	<b>100.0%</b>	<b>57,449</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>

Originations and Purchases

\*Small Business loans are loan sizes that are \$1 Million or less

\*Small Farm loans are loan sizes that are \$500,000 or less

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS (Continued)**

**Loan Distribution Table**

Assessment Area: Miami - Ft. Lauderdale 2004

Income Categories	By Tract Income			HMDA		By Borrower Income		
	#	%	\$(000s)	%	#	%	\$(000s)	%
<b>Home Purchase</b>								
Low	0	0.0%	0	0.0%	1	5.6%	135	3.8%
Moderate	3	16.7%	347	9.7%	1	5.6%	15	0.4%
Middle	5	27.8%	1,083	30.3%	3	16.7%	349	9.7%
Upper	10	55.6%	2,150	60.1%	13	72.2%	3,081	86.1%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>18</b>	<b>100.0%</b>	<b>3,580</b>	<b>100.0%</b>	<b>18</b>	<b>100.0%</b>	<b>3,580</b>	<b>100.0%</b>
<b>Refinance</b>								
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	4	36.4%	4,960	61.9%	1	9.1%	80	1.0%
Middle	2	18.2%	2,500	31.2%	1	9.1%	132	1.6%
Upper	5	45.5%	552	6.9%	3	27.3%	340	4.2%
Unknown	0	0.0%	0	0.0%	6	54.5%	7,460	93.1%
<b>Total</b>	<b>11</b>	<b>100.0%</b>	<b>8,012</b>	<b>100.0%</b>	<b>11</b>	<b>100.0%</b>	<b>8,012</b>	<b>100.0%</b>
<b>Home Improvement</b>								
Low	0	0.0%	0	0.0%	2	10.0%	10	1.1%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	6	30.0%	385	44.0%	2	10.0%	23	2.6%
Upper	13	65.0%	485	55.4%	12	60.0%	454	51.9%
Unknown	1	5.0%	5	0.6%	4	20.0%	388	44.3%
<b>Total</b>	<b>20</b>	<b>100.0%</b>	<b>875</b>	<b>100.0%</b>	<b>20</b>	<b>100.0%</b>	<b>875</b>	<b>100.0%</b>
<b>Multi-Family</b>								
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	9	81.8%	13,233	61.0%	0	0.0%	0	0.0%
Middle	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Upper	2	18.2%	8,455	39.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	11	100.0%	21,688	100.0%
<b>Total</b>	<b>11</b>	<b>100.0%</b>	<b>21,688</b>	<b>100.0%</b>	<b>11</b>	<b>100.0%</b>	<b>21,688</b>	<b>100.0%</b>
<b>HMDA Totals</b>								
Low	0	0.0%	0	0.0%	3	5.0%	145	0.4%
Moderate	16	26.7%	18,540	54.3%	2	3.3%	95	0.3%
Middle	13	21.7%	3,968	11.6%	6	10.0%	504	1.5%
Upper	30	50.0%	11,642	34.1%	28	46.7%	3,875	11.3%
Unknown	1	1.7%	5	0.0%	21	35.0%	29,536	86.5%
<b>Total</b>	<b>60</b>	<b>100.0%</b>	<b>34,155</b>	<b>100.0%</b>	<b>60</b>	<b>100.0%</b>	<b>34,155</b>	<b>100.0%</b>
<b>SMALL BUSINESS/FARM</b>								
Income Categories	#	SMALL BUSINESS			#	SMALL FARM		
		%	\$(000s)	%		%	\$(000s)	%
<b>By Tract Income</b>								
Low	13	4.8%	2,444	4.4%	0	0.0%	0	0.0%
Moderate	72	26.5%	16,808	30.0%	0	0.0%	0	0.0%
Middle	49	18.0%	12,131	21.7%	0	0.0%	0	0.0%
Upper	124	45.6%	20,141	36.0%	0	0.0%	0	0.0%
Unknown	14	5.1%	4,415	7.9%	0	0.0%	0	0.0%
<b>Total</b>	<b>272</b>	<b>100.0%</b>	<b>55,939</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>
<b>By Loan Size</b>								
\$100,000 or less	137	50.4%	7,054	12.6%	0	0.0%	0	0.0%
\$100,001 - \$250,000	65	23.9%	12,460	22.3%	0	0.0%	0	0.0%
\$250,001 - \$1 Million*	70	25.7%	36,425	65.1%	0	0.0%	0	0.0%
Over \$1 Million*	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>272</b>	<b>100.0%</b>	<b>55,939</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>
<b>By Revenue</b>								
\$1 Million or Less	116	42.6%	24,372	43.6%	0	0.0%	0	0.0%
Over \$1 Million	142	52.2%	27,229	48.7%	0	0.0%	0	0.0%
Not Known	14	5.1%	4,338	7.8%	0	0.0%	0	0.0%
<b>Total</b>	<b>272</b>	<b>100.0%</b>	<b>55,939</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>

Originations and Purchases

\*Small Business loans are loan sizes that are \$1 Million or less

\*Small Farm loans are loan sizes that are \$500,000 or less

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS (Continued)**

**LENDING TEST**

The overall rating of the institution for the lending test is **OUTSTANDING**.

During the review period, small business loans by number and dollar volume exceeded the number and dollar volume of HMDA loans. Therefore, small business loans were given more weight in determining the bank's lending test rating.

**Lending Activity**

Considering the bank's market share of deposits in its assessment area, information gathered from community contacts, competition, and demographic information, lending levels reflect **EXCELLENT** responsiveness to assessment area credit needs. Commercial Bank of Florida originated 563 small business loans totaling \$113 million in its assessment area. In addition, Commercial Bank of Florida originated 130 HMDA loans representing \$61 million within the assessment area. Of the 130 HMDA loans, 51 (39.2 percent) were home improvement loans, 28 (21.5 percent) were home purchase loans, 30 (23.1 percent) were multifamily loans, and 21 (16.2 percent) were refinance loans.

**Assessment Area Concentration**

A **SUBSTANTIAL MAJORITY** of the bank's lending occurs inside its assessment area. The following table shows the distribution of loans that were originated during the review period inside and outside the bank's assessment area, by number of loans and dollar amount, according to loan type.

**Lending Inside and Outside the Assessment Area**

Loan Type	Inside				Outside			
	#	%	\$(000s)	%	#	%	\$(000s)	%
Home Improvement	51	92.7	\$2,169	94.6	4	7.3	\$123	5.4
Home Purchase -	28	90.3	\$5,786	87.2	3	9.7	\$850	12.8
Multi-Family Housing	30	100.0	\$44,106	100.0	0	0.0	\$0	0.0
Refinancing	21	100.0	\$9,253	100.0	0	0.0	\$0	0.0
<b>Total HMDA related</b>	<b>130</b>	<b>94.9</b>	<b>\$61,314</b>	<b>98.4</b>	<b>7</b>	<b>5.1</b>	<b>\$973</b>	<b>1.6</b>
Small Business	563	95.7	\$113,388	96.4	25	4.3	\$4,288	3.6
<b>Total Small Bus. related</b>	<b>563</b>	<b>95.7</b>	<b>\$113,388</b>	<b>96.4</b>	<b>25</b>	<b>4.3</b>	<b>\$4,288</b>	<b>3.6</b>
Small Farm	0	0.0	\$0	0.0	1	100.0	\$70	100.0
<b>Total Small Farm related</b>	<b>0</b>	<b>0.0</b>	<b>\$0</b>	<b>0.0</b>	<b>1</b>	<b>100.0</b>	<b>\$70</b>	<b>100.0</b>
<b>TOTAL LOANS</b>	<b>693</b>	<b>95.5</b>	<b>\$174,702</b>	<b>97.0</b>	<b>33</b>	<b>4.5</b>	<b>\$5,331</b>	<b>3.0</b>



<b>CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS (Continued)</b>
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As indicated by the table, 95.5 percent of the bank's loans were to customers and businesses inside the bank's assessment area. Also, a **SUBSTANTIAL MAJORITY** (97 percent) of the dollar volume of loans were inside the bank's assessment area. This level of lending inside the assessment area indicates that the bank is serving the credit needs of its assessment area.

### **Geographic Distribution of Loans**

For this analysis the geographic distribution of small business and HMDA loans was compared with the demographic information available. Performance context issues were also considered, as well as the performance of other banks.

### **Analysis of 2003 Lending**

To assess Commercial Bank of Florida's performance relative to this criterion, HMDA and small business loans originated within the bank's assessment area from January 1, 2003, through December 31, 2003, were analyzed and compared to 2000 census data.

Commercial Bank of Florida's HMDA lending in low-income tracts at 2.9 percent was slightly lower than the percentage of families in low-income tracts at 3.7 percent. However, it was higher than the percentage of non-poverty families in low-income tracts, which is 2.2 percent. In moderate-income tracts, the bank's HMDA lending at 21.4 percent was lower than the percentage of families in moderate-income tracts at 26.5 percent, but was consistent with the percentage of non-poverty families in moderate-income tracts at 21.2 percent. According to the 2003 peer group loan distribution table in Appendix B, the bank's HMDA lending in low-income census tracts at 2.9 percent was significantly higher than aggregate performance at 1.3 percent. The bank's HMDA lending in moderate-income tracts at 21.4 percent was also higher than aggregate performance at 17.5 percent.

Commercial Bank of Florida's small business lending in low-income tracts at 5.2 percent, was higher than the percentage of small businesses in these tracts at 4.8 percent. Furthermore, the peer loan distribution tables in Appendix B show that Commercial Bank of Florida's lending in low-income tracts at 5.2 percent was also significantly above the aggregate at 3.6 percent for small businesses originations. However, the bank's small business lending in moderate-income tracts at 20.6 percent, was below the percentage of small businesses in these tracts at 24 percent, although above the aggregate of 19.8 percent.

<b>CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS (Continued)</b>
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**Analysis of 2004 Lending**

To assess Commercial Bank of Florida's performance relative to this criterion, HMDA and small business loans originated within the bank's assessment area from January 1, 2004, through December 31, 2004, were analyzed and compared to 2000 census data.

Commercial Bank of Florida did not make any HMDA loans in low-income census tracts in 2004. In moderate-income tracts, the bank's HMDA lending at 26.7 percent was at par with the percentage of families in moderate-income tracts at 26.5 percent.

Commercial Bank of Florida's small business lending in low-income tracts, at 4.8 percent, was equal to the percentage of small businesses in these tracts. The bank's small business lending in moderate-income tracts at 26.5 percent, was above the percentage of small businesses in these tracts at 24 percent.

HMDA and CRA aggregate data for 2004 were not available.

Based on this analysis, the geographic distribution of loans reflects **EXCELLENT** penetration throughout the assessment area.

**Distribution by Borrower Profile**

For this analysis, the distribution of HMDA lending by borrower income levels and small business lending by business revenue size was compared with available demographic information. Performance context issues were also considered, as well as the performance of other banks.

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS (Continued)**

**Analysis of 2003 Lending**

To assess Commercial Bank of Florida's performance relative to this criterion, HMDA and small business loans originated within the bank's assessment area from January 1, 2003, through December 31, 2003, were analyzed and compared to 2000 census data.

The bank originated 4.3 percent of its HMDA loans to low-income borrowers, although 22.1 percent of total families in the assessment area are low-income families. Similarly, 4.3 percent of the bank's HMDA loans were originated to moderate-income borrowers, who represent 17.5 percent of total families in the assessment area. Several mitigating factors exist that may explain the low level of lending to low- and moderate-income borrowers. One factor may be that the bank's primary focus is small business loans. Also, the bank does not offer residential loan products with flexible and innovative underwriting standards that target low- and moderate-income borrowers. However, the bank's HMDA lending to low-income borrowers at 4.3 percent was above aggregate performance at 3.2 percent. HMDA lending to moderate-income borrowers at 4.3 percent was below aggregate performance at 12.6 percent.

19 of the 26 HMDA loans where income was not available were multifamily loans. The rents on these multifamily properties are affordable for low- and moderate-income families. This conclusion is based on the assumption that one-third of family income is available for rent, and calculating the upper limit of low- and moderate-income at 50 percent and 80 percent of the estimated HUD adjusted median family income, respectively. One-third of 80 percent of the estimated HUD adjusted median family income for Miami-Dade County is \$11,680 or \$973 a month and for Broward County is \$15,040 or \$1,253 a month. Therefore, \$973 would be the maximum affordable rent for a moderate-income family residing in Miami-Dade County and \$1,253 would be the maximum affordable rent for a moderate-income family residing in Broward County. The bank indicated that these multifamily properties have a monthly rental range of \$279 to \$985. The \$279 to \$985 rental range would be affordable for moderate-income families residing in Miami-Dade or Broward counties, as well as for some low-income families whose maximum rent capacity is \$608 and \$783, respectively. Therefore, in addition to the 1-4 family HMDA lending, reflected in the table on page 11, the bank financed 18 apartment buildings, which are affordable to low- and moderate-income families.

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS (Continued)**

Of the 291 loans originated by Commercial Bank of Florida to businesses in its assessment area, 41.2 percent were originated to small businesses, which was significantly below the percentage of small businesses in the assessment area at 86 percent. However, Commercial Bank of Florida's percentage of small business lending to businesses with revenues below \$1 million at 41.2 percent was above the performance of the aggregate market at 33.5 percent. 153 of the loans (52.6 percent) were made in amounts of \$100,000 or less, compared with 96.2 percent for the aggregate.

**Analysis of 2004 Lending**

To assess Commercial Bank of Florida's performance relative to this criterion, HMDA and small business loans originated within the bank's assessment area from January 1, 2004, through December 31, 2004, were analyzed and compared to 2000 census data.

The bank originated 5 percent of its HMDA loans to low-income borrowers, although 22.1 percent of total families in the assessment area are low-income. Moderate-income borrowers only received 3.3 percent of the bank's HMDA loans, although they represent 17.5 percent of total families in the assessment area. As previously mentioned, one mitigating factor may be that the bank's primary focus is small business loans and the bank does not offer residential loans products with flexible and innovative underwriting standards that target low- and moderate-income borrowers.

In addition, 11 of the 21 loans where income was not available were multifamily loans. Using the same assumptions in the discussion of 2003 lending, \$1,016 would be the maximum affordable rent for a moderate-income family residing in Miami-Dade County, and \$1,276 would be the maximum affordable rent for a moderate-income family residing in Broward County. The bank indicated that these multifamily properties have a monthly rental range of \$330 to \$950. The \$330 to \$950 rental range would be affordable for moderate-income families residing in Miami-Dade or Broward counties, as well as for some low-income families whose maximum rent capacity is \$635 and \$797, respectively. Therefore, in addition to the 1-4 family HMDA lending, reflected in the table on page 12, the bank financed a substantial majority of apartment buildings which are affordable to low- and moderate-income families.

<b>CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS (Continued)</b>
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Of the 272 loans originated by Commercial Bank of Florida to businesses in its assessment area, 116 (42.6 percent) were originated to small businesses, which was significantly below the percentage of small businesses in the assessment area at 86 percent. In addition, 137 of the loans (50.4 percent) were made in amounts of \$100,000 or less.

HMDA and CRA aggregate data for 2004 were not available.

Based on the distribution of the loans, Commercial Bank of Florida's lending performance reflects **GOOD** penetration among customers of different income levels and businesses of different sizes

#### **Responsiveness to the Community Credit Needs**

Based on an evaluation of the bank's lending initiatives, the bank exhibits an **EXCELLENT** record of serving the needs of low-income individuals and areas and very small businesses.

#### **Community Development Lending**

Commercial Bank of Florida is a **LEADER** in making community development loans in its assessment area. Although it faces strong competition from several large regional banks in its assessment area, Commercial Bank of Florida originated 49 community development loans totaling \$54 million during the review period. Of the 49 loans, 46 loans totaling \$44 million were multifamily loans that provided affordable housing to low- and moderate-income families. The bank also made the following loans: a \$2.5 million loan in a moderate-income census tract that housed tenants such as a day care center, People for the American Way, and a Miami-Dade County facility; a \$4.7 million loan in a low-income tract that included tenants such as an employment office, Miami-Dade Empowerment, Work America, Inc., League Against AIDS, Inc., SCORE, a health facility, and a foster care review location; and a \$2.8 million loan in a middle-income tract that included tenants such as Miami-Dade County facility, a State of Florida facility, Dade Human Rights, and American Civil Liberties.

<b>CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS (Continued)</b>
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**Use of Innovative or Flexible Lending Practices**

Commercial Bank of Florida makes **LIMITED USE** of flexible and innovative lending programs. While the bank does not offer flexible and innovative lending products, it does participate in lending programs designed to make credit available using innovative or flexible criteria such as Neighborhood Lending Partners, Inc. and Habitat for Humanity. As a community bank, Commercial Bank of Florida tailors its loans to the individual needs of its customers and attempts to use this flexibility to find a way to approve as many loan requests as possible.

**INVESTMENT TEST**

The overall rating of the institution under the investment test is **OUTSTANDING**.

The bank has participated in an **EXCELLENT** level of community development investments and grants, **OCCASIONALLY** in a leadership position, particularly those not routinely provided by private investors. Qualified investments made during the review period totaled \$2.5 million. These investments consisted of two FNMA Bonds for affordable housing, and two municipal bond investments. The two municipal bond investments are to be used to help stabilize and revitalize two communities, one located in Starke, Florida and one located in Miami Shores, Florida. The bank also had outstanding qualified investments totaling \$1.7 million, bringing total investments to \$4.2 million. The table on the following page shows the bank's qualified grants and contributions during the review period, which totaled \$126,439.

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS (Continued)**

<i>COMMERCIAL BANK OF FLORIDA</i>	
<i>GRANTS AND CONTRIBUTIONS</i>	
<b>TYPE OF ORGANIZATION</b>	<b>AMOUNT</b>
School for Disabled Children	\$106,114
Local Community Revitalization	\$2,800
Police Department Crime Prevention	\$800
Cancer Center	\$6,000
Children's Hospital Charitable Fund	\$1,000
Scholarships for Low- and Moderate-Income Youth	\$1,000
Hurricane Charley Relief Fund	\$1,000
Church Youth Program	\$325
Community Builders Wall	\$250
Civic Organization	\$400
Charitable Fund	\$4,000
Hurricane and Disaster Relief Fund	\$2,500
Non Profit Affordable Housing Organization	\$250
<b>Total</b>	<b>\$126,439</b>

<b>CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS (Continued)</b>
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### **Responsiveness to Credit and Community Development Needs**

Based on an evaluation of the performance context, area demographics, and contact made with the community, the bank's investments exhibit **EXCELLENT** responsiveness to credit and community development needs.

### **Community Development Initiatives**

The bank **OCCASSIONALLY USES** complex or innovative investments to support community development initiatives. The bank's equity investment in First Housing, a private corporation that works with public and private investors, helped to support a unique public/private effort to provide financing for affordable multifamily housing.

### **SERVICE TEST**

The overall rating of the institution under the service test is **HIGH SATISFACTORY**.

### **Retail Services**

#### **Accessibility of Delivery Systems**

The bank's delivery systems, including ATMs and branch locations, are considered **ACCESSIBLE** to **ESSENTIALLY ALL** portions of the assessment area. The bank's record of opening and closing branches has **NOT ADVERSELY AFFECTED** the accessibility of delivery systems. In addition, the availability of banking services and hours of operations **DO NOT VARY IN A WAY THAT INCONVENIENCES CERTAIN PORTIONS** of the assessment area.

The bank has no branches located in low-income census tracts. However, two of the bank's fourteen branches are located in moderate-income census tracts, where 24 percent of small businesses are located in the assessment area. Approximately 71 percent of the businesses in the assessment area are located in middle- and upper-income census tracts. The bank's concentration of its branches in these tracts is consistent with its commercial lending focus. The bank offers walk-up windows and drive-through facilities at most of its locations. Other systems for delivering retail-banking services to the bank's assessment area include ATMs and the TelCom 24 bank-by-phone service.



**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS (Continued)**

The bank's ATM card provides access to its proprietary ATMs (at no charge to customers) as well as, STAR, CIRRUS, and PRESTO ATM switches. In addition, customers can use their ATM cards to make point-of-sale purchases and receive cash back at no charge at Publix supermarkets. As stated earlier in this report, the bank opened one proprietary ATM facility during the review period in an upper-income census tract.

The distribution of Commercial Bank of Florida's branch offices and ATMs is summarized in the following table.

<b>COMMERCIAL BANK OF FLORIDA DISTRIBUTION OF BRANCHES AND ATMS</b>						
<b>TRACT INCOME LEVEL</b>	<b>NUMBER OF BRANCHES</b>	<b>PERCENTAGE OF BRANCHES</b>	<b>NUMBER OF ATMS</b>	<b>PERCENTAGE OF ATMS</b>	<b>PERCENTAGE OF TOTAL FAMILIES</b>	<b>PERCENTAGE OF SMALL BUSINESSES</b>
Low-Income	0	0 %	0	0 %	4 %	5 %
Moderate-Income	2	14 %	2	15 %	26 %	24 %
Middle-Income	5	36 %	3	23 %	39 %	37 %
Upper-Income	7	50 %	8	62 %	31 %	34 %
Total	14	100 %	13	100 %	100 %	100 %

\*No branch offices are located in tracts defined as "N/A" based on 2000 U.S. Census data.

\*\*No ATMs are located in tracts defined as "N/A" based on 2000 U.S. Census data.

**Community Development Services**

The bank provides a **RELATIVELY HIGH LEVEL** of community development services throughout its assessment area. Board members, officers, and employees have used their financial expertise to provide financial services that benefit residents in the assessment area. The table on the next page illustrates some of the bank's most significant activities during the review period.

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS (Continued)**

<b>COMMERCIAL BANK OF FLORIDA COMMUNITY DEVELOPMENT SERVICES</b>	
<b>ORGANIZATION</b>	<b>POSITION/SERVICE</b>
City of Miami Springs "general employee retirement fund"	A bank officer is a trustee appointed by the city. She also provides technical expertise and assistance to manage the fund. The fund supports city employees that are primarily low- and moderate-income.
City of Miami Springs	A bank officer provides technical assistance helping city officials with programs and workshops that benefit small businesses.
Goulds Community Development Corporation	A bank officer provides financial and technical expertise to this grassroots CDC, which provides assistance to low- and moderate-income residents and small business owners.
Broward County Community Development Corporation	A bank officer is a member of the board of directors, the finance, and recruitment committees, and is chairman of the strategic planning committee of this CDC that provides affordable rental housing for indigent persons with mental disabilities and special needs.
Children's Resource Center and Foundation	Several bank directors and executives are members of the board of directors and various committees. Bank officers also provide technical assistance and financial expertise to this organization which provides day care, education, and scholarships for low- and moderate-income and developmentally disabled children.
Salvation Army (South Florida)	A bank officer is a member of the board of directors and local advisory board. The organization provides community care and assistance with basic needs, such as food and shelter and programs for the homeless and hurricane disaster relief.
Neighborhood Lending Partners of South Florida	A bank officer provides financial expertise as a member of the loan committee of this organization which is a loan consortium for affordable housing.
Miami Dade Partners	A bank officer provided technical expertise related with the adult education program, vocational program, and computer classes for this program to mentor students.
Miami Springs/Airport Chamber of Commerce	A bank officer is a member of the board of directors of this organization that assists small business owners.

<b>CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS (Continued)</b>
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**Complaints**

No complaints related to the bank's compliance with CRA have been received since the last examination.

**Compliance with Antidiscrimination Laws**

The bank is in compliance with the substantive provisions of the antidiscrimination laws and regulations. No evidence of discrimination or the use of illegal credit practices was noted during the review of bank policies and procedures. No practices have the intent or the effect of discouraging applicants for credit.

**APPENDIX A - SCOPE OF EXAMINATION**

**TIME PERIOD REVIEWED**

January 1, 2003 through December 31, 2004

**FINANCIAL INSTITUTION**

Commercial Bank of Florida, Miami, Florida

**PRODUCTS REVIEWED**

HMDA Lending  
 Small Business Loans

**AFFILIATE(S)**

None

**AFFILIATE RELATIONSHIP**

N/A

**PRODUCTS REVIEWED**

N/A

**LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION**

<b>ASSESSMENT AREA</b>	<b>TYPE OF EXAMINATION</b>	<b>BRANCHES VISITED</b>	<b>OTHER INFORMATION</b>
Miami-Dade and Broward Counties	Full Scope Exam Procedures Used	Pompano Beach Hallandale Miami Beach	None

**APPENDIX B**

**Aggregate Lending Tables  
 Peer Loan Distribution Report**

Assessment Area: Miami – Ft. Lauderdale 2003

	By Tract Income				HMDA		By Borrower Income		
	#	%	\$(000s)	%	#	%	\$(000s)	%	
	<b>Home Purchase</b>								
Low	2,760	1.9%	265,267	1.1%	4,069	2.7%	290,362	1.2%	
Moderate	29,859	20.1%	3,345,096	13.5%	18,322	12.3%	1,787,385	7.2%	
<i>Low/Moderate Total</i>	32,619	22.0%	3,610,363	14.5%	22,391	15.1%	2,077,747	8.4%	
Middle	59,061	39.8%	8,393,327	33.8%	29,934	20.2%	3,727,493	15.0%	
Upper	56,757	38.2%	12,815,177	51.6%	65,425	44.1%	14,058,967	56.6%	
Unknown	68	0.0%	13,257	0.1%	30,755	20.7%	4,967,917	20.0%	
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%	
<i>Total</i>	148,505	100.0%	24,832,124	100.0%	148,505	100.0%	24,832,124	100.0%	
	<b>Refinance</b>								
Low	2,206	0.9%	204,047	0.6%	8,051	3.4%	570,681	1.6%	
Moderate	37,329	15.8%	3,765,393	10.7%	30,434	12.9%	2,828,514	8.0%	
<i>Low/Moderate Total</i>	39,535	16.7%	3,969,440	11.3%	38,485	16.3%	3,399,195	9.7%	
Middle	91,111	38.5%	11,206,636	31.9%	47,093	19.9%	5,465,871	15.5%	
Upper	105,966	44.8%	19,987,076	56.8%	107,143	45.3%	19,961,654	56.7%	
Unknown	91	0.0%	11,827	0.0%	43,982	18.6%	6,348,259	18.0%	
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%	
<i>Total</i>	236,703	100.0%	35,174,979	100.0%	236,703	100.0%	35,174,979	100.0%	
	<b>Home Improvement</b>								
Low	61	1.2%	2,221	0.8%	260	5.0%	6,597	2.4%	
Moderate	972	18.5%	37,666	13.8%	658	12.5%	19,083	7.0%	
<i>Low/Moderate Total</i>	1,033	19.7%	39,887	14.6%	918	17.5%	25,680	9.4%	
Middle	2,077	39.6%	96,686	35.4%	1,116	21.3%	39,424	14.4%	
Upper	2,135	40.7%	136,877	50.1%	2,883	55.0%	170,087	62.2%	
Unknown	1	0.0%	21	0.0%	329	6.3%	38,280	14.0%	
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%	
<i>Total</i>	5,246	100.0%	273,471	100.0%	5,246	100.0%	273,471	100.0%	
	<b>Multi-Family</b>								
Low	152	15.3%	68,053	5.3%	0	0.0%	0	0.0%	
Moderate	466	47.0%	447,797	35.0%	0	0.0%	0	0.0%	
<i>Low/Moderate Total</i>	618	62.3%	515,850	40.3%	0	0.0%	0	0.0%	
Middle	282	28.4%	499,877	39.1%	0	0.0%	0	0.0%	
Upper	92	9.3%	263,988	20.6%	0	0.0%	0	0.0%	
Unknown	0	0.0%	0	0.0%	992	100.0%	1,279,715	100.0%	
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%	
<i>Total</i>	992	100.0%	1,279,715	100.0%	992	100.0%	1,279,715	100.0%	
	<b>HMDA Totals</b>								
Low	5,179	1.3%	539,588	0.9%	12,380	3.2%	867,640	1.4%	
Moderate	68,626	17.5%	7,595,952	12.3%	49,414	12.6%	4,634,982	7.5%	
<i>Low/Moderate Total</i>	73,805	18.9%	8,135,540	13.2%	61,794	15.8%	5,502,622	8.9%	
Middle	152,531	39.0%	20,196,526	32.8%	78,143	20.0%	9,232,788	15.0%	
Upper	164,950	42.1%	33,203,118	53.9%	175,451	44.8%	34,190,708	55.5%	
Unknown	160	0.0%	25,105	0.0%	76,058	19.4%	12,634,171	20.5%	
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%	
<i>Total</i>	391,446	100.0%	61,560,289	100.0%	391,446	100.0%	61,560,289	100.0%	

Originations and Purchases

**APPENDIX B**

**Peer Small Business/Small Farm Detail Table**

Assessment Area: Miami – Ft. Lauderdale 2003

	SMALL BUSINESS				SMALL FARM			
	#	%	\$(000S)	%	#	%	\$(000S)	%
	<b>By Tract Income</b>							
Low	5,210	3.6%	191,239	5.9%	11	2.0%	124	1.0%
Moderate	28,305	19.8%	717,834	22.0%	109	20.3%	2,598	21.6%
<i>Low/Moderate Total</i>	33,515	23.5%	909,073	27.9%	120	22.3%	2,722	22.7%
Middle	50,588	35.4%	1,048,960	32.2%	192	35.8%	2,614	21.8%
Upper	54,557	38.2%	1,248,980	38.4%	215	40.0%	6,654	55.4%
Unknown	374	0.3%	21,930	0.7%	0	0.0%	0	0.0%
Tract Unknown	3,730	2.6%	27,502	0.8%	10	1.9%	23	0.2%
<i>Total</i>	142,764	100.0%	3,256,445	100.0%	537	100.0%	12,013	100.0%
	<b>By Revenue</b>							
Total \$1 Million or Less	47,869	33.5%	1,181,972	36.3%	424	79.0%	5,837	48.6%
	<b>By Loan Size</b>							
\$100,000 or Less	137,321	96.2%	1,254,050	38.5%	508	94.6%	3,774	31.4%
\$100,001 - \$250,000	2,577	1.8%	462,927	14.2%	15	2.8%	2,819	23.5%
\$250,001 - \$1 Million*	2,866	2.0%	1,539,468	47.3%	14	2.6%	5,420	45.1%
Over \$1 Million*	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<i>Total</i>	142,764	100.0%	3,256,445	100.0%	537	100.0%	12,013	100.0%

Originations and Purchases

\*Small Business loans are loan sizes that are \$1 million or less.

\*Small Farm loans are loans that are \$500,000 or less.

## APPENDIX C- GLOSSARY

**Aggregate lending:** The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

**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:** 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.

**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 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).

**Geography:** A census tract delineated by the U.S. 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 data such as race, gender and income of applications, amount of loan requested, and disposition of the application (for example, approved, denied, and withdrawn).

**APPENDIX C – GLOSSARY (Continued)**

**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 refinancings 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 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 Division:** A county or group of counties within a Core Based Statistical Area that contains a core with a population of at least 2.5 million. A Metropolitan Division consists of one or more main/secondary counties that represent an employment center or centers, plus adjacent counties associated with the main county or counties through commuting ties.

**Metropolitan Statistical Area:** A Core Based Statistical Area associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county as measured through commuting.

**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.

**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.



<b>APPENDIX C – GLOSSARY (Continued)</b>
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**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 non-mortgage, 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 Call Report. These loans have original amounts of \$500 thousand 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 a median family income that is more than 120 percent, in the case of a geography.