



Comptroller of the Currency
Administrator of National Banks

SMALL BANK

South Florida Field Office
5757 Blue Lagoon Drive, Suite 200
Miami, Florida 33126

PUBLIC DISCLOSURE

April 17, 2000

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Landmark Bank, N.A.
Charter Number 23658**

**2600 East Commercial Boulevard
Fort Lauderdale, Florida 33308**

Office of the Comptroller of the Currency

**South Florida Field Office
5757 Blue Lagoon Drive, Suite 200
Miami, Florida 33126**

NOTE: 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.

GENERAL INFORMATION

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

This document is an evaluation of the Community Reinvestment Act (CRA) performance of **Landmark Bank, N.A.** prepared by the **Office of the Comptroller of the Currency**, the institution's supervisory agency, as of **April 17, 2000**. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.

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

We evaluated **Landmark Bank N.A.'s (Landmark's)** CRA performance using the small bank performance criteria. Landmark is a new bank that opened in August 1998. This is the bank's first CRA evaluation. Our evaluation covered the period from August 1998 through March 31, 2000. **Our performance evaluation finds that Landmark's performance is "Satisfactory."** The primary reasons for this rating are:

- o The bank's average loan to deposit ratio since opening in August 1998 was more than reasonable.
- o A substantial majority of the loans sampled were originated inside the assessment area.
- o The distribution of loans to businesses of different sizes (lending to small businesses) was reasonable.
- o Business loans originated in the assessment area reflected reasonable dispersion among census tracts of different income levels, including low- and moderate-income census tracts.

DESCRIPTION OF INSTITUTION

Landmark is a community bank headquartered in the city of Fort Lauderdale in Broward County. The main office is the only branch. It is located in an upper-income census tract.

Landmark is not part of any holding company. The bank offers most traditional banking services and is accessible to many neighborhoods of the assessment area. Landmark is primarily a business lender and the bank originates a substantial volume of multifamily loans (typically to finance small apartment buildings).

As of March 31, 2000, Landmark had total assets of \$51 million. Loans totaled \$40 million and deposits were \$33 million. The percentage of net loans to total assets was 79%. Capital was 35% of total assets. Landmark's major product lines are loans to small businesses. These loans include multifamily loans. On March 31, 2000, the loan portfolio was comprised of 40% commercial real estate, 38% multifamily, 10% commercial, and 4% construction and development. This new bank earned its first quarterly profit in the fourth quarter of 1999. The bank was also profitable for the first quarter of 2000. No legal or other factors impede the bank's ability to meet the credit needs in its assessment area.

DESCRIPTION OF THE ASSESSMENT AREA

Landmark's assessment area includes Broward County and the southernmost portion (city of Boca Raton) of adjacent Palm Beach County. Broward County is a Metropolitan Statistical Areas (MSA). The assessment area meets the requirements of the regulation and does not arbitrarily exclude low- or moderate-income geographies.

According to the 1990 U.S. Census, the assessment area consists of 197 census tracts which are distributed as follows: 9 low-income, 33 moderate-income, 87 middle income, and 62 upper income census tracts. Six census tracts are uninhabited. The percentage of census tracts in each income category are: 5% low income, 17% moderate income, 44% middle income, 31% upper income, and 3% uninhabited.

Note: A low income census tract has a median family income of less than 50% of the MSA median family income, a moderate income tract has 50% to 80%, a middle income tract has 80% to 120%, and an upper income census tract has 120% or more of the MSA median family income.

The 1999 updated median family income of the assessment area \$53,602. Nineteen percent of the families in the MSA are considered low income, 18% moderate income, 22% middle income, and 41% upper income.

The assessment area had a 1990 population of 1.4 million. There has been significant population growth since the 1990 census. The assessment area has a large retiree population with about 21% of the people over 65 years of age. Some of the major industries include tourism, real estate development, health care, and retail services.

The assessment area's economy is strong and competition from other financial institutions is strong. The competition includes community banks, affiliates of regional and multinational banks, community banks, mortgage companies, and credit unions.

Assessment Area Credit Needs

During 1999 and 2000, OCC and FDIC examiners contacted three community organizations that operate in Landmark's assessment area to identify local credit needs. These contacts revealed that loans are needed to purchase or rehabilitate affordable single family homes and to finance small businesses.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA:

LOAN TO DEPOSIT RATIO

Conclusion: We rate this performance category as “exceeds satisfactory.” Landmark's average loan to deposit ratio since the last CRA examination is more than reasonable.

Support of Conclusion:

Landmark's quarterly average loan to deposit ratio from September 31, 1998 through March 31, 2000 was 83%. The bank's loan to deposit ratio increased substantially from 54% on 9/30/98 to 122% on 3/31/2000.

Landmark's quarterly average ratio is significantly higher than the average ratio of 74% of five similarly situated banks in the assessment area and is in the high end of the range of the five other banks. The range of loan to deposit ratios for the five banks was from 59% to 88%. These five community banks are similar in asset size (all less than \$90 million in total assets) and have main offices and branches in Broward County.

LENDING IN THE ASSESSMENT AREAS

Conclusion: We rate this performance category as “exceeds satisfactory.” A substantial majority of the loans made during the evaluation period were inside of the assessment area. Landmark's primary loan types are business loans and multifamily loans. To determine the bank’s volume of lending inside the assessment area we reviewed a sample of business loans and a sample of multifamily loans. Below are the results from our samples.

Support of Conclusion:

Business Loans (Sample of 26) - August 1998 Through March 2000

INSIDE Assessment Areas		NUMBER OF LOANS	OUTSIDE Assessment Areas		
24	or	92%	2	or	8%

INSIDE Assessment Areas		AMOUNT OF LOANS	OUTSIDE Assessment Areas		
\$6,493,000	or	95%	\$ 360,000	or	5%

Multifamily Loans (Sample of 25) - August 1998 Through March 2000

INSIDE Assessment Areas		NUMBER OF LOANS	OUTSIDE Assessment Areas		
25	or	100%	-0-	or	0%

INSIDE Assessment Areas		AMOUNT OF LOANS	OUTSIDE Assessment Areas		
\$8,214,000	or	100%	\$ -0-	or	0%

**LENDING TO BORROWERS OF DIFFERENT INCOMES
AND TO BUSINESSES OF DIFFERENT SIZES**

Conclusion: We rate this performance category as “satisfactory.” Lending to businesses of different sizes is reasonable. We reviewed the distribution of the bank's primary product lines (business loans and multifamily loans).

Support of Conclusion:

The following table summarizes the distribution of our sample of 24 business loans made by Landmark in their assessment area during the evaluation period. The last column shows the percent of businesses in the assessment area that are small (annual gross revenues under \$1 million):

**Distribution of Business Loan Originations in Assessment Area
From August 1998 Through March 2000**

LOAN TYPE	# Loans	% of Total	\$ (000s)	% of Total	% of Businesses in Assessment Area That Are Small
Small Business(a)	19	79%	5,193	80%	89%
Large Business	5	21%	1,300	20%	11%
TOTAL	24	100%	6,493	100%	100%

(a) Loans to businesses with gross annual revenues less than \$1 million.

Business Loan Sample

Business loans were the largest volume type of loan originated by Landmark in its assessment area during the evaluation period. Business credits include commercial real estate and commercial & industrial loans.

In our sample of 24 business loans originated in the assessment area, loans to small businesses represented 79% by number and 80% by dollar volume of all business loans made. In the assessment area, 89% of all businesses are small businesses. Landmark's origination of these credits is reasonable and helps address identified community credit needs for small business loans.

Multifamily Loan Sample

Multifamily loans are the next largest volume type of loan originated by Landmark. The following table summarizes the distribution of our sample of 25 business loans made by Landmark in their assessment area during the evaluation period. The last column shows the percent of businesses in the assessment area that are small.

Distribution of Business Loan Originations in Assessment Area From August 1998 Through March 2000

LOAN TYPE	# Loans	% of Total	\$ (000s)	% of Total	% of Businesses in Assessment Area That Are Small
Small Business(a)	25	100%	8,214	100%	89%
Large Business	-0-	0%	-0-	0%	11%
TOTAL	25	100%	8,214	100%	100%

(a) Loans to businesses with gross annual revenues less than \$1 million.

In our sample of 25 multifamily loans originated in the assessment area, all 25 loans were to small businesses. In the assessment area, 89% of all businesses are small businesses. Landmark's origination of these credits is excellent and helps address identified community credit needs for small business loans.

GEOGRAPHIC DISTRIBUTION OF LOANS

Conclusion: We rate this performance category as “satisfactory.” The loans originated in the assessment area reflect reasonable dispersion among census tracts of different income levels.

Census tracts in the assessment area without loan penetration are due to Landmark's relatively small asset size (\$51 million total assets, one branch location) and large assessment area (Broward County and southernmost portion of Palm Beach County or 197 census tracts). These limitations prevent Landmark from penetrating all areas in the assessment area.

Support of Conclusion:

Business Loan Sample

The following table shows the geographic distribution of our sample of 24 business loans totaling \$6,493,000 made in the assessment area during the evaluation period. The table shows that a significant percentage of loans were originated in low- and moderate-income census tracts of the assessment area relative to the percentage of businesses located in each tract income category in the assessment area.

**Distribution of Business Loans Made From August 1998 Through March 2000
Compared to the
Distribution of Businesses in Each Tract Income Category**

Income Level Of Census Tract	Distribution of Bank Loans in the Census Tract (Number of Loans)	Distribution of Bank Loans in the Census Tract (\$ Amount of Loans)	Distribution of Businesses in Each Tract Income Category
Low	4%	1%	5%
Moderate	17%	21%	15%
Middle	25%	24%	49%
Upper	54%	54%	31%
Total	100%	100%	100%

Multifamily Loan Sample

The following table shows the geographic distribution of our sample of 25 multifamily loans totaling \$8,214,000 made in the assessment area during the evaluation period. The table shows that a significant percentage of loans were originated in low-income census tracts of the assessment area relative to the percentage of businesses located in each tract income category in the assessment area. The percentage of multifamily loans in moderate-income census tracts was excellent.

**Distribution of Multifamily Loans Made From August 1998 Through March 2000
Compared to the
Distribution of Businesses in Each Tract Income Category**

Income Level Of Census Tract	Distribution of Bank Loans in the Census Tract (Number of Loans)	Distribution of Bank Loans in the Census Tract (\$ Amount of Loans)	Distribution of Businesses in Each Tract Income Category
Low	4%	5%	5%
Moderate	32%	41%	15%
Middle	40%	29%	49%
Upper	24%	25%	31%
Total	100%	100%	100%

RESPONSE TO COMPLAINTS

Landmark has not received any complaints regarding its CRA performance during this evaluation period.

COMPLIANCE WITH ANTIDISCRIMINATION LAWS AND REGULATIONS

For our fair lending portion of the examination, we reviewed a sample of ten diverse applications and a sample of five denied files (adverse action notices). Our sample reviews and other procedures did not reveal any evidence of disparate treatment. No violations of the substantive provisions of the antidiscrimination laws and regulations were identified. Fair lending policies and procedures are satisfactory.