

PUBLIC DISCLOSURE

May 24, 2010

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**BankAtlantic
2100 West Cypress Creek Road
Fort Lauderdale, FL 33309
Docket #: 05551**

**Office of Thrift Supervision
Southeast Region
1425 Peachtree Street, N.E.
Atlanta, Georgia 30309**

NOTE: This document is an evaluation of BankAtlantic's (institution) record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation. This evaluation is not, nor should it be construed as, an assessment of the financial condition of BankAtlantic. The rating assigned herein does not represent an analysis, conclusion, or opinion of the Office of Thrift Supervision (OTS) concerning the safety and soundness of BankAtlantic.



Office of Thrift Supervision
Department of the Treasury

Southeast Region

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June 2, 2011

Board of Directors
BankAtlantic
2100 West Cypress Creek Road
Fort Lauderdale, Florida 33309

Members of the Board:

Enclosed is BankAtlantic's written Community Reinvestment Act (CRA) Performance Evaluation. The OTS prepared the evaluation as of May 24, 2010. Pursuant to the provisions of the CRA and OTS regulations (12 C.F.R. 563e), you must make this evaluation and CRA rating available to the public.

In accordance with 12 C.F.R. 563e, you must make this written CRA Performance Evaluation available to the public within 30 business days of receiving it. You must place the evaluation in your CRA public file at your home office and at each branch within this time frame. You may not alter or abridge the evaluation in any manner. At your discretion, you may retain previous written CRA Performance Evaluation(s) with the most recent evaluation in your CRA public file.

You may prepare a response to the evaluation. You may place the response in each CRA public file along with the evaluation. In the event you elect to prepare such a response, please forward a copy of it to this office.

All appropriate personnel, particularly customer contact personnel, need to be aware of the responsibilities that BankAtlantic has to make this evaluation available to the public. Consequently, we suggest that you review internal procedures for handling CRA inquiries, including those pertaining to the evaluation and other contents of the CRA public file.

We strongly encourage the Board of Directors, senior management, and other appropriate personnel to review this document and to take an active interest and role in the CRA activities of BankAtlantic.

Sincerely,

Valorie Owen
Senior Compliance Review Examiner

Enclosure

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General Information

The CRA requires the OTS to assess a savings association's record of meeting the credit needs of its entire community, including low- and moderate-income (LMI) neighborhoods, consistent with safe and sound operation of the savings association. The OTS must prepare a written evaluation of the savings association's record of meeting the credit needs of its community.

This document is an evaluation of the CRA performance of BankAtlantic prepared by the OTS, as of May 24, 2010. The OTS evaluates performance in the assessment area delineated by BankAtlantic, rather than individual branches. This assessment area evaluation may include visits to some, but not necessarily all of BankAtlantic's branches. The OTS rates the CRA performance of a savings association consistent with the provisions set forth in Appendix A to 12 C.F.R. Part 563e.

Institution

Overall Rating

INSTITUTION'S CRA RATING: Needs to Improve

The Bank's performance under the Lending, Investment, and Service Tests was consistent with an overall rating of "Satisfactory," as more fully described below. However, the rating was lowered to "Needs to Improve" because the most recent comprehensive examination identified evidence of illegal credit practices.

The Compliance Limited examination dated September 8, 2010, disclosed systemic violations of the Federal Trade Commission (FTC) Act and other applicable laws and regulations involving BankAtlantic's automated overdraft protection service. Section 563e.28(c) of the OTS' regulations regarding CRA states that a savings association's CRA performance is adversely affected by evidence of discriminatory or other illegal credit practices. While our examination revealed no discriminatory practices, violations of the FTC Act regarding unfair or deceptive acts or practices are considered illegal credit practices, as described in question §.28(c) of the Interagency Questions and Answers Regarding Community Reinvestment. As a result, we are downgrading BankAtlantic's CRA rating from "Satisfactory" to "Needs to Improve."

Lending Test – *High Satisfactory*

- Lending volume was strong and reflected good responsiveness to credit needs in the assessment areas during the review period.
- A high percentage of BankAtlantic's residential mortgage loans (67.8 percent) and nearly all of its small business loans are secured by properties within the assessment areas.
- BankAtlantic's record of residential lending to LMI borrowers was favorable compared to the demographic benchmark and clearly superior to the aggregate lender performance.
- BankAtlantic's record of small business lending to businesses of different sizes was adequate when compared to the aggregate lending and demographic benchmarks.
- BankAtlantic's record of residential lending in LMI census tracts exceeded both demographic and aggregate benchmarks.
- Small business lending in LMI geographies was comparable to both the demographic and aggregate lender benchmarks.

Institution (continued)

- BankAtlantic's level of community development lending activity (\$19.1 million) declined when compared to the preceding review period, but remained relatively strong.
- BankAtlantic extensively used innovative and flexible lending programs in order to serve assessment area credit needs.
- BankAtlantic exhibited an excellent record of serving the residential credit needs of the most economically disadvantaged areas of its community, low-income individuals, based on its participation in numerous first-time homebuyer and affordable housing programs.
- BankAtlantic also modified or restructured \$7 million of its loans to distressed borrowers within the assessment areas.

Investment Test – Low Satisfactory

- BankAtlantic's levels of qualified investments (\$5.5 million), including grants (\$1.1 million) were adequate considering the bank's size and resources.
- BankAtlantic's qualified investments and grants exhibit good responsiveness to community economic development needs.
- BankAtlantic's qualified investments are adequately complex.

Service Test – Outstanding

- BankAtlantic's retail delivery systems are readily accessible to all portions of the assessment area.
- Changes in BankAtlantic's branch locations did not adversely affect accessibility for LMI segments of its assessment area.
- Retail banking services and business hours are tailored to the convenience and needs of the assessment area.
- BankAtlantic takes a leadership roll in providing community development services.

Institution

Lending, Investment, Service Test Table

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

PERFORMANCE LEVELS	BankAtlantic 5/24/2010		
	PERFORMANCE TESTS		
	Lending Test*	Investment Test	Service Test
Outstanding			X
High Satisfactory	X		
Low Satisfactory		X	
Needs to Improve			
Substantial Noncompliance			

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

Description of Institution

BankAtlantic is a federally chartered, stock savings institution headquartered in Fort Lauderdale, Florida, with \$4.7 billion in assets at March 31, 2010, and is a subsidiary of BankAtlantic Bancorp, Inc. Including the main office, as of May 24, 2010, BankAtlantic had a total of 100 full service offices in Florida, 27 in Broward County, 23 in Palm Beach County, 23 in Miami-Dade County, eight in Hillsborough County, four in Martin County, four in St. Lucie County, nine in Pinellas County, and two in Pasco County. BankAtlantic also operates automated teller machines (ATMs) at all branch locations, plus another 177 ATMs at non-branch locations.

In 2000, BankAtlantic elected to discontinue its single-family residential lending operation with the exception of affordable housing lending to first-time homebuyers and LMI applicants. The decision to retain the affordable housing component reflected the institution’s commitment to the communities it serves as envisioned under CRA. Management recognized that such a program would result in a lower number and dollar volume of mortgage loans. To help make housing more affordable, BankAtlantic CRA specialists have become well versed at identifying and leveraging grant funds and subsidies from public and private sources to accommodate prospective LMI homeowners. In addition, the institution increased its use of third party mortgage loan originators and loan purchases to continue to fulfill its CRA obligation.

Institution (continued)

BankAtlantic's historical business strategy has been predominantly the origination of 30-year fixed-rate mortgage loans for retention in its loan portfolio, as well as for sale in the secondary market. Retail deposits have been utilized as the primary source of funding for operation and growth during the review period. BankAtlantic continues to exceed all regulatory capital requirements and the FDICIA well capitalized standard.

BankAtlantic offers residential mortgage loans with terms of up to 30 years for the purchase, refinance, and construction of single-family dwellings. Consumer, multi-family residential, home equity, and commercial loans are also available. BankAtlantic also offers an array of deposit products with various features designed to compete with those offered by other local financial institutions.

As a traditional savings association, the institution has concentrated its operations in the origination of mortgage loans and the acceptance of deposits. BankAtlantic primarily engages in the origination of residential real estate loans and commercial loans. As of March 31, 2010, 74.3 percent of the institution's total assets consisted of mortgage loans secured by permanent mortgages on single-family residences, multi-family dwellings, nonresidential property, and home improvements, as well as mortgage pool securities. In addition, 4.4 percent of total assets are invested in non-mortgage loans and 7.2 percent are invested in other types of securities.

The evaluation disclosed no legal (other than the statutory limitations on investment authority currently imposed on the charters of all federal savings associations) or regulatory impediments adversely affecting BankAtlantic's ability to meet the credit needs of the communities it serves.

Description of Combined Assessment Area

BankAtlantic has designated five assessment areas in Florida, all in Metropolitan Statistical Areas (MSAs) or Metropolitan Divisions (MDs). Each area consists of whole counties and each meets the requirements of the CRA regulation. The assessment areas are listed below:

Assessment Area	Metropolitan Statistical Area/Metropolitan Division
Broward County	Fort Lauderdale-Pompano Beach-Deerfield Beach, FL MD
Palm Beach County	West Palm Beach-Boca Raton-Boynton Beach, FL MD
Miami-Dade County	Miami-Miami Beach-Kendall, FL MD
Martin and St. Lucie Counties	Port St. Lucie-Fort Pierce, FL MSA
Hillsborough, Pinellas, and Pasco Counties	Tampa-St. Petersburg-Clearwater, FL MSA (part of)

According to the 2000 Census, the combined assessment area contains 1,468 census tracts (CTs) with income designations, including 74 low-income, 381 moderate-income, 587 middle-income, and 426 upper-income CTs. Five additional census tracts have not been assigned an income designation. The

Institution (continued)

2000 Census data will be used for an analysis of the institution’s 2007, 2008, and 2009 mortgage lending activity.

A low-income census tract is one with a median family income (MFI) of less than 50.0 percent of the MFI for the MSA/MD. A moderate-income tract is one with a MFI of at least 50.0 percent, and less than 80.0 percent, of the MFI for the MSA/MD. A middle-income tract is one with a MFI of at least 80.0 percent, and less than 120.0 percent, of the MFI for the MSA/MD. An upper-income tract is one with a MFI in excess of 120.0 percent of the MFI for the MSA/MD.

The combined assessment area’s economies appear to be diversified and not heavily dependent upon any one industry or employer. However, due to the continuing population growth throughout the state of Florida, the construction and tourism industries heavily influence the local economies of the counties that comprise the combined assessment area. Regardless of the present economic environment, the respective areas have been, and continue to be, attractive retirement areas and locations where foreign nationals buy second residences. The areas’ largest employers are numerous medical, municipal, and educational systems, including, but not limited to the JM Family Enterprises, U.S. Sugar Corporation, Florida Atlantic University, Tenet Healthcare, Palm Beach County School Board, Columbia Palm Beach Healthcare System, Martin Memorial Health Systems, University of South Florida, University of Central Florida, St. Lucie School District, Hillsborough County School District, and Raymond James.

The following chart summarizes certain demographic characteristics of BankAtlantic’s combined assessment area based upon 2000 Census data:

Combined Assessment Area				
Demographics of Census Tracts			Family Distribution	
Income Category	Population	Owner Occupied Housing Units	Income Category	Distribution of Families
Low	283,609	1.2%	Low	20.5%
Moderate	1,979,653	21.2%	Moderate	18.1%
Middle	3,107,110	43.8%	Middle	20.5%
Upper	2,218,860	33.8%	Upper	40.9%
Total	7,589,232	100.0%	Total	100.0%

Institution (continued)

The examiner's review of 2000 Census data also disclosed the following additional information about the combined assessment areas:

Total Population	7,592,185 ^a
Population 16 and older	6,036,398 (79.5%)
Population Over 65	1,322,915 (17.4%)
Total Housing Units	3,612,334
Rental Occupied Units	962,918 (26.7%)
1 - 4 Family Units	2,323,271 (64.3%)
Multi-Family Units	1,064,463 (29.5%)
Total Families	1,964,402
Families Below the Poverty Level	191,768 (9.8%)

In addition, BankAtlantic encounters significant competition for both deposits and loans within the combined assessment area. As of June 30, 2009, the latest information available, a total of 156 commercial banks and 25 savings associations, including BankAtlantic, maintained a total of 2,569 offices within the assessment area. The top competitors throughout the combined assessment area include Wachovia Bank, Bank of America, SunTrust Bank, Citibank, and Regions Bank. In the Broward assessment area, BankAtlantic competes with 68 institutions with 450 offices; in the Palm Beach assessment area there are 63 institutions with 486 offices; in the Miami-Dade assessment area there are 74 institutions with 642 offices; in the Martin/St. Lucie assessment area there are 21 institutions with 134 offices; and in the Hillsborough/Pinellas/Pasco assessment area there are 70 institutions with 757 offices. As of June 30, 2009, the institution's market share of deposits for the combined assessment area was 1.9 percent, and was approximately 4.8 percent, 2.5 percent, 0.9 percent, 3.2 percent, and 0.7 percent for the Broward, Palm Beach, Miami-Dade, Martin/St. Lucie, and Hillsborough/Pinellas assessment areas, respectively.

Performance Context

The examiner contacted members of the assessment area familiar with affordable housing and small business needs in the community for information about current conditions and needs. We also reviewed the results of other community contacts conducted in conjunction with other recent CRA public evaluations. According to these contacts, despite the fact that home prices have declined due to the rash of foreclosures, there are still very significant affordable housing shortages throughout the community. All of the contacts that are working in the area of homeownership for LMI families indicated that most of the affordable properties are being quickly purchased by investors. Another common comment had to do with the difficulty LMI families are having trying to find banks and thrifts that are interested in making mortgage loans to them. According to the comments,

^a Does not include 2,953 persons in the five census tracts without an income designation.

Institution (continued)

underwriting is taking an exceptionally long time and financial institutions just don't seem very interested in making these loans. There are also opportunities for financial institutions to provide matching funds for Individual Development Account (IDA) programs that support affordable housing and small business development.

Contacts familiar with affordable multifamily housing noted that some markets don't need new affordable multifamily housing, but instead need funds for renovating. Another noted that loan consortia that specialize in multifamily housing are also having a very difficult time finding investors for their projects.

The contacts also described a lack of financing for small businesses. Businesses that have been in existence for many years are having their lines of credit drastically reduced, and newer businesses are unable to obtain lines of credit.

There are many opportunities for financial institutions to make investments in organizations in the assessment area that promote affordable housing and small business financing.

Scope of Examination

The period of time reviewed for this evaluation is from January 1, 2007, through December 31, 2009. Products reviewed included mortgage loans originated and purchased that are subject to the Home Mortgage Disclosure Act (HMDA), loans originated to small businesses, and community development lending. In addition to reviewing BankAtlantic's performance in its combined assessment areas, we performed full-scope reviews of its Broward County assessment area and its Palm Beach County assessment area.

In conjunction with the review, the examiner contacted or reviewed contacts of nine outside entities familiar with the communities and their credit needs, so that we could more accurately review BankAtlantic's activities. These community contacts included four non-profits involved in affordable housing and economic revitalization, and five local governmental agencies involved in economic development and small business assistance.

Institution (continued)

Conclusions With Respect To Performance Tests

LENDING TEST

Lending Activities

Assessment Area Concentration

HMDA-Reportable Loans

Since the preceding evaluation, BankAtlantic originated and purchased a reasonable number of residential mortgage loans in relationship to its size, overall resources and business strategy. Further, a strong majority of the loans originated were secured by properties located within the combined assessment area, as described below:

Combined Assessment Areas	HMDA Residential Loan Originations and Purchases January 1, 2007 to December 31, 2009			
	Number	No. Percent	Dollar Amt (000s)	Dollar Percent
IN	1,703	67.8%	259,777	38.9%
OUT	807	32.2%	408,817	61.1%
TOTAL	2,510	100.0%	668,594	100.0%

The majority of BankAtlantic's mortgage loan originations are in Broward and Palm Beach Counties. The following table presents the institution's overall mortgage lending activity during the review period and its deposits at June 30, 2009, separated by assessment area. The table indicates that BankAtlantic's residential lending activity is reasonably proportionate to its deposits from each of the assessment areas.

Assessment Area	Originations		Deposits (at 6/30/2009)	
	Number	Percent	\$(000s)	Percent
Broward County	647	40.0%	1,763,670	43.3%
Palm Beach County	358	22.1%	966,303	23.7%
Miami-Dade County	254	15.7%	731,484	17.9%
Hillsborough/Pinellas/Pasco Counties	208	12.9%	362,353	8.9%
Martin/St. Lucie Counties	150	9.3%	253,075	6.2%
Totals	1,617	100.0%	4,076,885	100.0%

Institution (continued)

Small Business Loans

The institution also originated a substantial volume of small business loans. The table below shows that nearly all of the small business lending was in the combined assessment areas.

Assessment Areas	Small Business Loan Originations January 1, 2007 to December 31, 2009			
	Number	No. Percent	\$(000s)	\$ Percent
IN	1,478	98.1%	180,605	96.1%
OUT	28	1.9%	7,377	3.9%
TOTAL	1,506	100.0%	187,982	100.0%

Distribution by Borrower Income within the Combined Assessment Area

HMDA-Reportable Lending

The following tables depict BankAtlantic's record of HMDA-reportable lending to borrowers of different income levels relative to assessment area demographics and peer lending activity. The bank's record of overall lending to borrowers of different income levels was excellent. As indicated below, the bank's percentage of lending to low-income borrowers was four times that of the Aggregate HMDA lending activity benchmark. The lending to low-income borrowers compared favorably to the demographic benchmark after consideration of the poverty rate. The institution's percentage of loans to moderate-income borrowers was also vastly superior to both the demographic and aggregate benchmarks.

BankAtlantic HMDA-Reportable Lending - Combined Assessment Area January 1, 2007 through December 31, 2009						
Borrower Income Levels	Number ^b	No. Percent	\$(000)	\$ Percent	Percent of Families ^c	Aggregate ^d
Low = <50%	190	11.8%	12,522	5.4%	20.5%	2.8%
Moderate = 50-79%	455	28.4%	47,929	20.5%	18.1%	11.6%
Middle = 80-119%	403	25.1%	57,313	24.6%	20.5%	20.3%
Upper = > 120%	556	34.7%	115,559	49.5%	40.9%	65.3%
Total	1,604	100.0%	233,323	100.0%	100.0%	100.0%

^b Excludes 99 loans totaling \$26,454,000 where borrower income was not available.

^c Source: 2000 Census data. This column represents the percentage of families by income level within the boundaries of the assessment area. The examiner considered that approximately 9.8 percent of the families in the assessment area are below the poverty level, which might possibly preclude them from homeownership.

^d Average of all lenders making HMDA-reportable loans in the assessment area in 2007 and 2008.

Institution (continued)

Small Business Lending

The tables below compare BankAtlantic’s small business lending to smaller-sized businesses in the assessment area to that of other financial institutions subject to the CRA small business reporting requirements. BankAtlantic’s percentage of lending to businesses with revenue under \$1.0 million was somewhat less than the demographic benchmark, but exceeded the peer lending benchmark.

BankAtlantic Small Business Lending - Combined Assessment Area						
January 1, 2007 through December 31, 2009						
Gross Annual Revenues of Borrowers	Number	No. Pct.	\$(000)	\$ Percent	Number of Non-Farm Businesses^e	2008 Aggr. Sm. Bus. Lending
≤\$1 Million	801	54.2%	90,434	50.1%	65.3%	26.6%
>\$1 Million	315	21.3%	67,487	37.4%	3.6%	
Not Known	362	24.5%	22,684	12.5%	31.1%	
Total	1,478	100.0%	180,605	100.0%	100.0%	

The following table compares the size of BankAtlantic’s small business loans in the combined assessment area to that of other financial institutions subject to the CRA small business reporting requirements. BankAtlantic made a significantly lower percentage of smaller-sized loans and a larger percentage of medium- and large-sized loans to small businesses than the aggregate institutions’ 2008 benchmark.

BankAtlantic Small Business Lending - Combined Assessment Area					
January 1, 2007 through December 31, 2009					
Loan Amount at Origination	Number	No. Pct.	\$(000)	\$ Pct.	2008 Aggr. Pct.
\$100,000 or less	1,083	73.3%	55,226	30.6%	96.6%
>\$100,000 but <\$250,000	217	14.7%	39,710	22.0%	1.6%
>\$250,000 but < \$1,000,000	178	12.0%	85,669	47.4%	1.8%
Total	1,478	100.0%	180,605	100.0%	100.0%

The tables above indicate that BankAtlantic made a higher percentage of its small business loans to smaller businesses (based on borrower gross revenues) than did the aggregate lenders, although it did not meet the demographic benchmark. Using size of loan as a proxy for size of business in the second table, the institution did not match the aggregate lenders’ percentage of the smallest-sized loans. This can be partly explained by seven large lenders in the aggregate whose loans numbered 338,537 and averaged \$7,280 in size during 2008. The average small business loan size, per 2008 aggregate data, was \$21,173 in a universe of 400,896 loans. BankAtlantic’s loan size averaged \$109,234 in 2008. The point being made is that the aforementioned seven lenders tend to dilute the small end of the aggregate loan size statistics. Nevertheless, on a percentage basis, BankAtlantic

^e 2008

Institution (continued)

substantially outperformed the aggregate in the middle-sized loan bracket and made, by far, its greatest number of small business loans within the smallest loan-size bracket.

Geographic Distribution within the Combined Assessment Area

HMDA-Reportable Lending

The table below compares the geographic distribution of BankAtlantic’s HMDA-reportable loans within the combined assessment area to area demographics and to aggregate lending data. The bank’s overall percentage of lending within low-income census tracts vastly exceeded both demographic and peer benchmarks – over four times better than the demographic expectation, and over two times better than the peer benchmark. BankAtlantic’s penetration of moderate-income census tracts slightly exceeded both the demographic and peer lending benchmarks. Thus, the bank’s overall penetration of LMI census tracts is considered very good.

BankAtlantic HMDA-Reportable Lending - Combined Assessment Area January 1, 2007 through December 31, 2009						
Income Level of Census Tract	Number	No. Pct.	\$(000)	\$ Percent	Pct. O.O.H.U. ^f	2007 and 2008 Aggregate ^g
Low = <50%	100	5.9%	11,234	4.3%	1.2%	2.3%
Moderate = 50-79%	374	22.0%	42,738	16.5%	21.2%	20.3%
Middle = 80-119%	713	41.8%	93,328	35.9%	43.8%	41.9%
Upper = > 120%	516	30.3%	112,477	43.3%	33.8%	35.5%
Total	1,703	100.0%	259,777	100.0%	100.0%	100.0%

Small Business Lending

The tables below compare BankAtlantic’s small business lending in the combined assessment area during the review period to area demographic and peer lending benchmarks. BankAtlantic’s lending to small businesses in low-income and moderate-income census tracts was comparable to the demographic benchmark and exceeded the peer lending 2008 benchmark.

^f Owner Occupied Housing Units. The numbers in this column represent the ratio of owner occupied housing units to the total number of owner occupied housing units in the assessment area, based on 2000 U.S. Census.

^g Aggregate data includes HMDA-reportable mortgage loans made by all lenders that report HMDA data.

Institution (continued)

BankAtlantic Small Business Lending - Combined Assessment Area January 1, 2007 through December 31, 2009						
Income Level of Census Tract	Number ^h	No. Pct.	\$(000)	\$ Percent	Number of Non-Farm Businesses ⁱ	2008 Aggr. Sm. Bus. Lending
Low = <50%	61	4.1%	10,070	5.6%	3.8%	2.6%
Moderate = 50-79%	303	20.5%	40,135	22.3%	22.4%	18.2%
Middle = 80-119%	616	41.8%	71,965	39.9%	38.5%	37.1%
Upper = > 120%	496	33.6%	57,967	32.2%	35.3%	42.1%
Total	1,476	100.0%	180,137	100.0%	100.0%	100.0%

Community Development Lending

During the review period, BankAtlantic originated 31 community development loans, and retained one community development loan that was originated during the prior review period (shown with its outstanding balance at May 24, 2010). Community development lending totaled \$19,059,416. Twenty-nine of the community development loans, totaling \$18,887,253, were located within BankAtlantic’s assessment areas. The remaining three loans, totaling \$172,163, were in counties adjacent to the bank’s assessment areas.

BankAtlantic Community Development Loans			
Description	Location	Date	Amount
Rehabilitation of a multifamily affordable housing project.	Broward County	4/2009	\$4,500,000
Short term financing for early childhood development centers targeted to LMI persons.	Palm Beach County	6/2009	\$4,000,000
Refinance of a development loan for a mixed-use affordable housing project in the Miami-Dade Empowerment Zone.	Miami-Dade County	2/2009	\$3,230,000
Five participation loans providing permanent financing for multifamily affordable housing projects.	Various AAs	2008-2009	\$1,077,056
Temp. financing for the CDC portions of 14 SBA 504 program loans for activities that promote econ. development.	Various AAs	2007-2009	\$5,397,197
Seven participation loans financing affordable housing projects.	Five in AAs; two outside AAs.	2007-2009	\$668,000
Loan for land acquisition for an affordable housing project.	Outside of AAs	4/2006	\$62,163
Two commercial construction loans inside of the Miami-Dade empowerment zone.	Miami-Dade County	2009	\$125,000
Total			\$19,059,416

Innovative or Flexible Loan Programs

^h Does not include two small business loans totaling \$468,000 located in census tracts without an income designation.

ⁱ 2008

Institution (continued)

BankAtlantic actively participated in a number of lending programs designed to be attractive to LMI borrowers that are described below. Unless otherwise stated, the loans originated under each program are included in the bank's HMDA lending tables. Also, certain loans may have been originated under more than one of the programs.

BankAtlantic's Affordable Housing Program (AHP): 326 loans totaling \$31,226,000

Through the CRA/Residential Lending Department, one of its two channels for residential mortgage loan originations, BankAtlantic generated these loans in its assessment areas during the 3-year review period plus the first quarter of 2010. Over 72 percent of these loans went to LMI families and 60 percent of the security properties were located in LMI census tracts. When private mortgage insurance is required, BankAtlantic pays it.

Ortanique Estates: 27 loans totaling \$4,981,330

This is a 43-unit single family affordable housing project involving the City of Pompano Beach Community Redevelopment Agency. BankAtlantic customized a construction-to-permanent rollover loan product that facilitates small builders and results in lower closing costs.

Federal Home Loan Bank of Atlanta's First Time Homebuyer Program (FHP): 81 loans totaling \$6,152, 552

The FHP program provided forgivable second mortgages to qualified first time homebuyers totaling \$758,850. The program provides matching funds for downpayment and closing cost assistance for LMI homebuyers.

Delray Beach Community Land Trust: 32 loans totaling \$3,302,088

Established in 2008, this program assures the existence of scattered site affordable housing. The Trust holds title to the land and leases it to the homebuyers.

Homeless to Homeowner Homebuyers Club (H2H): 37 loans totaling \$2,718,015

With multiple non-profit and governmental partners, BankAtlantic launched this program in 2003. It uses grants, subsidies, and public sector land donations to assist LMI persons in qualifying for homeownership.

Neighborhood Stabilization Program (NSP): 27 loans totaling \$2,027,370

This is a HUD program established for the purpose of stabilizing communities that have suffered from foreclosures and abandonment, by the purchasing and redevelopment of these properties. It is funded by the Housing and Economic Recovery Act of 2008 and by the American Recovery and Reinvestment Act of 2009. BankAtlantic's affordable housing specialists became proficient in the

Institution (continued)

intricacies of this program and formed partnerships in three assessment areas with local governments and nonprofits.

Section 8 Voucher Subsidized Homeownership Program: 17 loans totaling \$1,534,595

In conjunction with HUD, local housing authorities can opt into a Section 8 Homeownership program. Broward County and Miami-Dade County have done this. Section 8 voucher recipients are able to purchase a house and use their Section 8 vouchers to supplement their mortgage payments rather than using the vouchers for rental payments, as long as they qualify under HUD's income guidelines.

Lease to Own Program: 3 loans totaling \$180,000

BankAtlantic partnered with the City of Hollywood (Broward County) in an initiative to purchase blighted properties, rehab them, and lease them to aspiring homeowners. Funds from the city were exhausted in 2009.

Loan Modifications

During the years 2008, 2009, and 2010 through May 3, the bank modified a substantial number of loans to borrowers experiencing financial difficulties. The modifications entailed such concessions as deferrals of payments, rate reductions, extensions of maturity, and forgiveness of past due interest and late fees. The bank listed 68 loans totaling \$6,986,330 that it modified or restructured. These were primary residences inside the combined assessment areas. The bank reports that 78% of the modified loan borrowers are maintaining their loans without default.

In January 2009, official CRA guidance was revised to provide for, among other things, consideration in the Lending Test for loan modifications inside the assessment areas. The guidance states that activities likely to be responsive in helping to meet the credit needs of many communities include: "Establishing loan programs with the objective of providing affordable, sustainable, long-term relief, for example, through loan refinancings, restructures, or modifications, to homeowners who are facing foreclosure on their primary residences."

The bank did not provide information as to the geographic location by census tract income level, or borrower income category based on MFI. Nevertheless, the aforementioned CRA guidance does not require that modifications fall into certain income buckets to reflect favorably on the institution's lending activity in the assessment area.

Lending Test Conclusion

Based upon BankAtlantic's overall record of lending within the combined assessment area, a rating of "High Satisfactory" was assigned for the Lending Test. As noted, the majority of the overall

Institution (continued)

volume of mortgage loan originations were secured by properties located within the institution's combined assessment areas and lending to LMI borrowers and in LMI census tracts were both superior to area demographics and to aggregate lenders. We also gave favorable consideration to the bank's strong volume of small business lending and to a reasonable volume of community development lending. The bank also participates in a substantial number of innovative and flexible loan programs.

INVESTMENT TEST

During the review period from January 1, 2007 through March 31, 2010, BankAtlantic's performance under the Investment Test consisted of monetary contributions and like-kind donations to programs that provide community development services and benefit LMI persons, direct investments, and targeted mortgage-backed securities. BankAtlantic made an adequate level of qualified investments, primarily within the combined assessment area. Qualified investments totaled \$5,510,466 during the review period. This equates to 0.1% of average assets^j.

Qualifying Charitable Contributions - \$1,066,375, including the following:

BankAtlantic Foundation: \$659,244

In 1994, BankAtlantic established The BankAtlantic Foundation (Foundation). The purpose of the Foundation is to serve the various charitable needs of the residents of the communities served by the institution's branches. The Foundation makes grants in the following areas of interest: community and economic development, human services, education, and cultural and artistic projects. The Foundation considers requests for specific projects, as well as for general operations. The total shown above reflects the portion of the grants considered under this assessment criterion.

Habitat for Humanity: \$261,131

During the review period the institution made "in kind" charitable contributions to Habitat for Humanity Chapters in Broward, Palm Beach, Miami-Dade, and Martin Counties totaling \$261,131. The donations are in the form of providing free office space, free loan servicing, and sponsoring homes.

Council for Educational Change: \$30,000

The contributions primarily target failing schools in LMI areas to assist the staff to implement programs to raise the FCAT scores at the schools.

^j Average assets of \$5,748,973,000 was computed using quarterly asset levels reported from December 31, 2006 through March 31, 2010.

Institution (continued)

Housing Finance Authority of Broward County (HFA): \$55,196

BankAtlantic originates loans through the HFA lender program which offers a subsidized interest rate and a one percent origination fee on all loans. The institution has permitted the HFA to retain the fee to help fund the program's administration, staffing, and counseling expenses.

Lender Paid Mortgage Insurance: \$22,442

BankAtlantic paid the cost of private mortgage insurance (if required) as a non-repayable grant for certain residential loans during the review period.

Other Community Development Contributions: \$38,361

Direct Investments - \$2,192,093, including the following:

CRA Qualified Investment Fund (Fund) – Weston, Florida: \$750,000

The Fund invests in bonds and other debt securities that support community and economic development, such as low-income housing and job creation programs so that the shares of the Fund can be considered as qualified investments for financial institutions that are subject to the CRA.

Florida Housing Tax Credit Fund II, Ltd.: \$737,093

In 1997, BankAtlantic committed to invest as a limited partner (10 percent participation share) in this fund, which invests in low-income housing tax credit projects throughout the state of Florida.

Community Reinvestment Group LLC (CRG): \$205,000

This loan pool, in which BankAtlantic participates with other local banks and thrifts, grants interest-free loans to nonprofit organizations for lot acquisition, new construction, and rehabilitation of damaged property within LMI neighborhoods in the combined assessment area for eventual sale to LMI individuals. BankAtlantic's initial investment was \$25,000 in 1995. It also made three subsequent investments, bringing the bank's total investment to its current level. BankAtlantic's share equates to approximately 14.5 percent of the loan pool.

Solomon Hess SBA Loan Fund: \$500,000

This fund is a CDFI Fund certified Community Development Entity. Its mission is to promote economic development by supporting permanent job creation in LMI census tracts or for LMI persons. It provides an expanded secondary market for loans provided to businesses that meet the SBA 7(a) Program eligibility requirements. The fund has allocated three small business loans in the Hillsborough assessment area to BankAtlantic.

Institution (continued)

Mortgage-backed Securities - \$2,241,183

This is the remaining balance on \$7.4 million of mortgage-backed securities purchased in 2005 that are backed by mortgages on properties located within the combined assessment area and made strictly to borrowers whose income is 80 percent or less than MFI for their respective areas. It also includes a \$1,200,927 GNMA pool purchased in March 2009.

Based upon BankAtlantic’s overall level of qualified investments, and giving consideration for innovation and complexity, a rating of “Low Satisfactory” was assigned for its performance under the Investment Test.

SERVICE TEST

BankAtlantic serves the combined assessment area with 100 branch offices located in Broward, Palm Beach, Miami-Dade, Hillsborough, Martin, Pasco, Pinellas, and St. Lucie Counties, Florida. Branch locations are identified in the table below:

BankAtlantic Branch Office Locations (6/30/2009)					
County	Census Tracts				Total
	Low-Income	Moderate-Inc.	Middle-Inc.	Upper-Inc	
Broward	1	3	14	9	27
Palm Beach	0	3	11	9	23
Miami-Dade	1	3	8	11	23
Hillsborough	0	2	3	3	8
Martin	0	1	2	1	4
Pasco	0	1	0	1	2
Pinellas	0	2	3	4	9
St. Lucie	0	2	2	0	4
Total	2	17	43	38	100

Of BankAtlantic’s 100 branch offices, two are located in low-income census tracts, 18 are located in moderate-income census tracts, 46 are located in middle-income census tracts, and 34 are located in upper-income census tracts. Since the preceding evaluation, BankAtlantic opened 14 full service branch offices and closed eight offices. The institution has adopted a branch closing policy that outlines the procedures to be followed in the event of a branch closing.

As noted above, ATMs are available at all of the 100 branch offices. The ATMs are generally located outside of their respective branch offices, which enables customers to have access seven days a week. With ATM access, customers can make withdrawals, transfer funds between BankAtlantic accounts, and make account inquiries. Deposits can also be made at all ATMs that are at branch

Institution (continued)

locations. In addition, the institution's ATM cards can be used at machines connected to the Star, Cirrus/ MasterCard /Pulse, Visa/Novus American Express, Diners Club, NYCE, and Quest systems.

BankAtlantic also operates 177 ATMs at non-branch locations. Of these, 108 are located on cruise ships including ones associated with the Royal Caribbean, Celebrity, Carnival, Princess, and Cunard cruise ship lines. Additional locations include shopping malls, airports, universities, and gas stations. All ATMs offer service in English, Spanish, and French.

Marketing itself as "Florida's Most Convenient Bank", the institution has established office hours for most of its branch offices that are considered exceptionally convenient and much better than those offered by other financial institutions within the respective assessment areas. The offices' lobbies are generally open from 8:30 a.m. to 5:00 p.m. on Mondays through Wednesdays and until 8:00 p.m. on Thursdays and Fridays. In addition, most branch lobbies are open on Saturdays from 8:30 a.m. to 3:00 p.m. and on Sundays from 11:00 a.m. to 4:00 p.m. The drive-in windows of many branches are open Mondays through Fridays from 7:30 a.m. to 8:00 p.m. In addition, most drive-ins are open on Saturdays from 7:30 a.m. to 4:00 p.m. and on Sundays from 11:00 a.m. to 2:00 p.m.

Further, all of the 81 branch offices have at least one staff member who speaks Spanish, with more in offices located in communities with a substantial Hispanic population. Bilingual staff is also available in the institution's support departments including, Business Development, Commercial and Consumer Lending, Customer Sales and Service, Deposit Services, Human Resources Cash Management, Business Marketing, Mortgage Servicing, and Wire Transfer. In addition to Spanish, institution personnel speak numerous other languages.

BankAtlantic offers a wide range of deposit products including personal and commercial checking accounts. Although not specifically targeted to LMI individuals, the institution offers a checking account, Totally Free Checking, which should be attractive to LMI individuals. The Totally Free Checking account has no minimum balance requirement, no monthly service fee, unlimited check writing, totally free online banking and bill pay function, a free BankAtlantic Gold MasterCard debit card, and a minimum opening deposit of \$100. Although no interest is paid on this account, it is the examiner's opinion that this account would be attractive to LMI individuals.

BankAtlantic also offers a checking account, Interest Checking, which could be attractive to LMI individuals. With direct deposit, the Interest Checking account has the same benefits as the Totally Free account, plus it offers competitive yields on deposits for an opening deposit of \$100.

BankAtlantic has also developed a savings account that should be attractive to LMI individuals, the Totally Free Savings account. This account can be opened for as little as \$1.00, has no fees, no

Institution (continued)

minimum balance requirement, earns competitive yields on all balances and higher yields if the accountholder has a BankAtlantic personal checking account.

BankAtlantic has also developed a savings account targeted toward accountholders below 18 years of age, the Kid Power Savings account. This account can be opened for as little as \$0.01 and there is no minimum balance to maintain.

BankAtlantic maintains a transactional Internet web site that provides general information about the bank, as well as a listing of available products and services, including branch office locations and telephone numbers for each location. At the web site, customers can check their balances, transfer funds between BankAtlantic accounts, pay bills, request a stop payment, make loan payments on BankAtlantic mortgage or consumer loans, and review account statements.

BankAtlantic has a toll free number for the general public to use in contacting bank personnel about available products and services. Representatives are available 24 hours a day/seven days a week. Existing customers can also call a Customer Service toll free number for additional services.

Community Development Services

A number of BankAtlantic employees and directors are active in official capacities in various civic organizations, many of which are engaged in community development activities. Below is a partial list of the official capacities in which employees serve:

- Board member – Miami-Dade Affordable Housing Foundation
- Board member – City of Fort Lauderdale CRA Advisory Board
- Board member – Housing Services of Palm Beach
- Board member – Miami-Dade Neighborhood Housing Service
- Board member – Miami Beach Housing Agency
- Board member – Hollywood Housing Agency
- Board member – Miami-Dade Housing Finance Authority
- Board member – Broward Housing Finance Authority
- Board member – Fort Lauderdale CDC
- Board member – Delray Beach CDC
- Board member – St. Johns CDC (Miami-Dade)
- Board member – St. Agnes CDC (Miami-Dade)
- Board member – Early Childhood Education Coalition (Palm Beach)
- Board member – Community Reinvestment Group (Palm Beach, Broward, Miami Dade)
- Board Member – First Housing Development Corporation (Statewide)

Institution (continued)

Foreclosure Prevention Programs

To attack the socio-economic issues of foreclosure and facilitate prevention and remediation, the bank's CRA staff and select branch personnel were trained in foreclosure counseling. The CRA staff has worked with the bank's Default and Recovery department to help LMI homeowners avoid losing their homes. They have manned booths at numerous workshops to counsel homeowners in maintaining their finances. In 2009, the loan servicing department contracted with Loss Mitigation Express to interview customers at the bank's expense, to arrive at recommendations for modifications, forbearance, and deferments for those at risk of losing their homes.

Seminars and Workshops

BankAtlantic recently provided multiple workshops for homeowner associations about managing financial and legal issues associated with absentee landlords and property foreclosures. It also presented seminars about financial choices related to healthcare in partnership with a leading healthcare provider for low- and fixed-income persons.

Based upon BankAtlantic's overall level of performance, a rating of "Outstanding" was assigned for its performance under the Service Test.

Fair Lending or Other Illegal Credit Practices Review

Contrary to Section 5 of the Federal Trade Commission Act, evidence of illegal credit practices was identified during a comprehensive examination. As a result, BankAtlantic's CRA performance evaluation has been lowered to a "Needs to Improve" rating. BankAtlantic had policies, training, and internal assessments in place to prevent discriminatory or other illegal credit practices. However, these programs proved to be ineffective inasmuch as illegal credit practices exist throughout the bank.

Description of Operations in Broward County Assessment Area

BankAtlantic operates 28 offices in this assessment area, Fort Lauderdale (6), Tamarac (3), Coral Springs (3), Deerfield Beach (2), Pompano Beach (2), Lauderdale (2), and one each in Coconut Creek, Dania, Hallandale, Hollywood, Margate, Miramar, Pembroke Pines, Plantation, Sunrise, and Weston. One branch is located in a low-income census tract, four branches are located in moderate-income census tracts, 14 are located in middle-income census tracts, and nine are located in upper-income census tracts.

Institution (continued)

The hours of operation for these branches are considered adequate and consistent with those of the institution’s competitors within this assessment area.

Description of Broward County Assessment Area

Broward County is divided into 279 census tracts with income designations, 13 low-income, 71 moderate-income, 117 middle-income, and 78 upper-income tracts, as of the 2000 Census.

Year 2000 Census data was used to evaluate the institution’s lending to borrowers of different incomes and geographic distribution for 2007, 2008, and 2009 mortgage lending activity.

A summary of certain geographic characteristics for the assessment area based upon 2000 Census data is as follows:

Demographics of Census Tracts			Family Distribution	
Census Tract Category	Population	Owner-Occupied Housing Units	Income Category	Distribution of Families
Low	57,955	1.2%	Low	20.8%
Moderate	428,884	23.7%	Moderate	18.2%
Middle	699,952	45.9%	Middle	20.5%
Upper	436,227	29.2%	Upper	40.5%
Total	1,623,018	100.0%	Total	100.0%

The 2000 Census disclosed the following additional information about the Broward County assessment area:

Total Population	1,623,018
Population 16 and older	1,281,478 (79.0%)
Population Over 65	261,109 (16.1%)
Total Housing Units	768,973
Owner Occupied Units	454,625 (59.1%)
Rental Occupied Units	199,820 (26.0%)
1 - 4 Family Units	442,266 (57.5%)
Multi-Family Units	298,777 (38.9%)
Total Families	413,958
Families Below the Poverty Level	35,964 (8.7%)



Institution (continued)

Description of Performance in Broward County Assessment Area

Lending to Borrowers of Different Income Levels

In order to evaluate BankAtlantic’s record of lending to borrowers of different income levels for 2007, 2008, and 2009, family income levels were stratified as a percentage of the updated MFI for the Fort Lauderdale MD. The updated MFI figures, as provided by the Department of Housing and Urban Development, for the Fort Lauderdale MD for 2007, 2008, and 2009, were \$58,400, \$64,000, and \$65,400, respectively.

From information contained in the institution’s 2007, 2008, and 2009 records, the examiner compiled the following borrower income distribution statistics:

BankAtlantic HMDA-Reportable Lending – Broward County January 1, 2007 through December 31, 2009						
Borrower Income Levels	Number^k	No. Percent	\$(000)	\$ Percent	Percent of Families^l	Aggregate^m
Low = <50%	92	14.4%	5,156	5.8%	20.8%	3.0%
Moderate = 50-79%	217	34.0%	22,613	25.2%	18.2%	12.5%
Middle = 80-119%	149	23.3%	21,346	23.8%	20.5%	22.9%
Upper = > 120%	181	28.3%	40,438	45.2%	40.5%	61.6%
Total	639	100.0%	89,553	100.0%	100.0%	100.0%

As indicated above, the percentage of mortgage loans granted to low-income borrowers was slightly below the percentage of low-income families within this assessment area. However, BankAtlantic’s ability to originate mortgage loans to low-income borrowers may be influenced by family poverty levels. The examiner noted that according to the 2000 Census, approximately 41.7 percent of the low-income families residing within this assessment area have incomes below the poverty level (8.7 percent of all families living within this assessment area have incomes below the poverty level). However, the institution’s level of mortgage lending to moderate-income borrowers was significantly higher than the percentage of moderate-income families residing within this assessment area. The table also reflects that BankAtlantic’s overall record of lending to LMI borrowers was significantly higher than that of other lenders within this assessment area.

^k Excludes 99 loans totaling \$26,454,000 where borrower income was not available.

^l Source: 2000 Census data. This column represents the percentage of families by income level within the boundaries of the assessment area. The examiner considered that approximately 9.8 percent of the families in the assessment area are below the poverty level, which might possibly preclude them from homeownership.

^m Average of all lenders making HMDA-reportable loans in the assessment area in 2007 and 2008.

Institution (continued)

Geographic Distribution of Loans

The examiner also analyzed the adequacy of the geographic distribution of BankAtlantic’s mortgage loans in this assessment area for 2007, 2008, and 2009.

The results of the analysis disclosed the following information concerning the institution’s record of residential mortgage lending throughout the different census tracts within the assessment area for 2007, 2008, and 2009. The percentage of OOHUs is derived from the 2000 Census:

BankAtlantic HMDA-Reportable Lending – Broward County January 1, 2007 through December 31, 2009						
Income Level of Census Tract	Number	No. Pct.	\$(000)	\$ Percent	Pct. O.O.H.U.ⁿ	2007 and 2008 Aggregate^o
Low = <50%	55	8.3%	6,469	6.6%	1.1%	2.2%
Moderate = 50-79%	156	23.7%	16,809	17.2%	23.7%	22.3%
Middle = 80-119%	289	43.9%	35,467	36.3%	45.9%	43.8%
Upper = > 120%	159	24.1%	38,953	39.9%	29.2%	31.7%
Total	659	100.0%	97,698	100.0%	100.0%	100.0%

As indicated above, the institution’s overall record of lending in the LMI areas exceeded both the demographic and the aggregate lending benchmarks.

Description of Operations in Palm Beach County Assessment Area

BankAtlantic operates 23 offices in this assessment area, Boca Raton (4), Jupiter (4), West Palm Beach (4), Palm Beach Gardens (3), Riviera Beach (2), and one each in Boynton Beach, Delray Beach, Lake Worth, Manalapan, North Palm Beach, and Tequesta. No branches are located in low-income census tracts, three branches are located in moderate-income census tracts, 11 are located in middle-income census tracts, and nine are located in upper-income census tracts.

The hours of operation for these branches are considered adequate and consistent with those of the institution’s competitors within this assessment area.

ⁿ Owner Occupied Housing Units. The numbers in this column represent the ratio of owner occupied housing units to the total number of owner occupied housing units in the assessment area, based on the 2000 U.S. Census.

^o Aggregate data includes HMDA-reportable mortgage loans made by all lenders that report HMDA data.

Institution (continued)

Description of Palm Beach County Assessment Area

Palm Beach County is divided into 263 census tracts with income designations, 15 low-income, 70 moderate-income, 89 middle-income, and 89 upper-income tracts, as of the 2000 Census.

Year 2000 Census data was used to evaluate the institution’s lending to borrowers of different incomes and geographic distribution for 2007, 2008, and 2009 mortgage lending activity.

A summary of certain geographic characteristics for the assessment area based upon 2000 Census data is as follows:

Demographics of Census Tracts			Family Distribution	
Census Tract Category	Population	Owner-Occupied Housing Units	Income Category	Distribution of Families
Low	47,669	1.5%	Low	19.9%
Moderate	331,678	24.6%	Moderate	18.5%
Middle	383,296	36.4%	Middle	20.6%
Upper	366,144	37.5%	Upper	41.0%
Total	1,128,787	100.0%	Total	100.0%

The 2000 Census disclosed the following additional information about the Palm Beach County assessment area:

Total Population ^P	1,128,787
Population 16 and older	917,453 (81.3%)
Population Over 65	262,076 (23.2%)
Total Housing Units	577,065
Owner occupied Units	354,024 (61.3%)
Rental Occupied Units	120,151 (20.8%)
1 - 4 Family Units	385,144 (66.7%)
Multi-Family Units	171,284 (29.7%)
Total Families	306,002
Families Below the Poverty Level	21,045 (6.9%)

^P Does not include 2,397 persons in the two census tracts without income designations.

Institution (continued)

Description of Performance in Palm Beach County Assessment Area

Lending to Borrowers of Different Income Levels

In order to evaluate BankAtlantic’s record of lending to borrowers of different income levels for 2007, 2008, and 2009, family income levels were stratified as a percentage of the updated MFI for the West Palm Beach MD. The updated MFI figures, as provided by the Department of Housing and Urban Development, for the West Palm Beach MD for 2007, 2008, and 2009 were \$61,200, \$66,000 and \$67,600, respectively.

From information contained in the institution’s 2007, 2008, and 2009 records, the examiner compiled the following borrower income distribution statistics:

BankAtlantic HMDA-Reportable Lending – Palm Beach County January 1, 2007 through December 31, 2009						
Borrower Income Levels	Number^q	No. Percent	\$(000)	\$ Percent	Percent of Families^r	Aggregate^s
Low = <50%	48	13.5%	3,892	7.1%	19.8%	3.8%
Moderate = 50-79%	101	28.4%	11,052	20.1%	18.6%	13.7%
Middle = 80-119%	85	23.9%	14,321	26.1%	20.6%	21.6%
Upper = > 120%	122	34.2%	25,585	46.7%	41.0%	60.9%
Total	356	100.0%	54,850	100.0%	100.0%	100.0%

As indicated above, the percentage of mortgage loans granted to low-income borrowers was somewhat below the percentage of low-income families within this assessment area. However, BankAtlantic’s ability to originate mortgage loans to low-income borrowers may be influenced by family poverty levels. The examiner noted that according to the 2000 Census, approximately 34.6 percent of the low-income families residing within this assessment area have incomes below the poverty level (6.9 percent of all families living within this assessment area have incomes below the poverty level). However, the institution’s level of mortgage lending to moderate-income borrowers was higher than the percentage of moderate-income families residing within this assessment area. The table also reflects that BankAtlantic’s overall percentage of lending to LMI borrowers was significantly higher than that of other lenders within this assessment area.

^q Excludes 99 loans totaling \$26,454,000 where borrower income was not available.

^r Source: 2000 Census data. This column represents the percentage of families by income level within the boundaries of the assessment area. The examiner considered that approximately 9.8 percent of the families in the assessment area are below the poverty level, which might possibly preclude them from homeownership.

^s Average of all lenders making HMDA-reportable loans in the assessment area in 2007 and 2008.

Institution (continued)

Geographic Distribution of Loans

The examiner also analyzed the adequacy of the geographic distribution of BankAtlantic’s mortgage loans in this assessment area for 2007, 2008, and 2009.

The results of the analysis disclosed the following information concerning the institution’s record of residential mortgage lending throughout the different census tracts within the assessment area for 2007, 2008, and 2009. The percentage of OOHUs is derived from the 2000 Census:

BankAtlantic HMDA-Reportable Lending – Palm Beach County January 1, 2007 through December 31, 2009						
Income Level of Census Tract	Number	No. Pct.	\$(000)	\$ Percent	Pct. O.O.H.U.^t	2007 and 2008 Aggregate^u
Low = <50%	21	5.4%	2,284	3.7%	1.5%	2.2%
Moderate = 50-79%	104	26.7%	12,166	19.7%	24.6%	23.4%
Middle = 80-119%	129	33.2%	18,890	30.6%	36.4%	34.8%
Upper = > 120%	135	34.7%	28,431	46.0%	37.5%	39.6%
Total	389	100.0%	61,771	100.0%	100.0%	100.0%

As indicated above, the institution’s overall record of lending in the LMI areas exceeded both the demographic and the aggregate lending benchmarks.

^t Owner Occupied Housing Units. The numbers in this column represent the ratio of owner occupied housing units to the total number of owner occupied housing units in the assessment area, based on 2000 U.S. Census.

^u Aggregate data includes HMDA-reportable mortgage loans made by all lenders that report HMDA data.

Appendix A

Scope of Examination

SCOPE OF EXAMINATION		
Full scope		
TIME PERIOD REVIEWED:	January 1, 2007, to December 31, 2009	
FINANCIAL INSTITUTION		PRODUCTS REVIEWED
BankAtlantic		HMDA loans, small business loans, community development loans
AFFILIATE(S)	AFFILIATE RELATIONSHIP	PRODUCTS REVIEWED
None		

LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION			
ASSESSMENT AREA	TYPE OF EXAMINATION	BRANCHES VISITED ¹	OTHER INFORMATION
Broward County Florida	Full Scope	One	None
Palm Beach County, Florida	Full Scope	None	None
Miami-Dade County, Florida	Limited Scope	None	None
Martin/St. Lucie Counties, Florida	Limited Scope	None	None
Hillsborough/Pinellas/Pasco Counties, Florida	Limited Scope	None	None

¹ There is a statutory requirement that the written evaluation of a multistate institution's performance must list the individual branches examined in each state.

Appendix B

Summary of State and Multistate Metropolitan Area Ratings

State or Multistate Metropolitan Area Name	Lending Test Rating	Investment Test Rating	Service Test Rating	Overall State Rating
None				

CRA Rating Definitions

There are five separate and distinct CRA assessment methods set forth in the CRA: the lending, investment, and service tests for large, retail institutions; the intermediate small institution test for intermediate small savings associations; the streamlined examination method for small institutions; the community development test for wholesale and limited purpose institutions; and the strategic plan option for all institutions. OTS will assign an institution one of the four assigned ratings required by Section 807 of the CRA:

1. "Outstanding record of meeting community credit needs."
2. "Satisfactory record of meeting community credit needs."
3. "Needs to improve record of meeting community credit needs."
4. "Substantial noncompliance in meeting community credit needs."

OTS judges an institution's performance under the test and standards in the rule in the context of information about the institution, its community, its competitors, and its peers. Among the factors to evaluate in an examination are the economic and demographic characteristics of the assessment area(s); the lending, investment, service, and community development opportunities in the assessment area(s); the institution's product offerings and business strategy; the institution's capacity and constraints; the prior performance of the institution; in appropriate circumstances, the performance of a similarly situated institution; and other relevant information. An institution's performance need not fit each aspect of a particular rating profile in order to receive that rating, and exceptionally strong performance with respect to some aspects may compensate for weak performance in others. The institution's overall performance, however, must be consistent with safe and sound banking practices and generally with the appropriate rating profile. In addition, OTS adjusts the evaluation of an institution's performance under the applicable assessment method in accordance with §563e.21 and §563e.28, which provide for adjustments on the basis of evidence of discriminatory or other illegal credit practices.