

PUBLIC DISCLOSURE

November 29, 2010

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Raymond James Bank, FSB
710 Carillon Parkway
St. Petersburg, FL 33716
Docket #: 12002**

**Office of Thrift Supervision
Southeast Region
1475 Peachtree Street, N.E.
Atlanta, Georgia 30309**

NOTE: This document is an evaluation of the record of Raymond James Bank, FSB (RJBANK or bank) in 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 RJBANK. The rating assigned herein does not represent an analysis, conclusion, or opinion of the Office of Thrift Supervision (OTS) concerning RJBANK's safety and soundness.



Office of Thrift Supervision
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Southeast Region

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May 20, 2011

Board of Directors
Raymond James Bank, FSB
710 Carillon Parkway
St. Petersburg, FL 33716

Members of the Board:

Enclosed is the written Community Reinvestment Act (CRA) Performance Evaluation of Raymond James Bank, FSB. The OTS prepared the evaluation as of November 29, 2010. Pursuant to the provisions of the CRA and OTS regulations (12 C.F.R. Part 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 RJBank has to make this evaluation available to the public. Consequently, we suggest that management 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 your bank.

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 Raymond James Bank, FSB prepared by the OTS, as of 11/29/2010. The OTS evaluates performance in the assessment area delineated by Raymond James Bank, FSB, rather than individual branches. This assessment area evaluation included a visit to the bank's sole branch office. 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: Satisfactory

RJBank had a strong volume of lending, particularly in 2008, compared to its OTS peer group of institutions similar in size. HMDA-reportable loans originated and purchased inside the assessment area accounted for 2.2 percent of total mortgage lending by number. Such a low percentage is generally not considered to be adequate performance; however, because a low percentage (2.2 percent) of RJBank's deposits are held by persons residing in Pinellas County, our expectations for lending in the assessment area are lower than they might be for a "typical" retail financial institution. RJBank's small business lending and community development lending during the review period was considered strong. Based upon RJBank's overall lending performance, a rating of "Low Satisfactory" was assigned for the Lending Test.

RJBank's record of qualified investments consisted of combined qualifying financial contributions of \$2.7 million from the bank and its affiliate, and \$181 thousand in mortgage-backed securities within the assessment area's LMI census tracts (CTs). Additional qualifying investments included investing in a Small Business Investment Corporation. Finally, the bank's parent company made a significant contribution to the United Way in the assessment area; however, we were unable to determine the exact amount of this contribution that would constitute a Qualified Investment under the CRA. The bank supports a wide variety of non-profit civic organizations within the various communities it serves. Accordingly, a rating of "High Satisfactory" was assigned for the Investment Test.

RJBank provides a reasonable level of banking services through its branch office, including, but not limited to, toll free telephone service, internet access, and an acceptable range of deposit and loan products. RJBank's community development services consisted of the involvement of numerous bank personnel with civic organizations, most at senior levels, many of which had community development as their primary purpose. Based upon RJBank's overall service performance, a rating of "Outstanding" was assigned for the Service Test.

Institution

Lending, Investment, Service Test Table

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

PERFORMANCE LEVELS	Raymond James Bank 11/29/2010		
	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

RJBank is a federally chartered, stock savings bank headquartered in St. Petersburg, Florida, with \$7.6 billion in assets as of December 31, 2010. The bank is a subsidiary of Raymond James Financial, Inc. (RJF), a unitary, diversified holding company whose subsidiaries primarily engage in investment and financial planning, securities and insurance brokerage, asset management, investment banking, banking and cash management, and trust services throughout the United States, Canada, and abroad. RJF established the bank in 1994 in order to provide insured deposit accounts and loan products to clients of its broker-dealer subsidiaries. RJF’s nationwide network provides the bank with the vast majority of its deposit base, that is, Raymond James Bank Deposit Program deposits and savings accounts that represent the cash portion of RJF held brokerage and retirement accounts. RJBank operates one full service office in Pinellas County, Florida. The bank exceeds all regulatory capital requirements and the FDICIA well capitalized standard.

RJBank makes residential mortgage loans in all 50 states. Most loans are made to RJF clients and come into the bank via RJF’s network of financial advisors. The bank primarily serves RJF’s clients and individual checking accounts are mostly held by RJF employees. The majority of the bank’s deposits are in the form of Raymond James Bank Deposit Program accounts and are brokerage sweep accounts. Many RJF clients also have Raymond James certificates of deposit.

Institution (continued)

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

The evaluation disclosed no legal or regulatory impediments adversely affecting the bank's ability to meet the credit needs of the communities it serves.

Description of Assessment Area

RJBank has designated Pinellas County, Florida as its assessment area. Pinellas County is a part of the Tampa/St. Petersburg Metropolitan Statistical Area (MSA). According to the 2000 Census, the assessment area is comprised of 208 CTs with income designations, including 4 low-income, 41 moderate-income, 117 middle-income, and 46 upper-income^a. The bank is located in a middle-income CT.

The assessment area's economy is diversified with the majority of jobs found in the various Services industries^b. Other sectors supplying a substantial proportion of the county's employment in order of total employees are: Retail Trade, Finance/Insurance/Real Estate, Manufacturing, Transportation/Communication/Utilities, Construction, Government, and Wholesale Trade. The areas' largest employers are numerous medical, municipal, and educational systems, including, but not limited to the Department of Veterans Affairs, Pinellas County School Board, All Children's Health System, Bayfront Medical Center, the Cities of Clearwater and St. Petersburg. Major private employers include: Home Shopping Network, Fidelity Information Services, Nielsen Median Research, and Raymond James Financial^c.

It is well known that Florida has been among the most negatively impacted states from the ongoing economic crisis, having one of the highest foreclosure rates in the nation. This economic environment has resulted in the decline and instability of real estate values within Pinellas County, and many homes have been vacated or abandoned, thus contributing to the decline. The following table demonstrates the sharp decline in the economic condition of Pinellas County and the Tampa Bay metropolitan area.

^a A low-income CT 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.

^b Pinellas County Economic Development – www.PCED.org

^c Pinellas County Profile – www.eflorida.com

Institution (continued)

Pinellas County, FL – Selected Economic Indicators ^d						
	2005	2006	2007	2008	2009	2010
Pinellas Employment^e	476,044	480,647	455,524	447,534	405,380	398,256
Pinellas Average Wage	\$35,915	\$36,989	\$37,871	\$39,289	\$39,961	NA
Pinellas Unemployment Rate	3.7%	3.2%	4.3%	6.7%	11.2%	11.9%
Pinellas Initial Unemployment Claims	1,801	1,914	2,348	4,182	5,036	4,363
Pinellas Office Space Vacancy Rate^f	8.9%	8.9%	10.1%	12.2%	13.0%	14.8%
Pinellas Industrial Space Vacancy Rate^g	5.6%	4.7%	5.2%	7.6%	9.2%	9.7%
Pinellas Population	NA	944,199	938,461	938,461	931,113	NA
Tampa Bay Median Sales Price – Existing Home	\$215,200	\$227,400	\$200,700	\$160,500	\$137,800	\$127,400
Tampa Bay Median Sales Price - Condos	NA	NA	\$158,300	\$139,100	\$107,000	\$84,900

In addition, RJBank encounters significant competition for both deposits and loans within the assessment area. The top competitors throughout the assessment area include Wachovia Bank, N.A., Bank of America, N.A., SunTrust Bank, Regions Bank, and World Savings Bank.

Scope of Examination

We reviewed residential mortgage loans and small business loans originated and purchased by the bank during the 33-month period from January 1, 2008 through September 30, 2010. We also reviewed the bank’s community development loans and its innovative and/or flexible loan products. Finally, we reviewed the bank’s record of making qualified investments, offering retail services, and community development services.

Conclusions With Respect To Performance Tests

LENDING TEST

To assess RJBank’s performance under the requirements of the lending test, we analyzed the volume, geographic distribution, and borrower income distribution of loans granted and purchased during the review period. We calculated the percentage of RJBank’s HMDA-reportable and small business

^d Pinellas County Economic Development – www.PCED.org
^e September
^f 3rd Q
^g 3rd Q

Institution (continued)

loans originated inside its assessment areas. Lending was also reviewed for the use of any innovative and flexible lending products, particularly in meeting the credit needs of highly economically disadvantaged CTs and persons. Lastly, we evaluated the bank’s record of making community development loans. Results were compared, where appropriate, to the 2000 census data, aggregate HMDA lending data, and OTS peer median data from Thrift Financial Reports (TFRs).

Lending Activity

The following table details RJBank’s lending activity during the review period.

LENDING VOLUME: 1/1/2008 – 9/30/2010 (from UTPR^h)				
Loan Type	\$ Amount (000)	% of Total Lending	% of Average Assetsⁱ	Annualized % of Average Assets^j
Perm. Mtgs. 1-4 Residential	\$318,309	3.20%	3.50%	1.27%
Perm. Mtgs. Land	29,425	0.30%	0.32%	0.12%
Constr. 1-4 Residential	10,987	0.11%	0.12%	0.04%
Constr. 5+ Residential	105,824	1.07%	1.16%	0.42%
Mtg. Purchases 1-4 Residential	1,246,184	12.55%	13.70%	4.98%
Mtg. Purchases 5+ Dwelling	489,064	4.92%	5.38%	1.96%
Mtg. Purchases Nonresidential	6,241,305	62.84%	68.63%	24.96%
Commercial Loans	1,434,617	14.44%	15.77%	5.74%
Consumer Loans	56,244	0.57%	0.62%	0.22%
TOTALS	\$9,931,959	100.00%	109.21%	39.71%

RJBank’s overall lending volume of \$9.9 billion as noted in the table above is considered strong. The top loan types that contributed primarily to the overall lending volume were nonresidential mortgage purchases (62.8 percent), commercial loans (14.4 percent), and 1-4 family mortgage purchases (12.6 percent). These three loan categories accounted for 89.8 percent of RJBank’s overall lending volume during the review period.

The following table compares RJBank’s lending volume during the review period to its peer group^k of OTS regulated banks, based on information contained in the quarterly TFRs filed by all the banks in the peer group.

^h UTPR: Uniform Thrift Performance Report - a compilation of data from the bank’s quarterly TFR presented in a comparison format to median peer group information derived from the TFRs of other OTS regulated savings institutions.

ⁱ Average assets of \$9,094,407,000 calculated by dividing all quarterly asset totals for 2008 through September 2010 by the number of quarters that lapsed during that period (11).

^j Percentage of Average Assets divided by 11, then multiplied by the number of quarters in a year (4).

^k Peer group consists of all savings associations with total assets over \$5 billion.

Institution (continued)

RJBank's Lending Volume Compared to the Peer Group for 3 Years January 1, 2008 through September 30, 2010									
Months in Period	9			12			12		
Mo./Yr., Period End	9/2010			12/2009			12/2008		
No. of S&Ls in Peer Group	23			23			23		
Loan Type	Inst. % of Total Assets ¹	Peer Group Median % TA	Inst. Percentile Rank	Inst. % of Total Assets	Peer Group Median % TA	Inst. Percentile Rank	Inst. % of Total Assets	Peer Group Median % TA	Inst. Percentile Rank
Perm. Mtgs. 1-4 Res.	0.89	5.40	25	1.22	9.42	20	1.94	10.90	15
Perm. Mtgs. Land	0.08	0.00	87	0.05	0.01	58	0.28	0.03	76
Constr. 1-4 Res.	0.00	0.00	45	0.11	0.09	54	0.01	0.11	42
Constr. 5+ Res.	0.22	0.00	91	0.38	0.00	91	0.77	0.04	88
Mtg. Purch. 1-4 Res.	2.27	0.02	79	1.05	0.04	70	14.18	0.09	84
Mtg. Purch. 5+ Dwell.	0.84	0.00	95	1.30	0.00	95	4.40	0.00	96
Mtg. Purch. Nonres.	25.85	0.00	95	14.07	0.00	95	42.07	0.00	96
Commercial Loans	4.26	1.22	70	5.66	1.12	75	8.26	1.52	73
Consumer Loans	0.13	0.10	12	0.20	0.10	58	0.40	0.56	42
TOTALS	34.54	6.74		24.04	10.78		72.31	13.25	

The above table indicates that RJBank outperformed the peer group median in 2008, 2009, and 2010, particularly with regard to nonresidential mortgage loan purchases in all three years and 1-4 family mortgage loan purchases in 2008.

Assessment Area Concentration

HMDA-Reportable Loans

Since the preceding evaluation, RJBank originated and purchased a reasonable volume of residential mortgage loans in relationship to its asset size and peer lending levels. However, given the bank's nationwide lending strategies, the vast majority of these loans were secured by properties located outside the assessment area, as noted in the table below.

Raymond James Bank Assessment Area	HMDA-Reportable Loans January 1, 2008 to September 30, 2010			
	No.	No. Pct.	Volume (\$000s)	Volume Pct.
Inside	66	2.2%	\$18,084	1.2%
Outside	2,908	97.8%	1,471,915	98.8%
TOTAL	2,974	100.0%	\$1,489,999	100.0%

¹ Total assets at the beginning of the period.

Institution (continued)

HMDA-reportable loans originated and purchased inside the assessment area accounted for 2.2 percent of total mortgage lending by number. The low percentage although not favorable was expected given the bank's lending strategy. By comparison, the number of local deposits (Pinellas County) for the review period also represented 2.2 percent of total deposits maintained by RJBANK. See analysis of deposits below for details.

Other Lending Activity

RJBANK purchased a total of 382 small business loans during 2009 and 2010, totaling \$155.5 million. One of those loans in the amount of \$615 thousand was located in the assessment area.

In addition, the bank originated 22 home equity lines of credit within its assessment area during the review period. One of these was originated in a moderate-income CT and one was made to a moderate-income borrower.

Overall, RJBANK's mortgage lending volume was reasonable during the review period, although a very low proportion (2.2 percent) of that volume was originated in the bank's assessment area. Such a low percentage is generally not considered to be adequate performance; however, because a low percentage (2.2 percent) of RJBANK's deposits are held by persons residing in Pinellas County, our expectations for lending in the assessment area are lower than they might be for a "typical" retail financial institution.

Lending to Borrowers of Different Incomes and Businesses of Different Sizes

HMDA-Reportable Lending

The following table summarizes RJBANK's record of HMDA-reportable lending to borrowers of different income levels relative to assessment area demographics and peer lending activity.

Institution (continued)

RJBank – HMDA-Reportable Loans January 1, 2008 to September 30, 2010 Pinellas County Assessment Area					Demographic Benchmarks	Aggregate HMDA
Borrower Income Levels	Number	No. Pct.	Volume (\$000)	\$ Percent	Percent of Families ^m	No. Pct. 2009
Low = <50%	2	3.1%	\$250	1.5%	17.5%	7.3%
Moderate = 50-79%	5	7.7%	\$356	2.1%	18.6%	18.2%
Middle = 80-119%	9	13.8%	\$1,005	5.9%	22.2%	24.4%
Upper = > 120%	49	75.4%	\$15,473	90.5%	41.7%	50.1%
Total	65 ⁿ	100.0%	\$17,084	100.0%	100.0%	100.0%

As shown in the table above, RJBank granted seven HMDA reportable loans to LMI borrowers representing a 10.8 percent penetration for the review period. The bank’s lending to LMI borrowers was significantly less than that of the aggregate, which was 25.5 percent in 2009.

It is no surprise that a financial institution, like RJBank, which conducts the large majority of its business through a nationwide network of financial advisors would generate a low proportion of mortgage loans in its assessment area. This type of business strategy is not conducive to the delivery of products and services within a limited geographic area. In RJBank’s case it is further complicated by the fact that the bank maintains no significant retail operation. It has only one branch office, intended primarily to service customers of Raymond James Financial and maintain deposits made by those customers who are physically located throughout the country.

We conducted an analysis of RJBank’s deposit base to determine the percentage of deposit customers who reside within the assessment area. This analysis is presented in the following table.

RJBank’s Sources of Deposits during the review period 1/1/2008 to 9/30/2010				
Deposits by Number and by Dollar	Average of Total Deposits in 2008	Average of Total Deposits in 2009	Average of Total Deposits through 9/30/2010	Average of Total Deposits for the review period
Local Deposits (#)	24,339	20,677	17,968	20,995
Total Deposits (#)	1,040,797	949,333	866,608	952,246
Local/Total Deposits	2.34%	2.18%	2.07%	2.20%
Local Deposits (\$000)	\$271,341	\$272,521	\$387,801	\$310,554
Total Deposits (\$000)	\$8,203,564	\$8,113,430	\$6,892,270	\$7,736,421
Local/Total Deposits	3.31%	3.36%	5.63%	4.01%

Small Business Lending

^m 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 9.5 percent of the families in the assessment area are below the poverty level, which would most likely preclude them from homeownership.

ⁿ Income was not available for one loan.

Institution (continued)

During the review period, RJBank purchased 382 small business loans totaling \$155.5 million; one of these loans was located in the assessment area. The gross annual revenue of the company for this loan was reported as unknown, so we could not determine if it was less or greater than \$1 million. The amount of the loan was for \$615 thousand. Since there was only one small business loan purchased within the assessment area, no meaningful comparison to peer performance was possible.

Geographic Distribution of Loans

HMDA-Reportable Lending

The table below compares the geographic distribution of RJBank’s HMDA-reportable loans within the assessment area to certain demographic characteristics and aggregate data.

RJBank HMDA-Reportable Loans January 1, 2008 to September 30, 2010 Pinellas County Assessment Area					Demographic Benchmarks	Aggregate
Income Level of Census Tract ^o	Number	No. Pct.	Volume (\$000)	\$ Percent	Percent O.O.H.U. ^p	No. Pct. 2009
Low = <50%	0	0.0%	\$0	0.0%	0.5%	0.9%
Moderate = 50-79%	8	12.2%	\$1,035	5.7%	14.4%	8.9%
Middle = 80-119%	29	43.9%	\$8,873	49.1%	57.9%	49.8%
Upper = > 120%	29	43.9%	\$8,176	45.2%	27.2%	40.4%
Total	66	100.0%	\$18,084	100.0%	100.0%	100.0%

As shown in the table above, RJBank granted no HMDA-reportable loans in low-income CTs and eight in moderate-income tracts. The proportion of the bank’s loans in LMI CTs combined, of 12.2 percent, slightly exceeded that of the aggregate of 9.8 percent.

RJBANK originated nine loans totaling \$2.4 million secured by homes in distressed/underserved CTs. None of these loans were secured by homes in the bank’s assessment area.

RJBANK’s overall penetration of LMI CTs is considered adequate; however, this analysis is based on a low number of loans originated in the assessment area.

Small Business Lending

^o Income level definitions mean a MFI in the CT that is at the specified percentage, or range thereof, of the 2000 MFI for the MSA or non-metropolitan area as estimated by the Census Bureau.

^p 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.

Institution (continued)

As noted above, RJBANK purchased 382 small business loans totaling \$155.5 million during the review period, one of which was located in the assessment area. The amount of the loan was \$615 thousand and is located in a middle-income CT. Since there was only one small business loan purchased within the assessment area, no meaningful comparison to demographics or peer performance was possible.

Community Development Lending

During the review period, RJBANK originated the following community development loans within its assessment area:

Neighborhood Lending Partners of West Florida, Inc. (\$936,317): Neighborhood Lending Partners, Inc. of West Florida (NLPWF) is a multi-bank lending consortium providing financing for developers of affordable housing and community revitalization in a 20-county area in the western part of the state of Florida, including the bank's assessment area. NLP is a Community Development Financial Institution and a Community Development Entity. As a member of the West Florida affiliate of NLP, RJBANK has purchased a \$26,930 participation in one loan in the assessment area and participations in nine loans totaling \$909,387 in other counties covered by NLPWF. RJBANK's current commitment of \$3.2 million represents 8.0 percent of the total pool.

Pinellas Habitat for Humanity (\$207,271): RJBANK has partnered with this organization to purchase existing loans in their portfolio bearing a zero percent interest rate, thus providing needed liquidity to Pinellas Habitat for Humanity, which then enables the organization to increase its efforts to provide housing to low-income families. Two loans with outstanding balances of \$82,271 and \$125,000 have been purchased to date.

Neighborhood Stabilization Program Commitment: NLPWF in a consortium agreement with Pinellas County, Pasco County, and the Housing Finance Authority of Pinellas County has been awarded \$50 million in Neighborhood Stabilization Funds through HUD's NSP2 program. These funds will be used in targeted areas across 103 CTs where economic downturn and volatile financial and housing markets have resulted in high foreclosure rates and declining communities. These funds will be used to provide financing mechanisms for 1,778 units, in the form of soft second mortgages for homebuyer and rehabilitation assistance for low-income housing or the redevelopment of foreclosed or abandoned homes, demolish 76 blighted structures, and redevelop 76 vacant or demolished lots. These activities will benefit households whose income is at or below 120.0 percent of area median income, with 25.0 percent of the funds for households at or below 50.0 percent of area median income. These funds, and the leveraging of \$22.8 million in other funds, will rapidly limit destabilizing factors in the targeted neighborhoods and create improvements in the local economy and housing market. RJBANK has committed \$1.0 million per year for three years toward the \$22.8

Institution (continued)

million of privately-raised “other” funds. The program did not generate any loans during the review period, but is expected to start shortly after completion of this evaluation.

Senior Housing Crime Prevention Foundation (\$1,700,000): RJBank made a \$1.7 million below-market-rate loan with a term of five years to the Foundation for the purpose of purchasing a government agency security. The interest income from the security exceeds the loan interest expense by \$21,250 per year. The loan was outstanding for 13 months during the review period, making \$23,020 available to the Foundation during the review period. This income goes towards funding the Senior Crimestoppers Program for Burlington Towers, a HUD senior housing facility, located in a low-income CT in St. Petersburg, FL.

Project Prosper Micro-Loan Program (\$3,300): Project Prosper provides a financial program aimed at promoting successful economic and social integration for immigrants in Pinellas County. The organization educates immigrants about the American financial system and provides them an opportunity to gain experience using this system. This organization prepares recent, working immigrants to participate fully in the economic life of the community through a program of small loans, matched savings, mentoring and financial education. RJBank donated \$3,300 during the review period to Project Prosper for the purpose of making two micro loans. The organization made one loan to a recent immigrant to assist in paying for a permanent resident application and associated costs. Project Prosper has not yet used the money provided by RJBank for the second loan.

RJ Multi-Family Financing (\$27,900,000): An affiliate of RJBank, Raymond James Tax Credit Funds (RJTCF), provides construction financing for multi-family affordable housing projects nationwide. During the review period, RJMFF originated \$27.9 million in such loans.

Innovative and Flexible Loan Programs

Loan Modifications: During the review period, the bank modified 45 loans with balances totaling \$22.3 million. Of the 45 loans approved for modification, 3 were in moderate-income CTs and 2 were in underserved or distressed areas.

FHA Lending: RJBank offers loans insured by the Federal Housing Administration. During the review period, the bank made one of these loans. The loan is secured by a home located in the assessment area and totals \$94,000.

Largo Homestead Program: RJBank participates in the city of Largo’s Homestead Program. Through this program, the city sells rehabilitated homes it owns to qualified purchasers. Two of the criteria are that the purchaser is a first-time homebuyer and that their income be between \$15,000 and 80.0 percent of the area’s median income. Priority is given to larger families since one requirement is

Institution (continued)

that the number of household members must exceed the number of bedrooms. Purchasers must qualify for a first mortgage from a lender and the city will hold a purchase money second mortgage that is deferred for 20 years, at which time the city may elect to continue the deferral depending on circumstances. The purchaser must live in the home for five years. In addition to making loans under this program, RJBANK contributes \$1,250 towards closing costs for purchasers and waives PMI in exchange for a guarantee from the City. The bank made one loan under this program during the review period.

Lending Test Conclusion (Assessment Area)

Overall, RJBANK's mortgage lending volume during the review period was reasonable, although a very low proportion (2.2 percent) of that volume was originated in the bank's assessment area. Such a low percentage is generally not considered to be adequate performance; however, because a low percentage (2.2 percent) of RJBANK's deposits are held by persons residing in Pinellas County, our expectations for lending in the assessment area are lower than they might be for a traditional retail financial institution. With this lowered level of expectation, combined with a favorable distribution among LMI CTs, community development lending within the assessment area of \$2 million, and other types of lending originated by RJBANK that impacted LMI borrowers and CTs within its assessment area, such as its loan modifications and small business lending, the bank's record was considered to be "adequate" as that term is used in Interagency Q&A 4 at .22(b)(2) and (3). Consideration can, therefore, be given for lending outside of the assessment area, thus affording the bank the opportunity to demonstrate a more adequate record of lending.

Small Business Lending Activity outside the Assessment Area

The table below includes all small business loans purchased in 2009, since the substantial majority (84 percent) of total loan purchases occurred during that year. The table below provides an analysis of RJBANK's small business activity, based on loan origination amount and compares this activity to the 2009 aggregate lenders' ratios (most recent data available).

Institution (continued)

Distribution of RJBANK's Small Business Loans Outside the AA			
Loan Amount At Origination	2009		Aggregate 2009
	#	%	
By Number:			% by #
≤ \$100,000	31	9.7%	99.6%
\$100,001 - \$250,000	91	28.3%	0.2%
\$250,001 - \$1 mill.	199	62.0%	0.2%
Total	321	100.0%	100.0%
By \$ Amount:	\$(000)	%	% by \$
≤ \$100,000	\$2,337	1.8%	83.1%
\$100,001 - \$250,000	16,709	13.1%	3.1%
\$250,001 - \$1 mill.	108,367	85.1%	13.8%
Total	\$127,413	100.0%	100.0%

An additional 61 small business loans were purchased within the first 9 months of 2010. Of those 61 loans, 60 were located outside the assessment area. RJBANK purchased 382 small business loans during the review period totaling \$155.5 million. This significant volume of small business lending demonstrates a commitment to assisting small businesses.

Lending Test Conclusion (Overall)

In reaching a conclusion regarding the bank's performance under the lending test, we considered the non-traditional business model under which it operates. RJBANK had a strong volume of lending, particularly in 2008, compared to its OTS peer group of institutions similar in size. Although a small percentage of this lending was in the assessment area, it was comparable to the percentage of deposits from the community surrounding the bank's single branch office. Our conclusion regarding the bank's lending was based largely on the strong overall lending volume nationwide, the adequate performance with regard to HMDA-reportable loans and small business loans originated and purchased inside the assessment area, the number of permanent mortgage modifications completed and the strong record of small business lending nationally.

In addition, we recognized the considerable level of community development lending nationwide by the bank and its affiliate totaling \$30.7 million. We consider RJBANK's lending record to be adequate; therefore, we rated its Lending test performance as "Low Satisfactory."

Institution (continued)

INVESTMENT TEST

Community Development Investments

During the review period, RJBANK's performance under this criteria consisted primarily of monetary contributions, grants, and mortgage-backed securities. Since the last performance evaluation, RJBANK increased its level of direct charitable contributions. Specifically, RJBANK made charitable grants/contributions totaling \$68,200. These contributions met the definition of community development investments. Some examples of organizations that it contributed to were Resurrection House, Project Prosper, and the James B. Sanderlin Neighborhood Family Center for Bank on St. Pete Program.

In addition to the contributions described above, RJF manages the corporate contributions for all of its subsidiaries in order to eliminate duplication. Given the affiliate relationship, RJBANK is able to claim CRA credit for the total amount of RJF's community development contributions. During the review period, RJBANK and its affiliates made a strong level of charitable contributions. Specifically, combined charitable grants/contributions that met the definition of qualified investments totaled \$2,587,444.

In addition to qualifying charitable contributions, the bank made the following qualifying community development investments during the review period:

CapitalSouth Partners Fund III (Fund) – Charlotte, North Carolina: (\$130,000) During the review period, the bank invested in this CRA-related Small Business Investment Corporation. The total financial commitment is \$2,000,000 (\$831,256 investment to date). The Fund maintains an office in Tampa, Hillsborough County, Florida, which is contiguous to Pinellas County. The Fund provides short term capital to small and medium-sized businesses.

In addition, the bank continues to own three mortgage-backed securities purchased in a prior review period with outstanding balances totaling approximately \$181,000. The securities were issued by the Federal National Mortgage Association and are backed by mortgages on property located in Pinellas County.

Finally, RJF and its employees made contributions to the United Way of Pinellas County during the review period totaling \$5.0 million. RJF donations comprise a significant proportion of United Way funding and for 2009 represented the second highest total of corporate contributions in the Tampa Bay area. RJF matches the donations of its employees up to \$5,000 each; the total disclosed above includes both employee contributions and RJF matching funds. Many, but not all, of the

Institution (continued)

organizations receiving United Way assistance have a community development purpose as that term is defined by the Community Reinvestment Act; we were unable to determine the proportion of RJF funds that specifically went to organizations with a community development purpose.

Investment Test Conclusion

Based upon Raymond James' overall level of qualified investments, a rating of "High Satisfactory" was assigned for its performance under the Investment Test.

SERVICE TEST

Retail Services

RJBank maintains an Internet web site that provides general information about the bank, as well as a listing of available products and services, including the location and telephone number of the branch office. Customer services include, but are not limited to, checking account balances and transfer funds between Raymond James accounts, bill pay, stop payment requests, loan payments on RJBank mortgage or consumer loans, and review of account statements.

RJBank has a toll free number for the general public to use in contacting bank personnel.

Community Development Services

RJ Bank represents a significant presence in its community. An increasing number of employees and directors are very active in official capacities in numerous civic organizations, often in a leadership position. Many of the organizations are engaged in community development activities. Management is continuously seeking out new opportunities to provide community development services. Below is a partial list of the official capacities in which individuals associated with the bank serve:

- Largo Area Housing Development Corporation – Board Members
- Neighborhood Lending Partners of West Florida, Inc. – Board Member, Loan Committee Member, Participating Lender
- Home Ownership for People Everywhere (HOPE) Affordable Housing Expos – Corporate Participant, Committee Member, Board Member, Volunteers
- Northeast High School's Academy of Finance, St. Petersburg, FL – Board Members, Mentors for students
- Federal Deposit Insurance Corporation (FDIC) – Money Smart Financial Education Sponsor
- American Bankers Association's (ABA's) Teach Children to Save Day – Instructors
- Great American Teach In – Instructors

Institution (continued)

- Understanding Your Credit and First-Time Homebuyers Seminars for RJF Associates and in the community – Instructors
- Resurrection House – Money Smart Instructors
- Bank on St. Pete Program (BOSP) – Education Outreach Committee Member and Bank Products and Policies Committee Member, Money Smart Instructors
- Project Prosper – Loan Committee Members, Mentor for a borrower, Money Smart Instructors
- Child’s Park YMCA – Money Smart Instructors
- Gibb’s High School – Money Smart Instructors
- Academy Prep – Instructors
- Revealing Truth Ministries – Instructors
- Fighting for Children, Inc. – Board Member
- Wealth Building Coalition – Board Member
- Dr. Martin Luther King Jr. Neighborhood Center – Board Member

An affiliate of RJBank, Raymond James Tax Credit Funds, Inc. (RJTCF) is a large nationwide syndicator of tax credits to fund multi-family affordable housing projects. During the review period, RJTCF arranged for investors to provide \$514 million to fund the development of 96 properties containing 6,187 affordable housing units. In addition, following the completion of the project, RJTCF remains involved and responsible for managing the properties throughout their affordability periods.

Service Test Conclusion

Based upon RJBank’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

Record of Compliance with Anti-discrimination Laws and Regulations

No violations of the substantive provisions of the laws and regulations prohibiting discrimination or other illegal credit practices were identified through the evaluation of compliance with consumer laws and regulations during the most recent comprehensive examination.

Response to Community Complaints

Although no community complaints were directly addressed or sent to Raymond James Bank during our review period, two complaint letters dated February 19, 2009 and November 24, 2010 from the Florida Minority Community Reinvestment Coalition (FMCRC) were sent to its parent company, RJF, regarding RJBank’s CRA performance. RJBank’s review of the complaint letters found no

Institution (continued)

merit in the allegations made by the FMCRC. As part of our evaluation, we also investigated allegations in the complaint letters. The two letters expressed concerns about RJBANK's commitment to CRA and an overall lack of responsiveness to the community it serves. Contrary to the FMCRC's allegations, our evaluation found that the bank, through both its board of directors and its senior management team, is fully committed to its CRA responsibilities. Our overall rating of RJBANK's CRA performance is "Satisfactory." We also found that RJBANK responded appropriately to the community complaints.

Appendix A

Scope of Examination

SCOPE OF EXAMINATION		
Full Scope		
TIME PERIOD REVIEWED:	1/1/2008-9/30/2010	
FINANCIAL INSTITUTION		PRODUCTS REVIEWED
Raymond James Bank, FSB		HMDA Loans; Small Business Loans; Community Development Loans; Loan Modifications; HELOCs
AFFILIATE(S)	AFFILIATE RELATIONSHIP	PRODUCTS REVIEWED
Raymond James Financial	Parent	Charitable Contributions
Raymond James Tax Credit Funds	Subsidiary of Parent	Affordable Multi-Family Construction Loans and Tax Credit Funds Syndications

LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION			
ASSESSMENT AREA	TYPE OF EXAMINATION	BRANCHES VISITED ¹	OTHER INFORMATION
Pinellas County, FL	On-site	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
Not Applicable				

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.