



## **PUBLIC DISCLOSURE**

August 11, 2014

### **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Seaside National Bank and Trust  
Charter Number: 24649

201 South Orange Avenue, Suite 1350  
Orlando, Florida 32801

Office of the Comptroller of the Currency

Tampa Field Office  
4042 Park Oaks Blvd., Suite 240  
Tampa, FL 33610

**NOTE:** This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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

**The Lending Test is rated: Satisfactory**

**The Community Development Test is rated: Outstanding**

The primary factors supporting the rating are summarized below:

- The bank's level of lending, as reflected in the bank's quarterly average net loan-to-deposit ratio (LTD), is reasonable given the bank's size, financial capacity and performance context factors.
- A majority of the bank's home mortgage and business loans originated and purchased over the evaluation period were inside its AA.
- The bank's lending activities shows reasonable penetration among borrowers of different income levels and businesses of different sizes given the performance context.
- The geographic distribution of home mortgage and business loans reflects a reasonable dispersion among the various income geographies given the performance context.
- The overall level of community development performance demonstrates excellent responsiveness to needs of its assessment areas through community development loans, qualified investments and community development services, considering the bank's size, its performance context and the need and availability of such opportunities for community development in the AAs.

## **Scope of Examination**

This Performance Evaluation (PE) assesses the bank's record of meeting the credit needs of the communities in which it operates. We evaluated Seaside National Bank and Trust's (SNBT) performance under the Intermediate Small Bank (ISB) Test using the Interagency Community Reinvestment Act (CRA) procedures, which include a lending test and a community development test. SNBT's lending performance is evaluated using the small bank lending test. The community development test evaluates a bank's community development lending, investments and service activities.

The lending test covers the bank's performance from January 1, 2012 through December 31, 2013. The evaluation period for community development loans, investments and services begins September 14, 2010 and ends August 11, 2014.

Based on discussions with bank management, the volume of loan originations during the evaluation period and lending strategy, we determined SNBT's primary loan products are business and residential real estate lending as noted in the table below. As such, in evaluating lending performance, we will focus on SNBT's business lending

and residential real estate lending.

Loan Originations for the time period of 1/1/12-12/31/13		
Loan Type	Number of originations	Percentage (%)
Business Loans	704	63%
Home Mortgage Loans	415	37%
<b>Total Loan originations</b>	<b>1,119</b>	<b>100%</b>

2012 and 2013 HMDA, CRA and Internal loan origination reports.

For our examination and lending performance analysis, we relied on residential real estate loans reported on the 2012 and 2013 Home Mortgage Disclosure Act-Loan Application Registers (HMDA) and 2012 and 2013 small loans to businesses (loan amounts equal to or less than \$1 million), collected according to Community Reinvestment Act (CRA) data collection requirements for large banks. We conducted a data integrity review in the first quarter of 2014 and found the HMDA and CRA data to be reliable and accurate.

Community Development loans, investments, and services submitted by bank management were verified to ensure accuracy and that they met the regulatory definition of community development.

SNBT has eight assessment areas (AAs), all located in the State of Florida. We selected the Central Florida and Palm Beach AA for full-scope reviews based on its significance to the bank in terms of number of branch offices, volume of loans originated during the evaluation period and deposit activity. Of total loans originated during the evaluation period, 58 percent originated in the Central Florida AA and 14 percent in the Palm Beach AA for a combined 72% of total lending volume. The Central Florida AA has four branch offices and Palm Beach County AA has three offices. Of total deposits as of December 31, 2013, 52 percent are in the Central Florida AA and 19 percent are in the Palm Beach County AA. Performance in the Central Florida AA was given more weight than performance in the Palm Beach County AA due to the volume of lending and deposit activity during the evaluation period. The Martin County, St. Johns County, Broward County, Hillsborough County, Miami and Sarasota County AAs were evaluated using limited-scope procedures. Performance in limited-scope AAs was considered in the overall rating relative to performance in the full-scope AAs.

## Description of Institution

Seaside National Bank & Trust (SNBT) is an intrastate nationally chartered commercial bank headquartered in Orlando, Florida. SNBT is wholly owned by Three Shores Bancorporation, Inc., a one-bank holding company also headquartered in Orlando. SNBT opened for business on October 31, 2006 and has one subsidiary, Seaside Insurance, Inc.

SNBT operates 13 full- service-banking offices and one Loan Production Office (LPO) across eight assessment areas throughout Central Florida, Tampa, Sarasota, Jacksonville, South Florida and West Florida. The bank offers a full-range of private banking, commercial banking and wealth management products and services. The bank also offers a few deposit and lending products that are considered responsive to the banking needs of low-and moderate-income individuals and to small businesses. There are no drive-up facilities and one automated teller machine (ATM). Refer to the section below titled *Community Development Services* for more details regarding the bank’s products and services geared towards low- and moderate-income individuals and small businesses.

SNBT is a qualified U.S. Small Business Administration (SBA) lender, which allows the bank to address the lending needs of small businesses in the assessment areas. SNBT offers 7(a) and 504 SBA loan products and since the prior CRA exam, SNBT originated 13 SBA loans of which seven are included in the lending performance test.

SNBT’s residential mortgage division is primarily used to complement its existing customer banking needs. Affordable residential lending products include Federal Housing Administration (FHA) loans and Veterans Administration (VA) loans. Since the prior CRA exam, SNBT originated 56 FHA and VA loans of which 24 are included in the lending performance test. In addition, several assessment areas directly benefitted from the bank’s purchase of six residential mortgage loans made to low-and moderate-income persons and/or in low-and moderate-income geographies. The positive impact to the assessment areas are reflected in the lending performance test.

**As of June 30, 2014, the bank had total assets of \$1.02 billion with total loans comprising 73 percent of total assets, or \$745 million. The loan portfolio as charted below consists of 79.62 percent of commercial and commercial real estate secured loans, 19.45% residential real estate secured loans and 0.93 percent in consumer loans. Composition of the Loan Portfolio as of 6/30/14**

Loan Type	Dollar Amount (000)	Percentage (%)
Consumer	\$6,894	0.93%
Commercial/Commercial RE	\$592,802	79.62%
Residential RE	\$144,815	19.45%
<b>Total Loans</b>	<b>\$744,511</b>	<b>100.00%</b>

Note: The bank sells the majority of residential real estate loans it originates in the secondary market.

There are no financial or legal impediments that would prevent the bank from meeting the credit needs of the community it serves. During the evaluation period, the bank faced some challenges to its ability to help meet the credit needs in its assessment areas. The financial crisis had a negative impact on local economies and the uneven  
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and sluggish recovery from recessionary conditions in both local and national economies have had a negative impact on the bank’s ability to lend in its AAs.

The preceding CRA evaluation dated September 13, 2010 indicated the bank received a “Satisfactory” rating.

## Description of Assessment Areas

### FULL SCOPE ASSESSMENT AREAS:

#### Description of the Central Florida Assessment Area:

The Assessment Area (AA), which is part of the Orlando-Kissimmee-Sanford Metropolitan Statistical Area (MSA) #36740, is located in Central Florida. The AA consists of 257 census tracts in Orange and Seminole Counties. The AA meets the requirements of the regulation and does not arbitrarily exclude low- or moderate-income geographies.

Seaside National Bank & Trust has four branch offices located in the AA. Three branches are located in Orange County and the remaining branch is located in Seminole County. Out of the four branch locations, two are located in a moderate-income census tract (Orange County) and two are located in upper-income census tracts.

Specific 2010 and 2013 demographic and economic data for the assessment area are detailed below.

<b>Census 2010 and 2013 Demographic and Economic Characteristics of the Central Florida Assessment Area</b>			
<b>Population</b>		<b>Geographies</b>	
Total Persons	1,314,855	Number of Census Tracts	257
Number of Households	481,102	% Low-Income Census Tracts (5)	1.95%
<b>Median Family Income (MFI)</b>	<b>\$58,500</b>	% Moderate-Income Census Tracts (72)	28.02%
<i>Based on 2013 MFI</i>		% Middle-Income Census Tracts (87)	33.85%
Low-Income individuals earn	<\$29,250	% Upper-Income Census Tracts (93)	36.19%
Moderate-Income individuals earn	\$29,251-\$46,800	% NA (0)	0.00%
<b>Income Distribution</b>		<b>Non-Farm Businesses</b>	
Number of Families	313,303	Number of Businesses located in the AA	224,505
<b>Families residing in the AA by income category</b>		% of Small Businesses located in the AA	71.64%
% Low-Income Families	19.90%	% of Large Businesses	2.77%
% Moderate-Income Families	18.14%	% of Business with no revenues reported	25.59%
% Middle-Income Families	20.10%	% of Biz in Low-Income Census Tracts	0.63%
% Upper-Income Families	41.86%	% of Biz in Moderate-Income Census Tracts	22.74%
		% of Biz in Middle-Income Census Tracts	33.99%
		% of Biz in Upper-Income Census Tracts	42.64%
<i>Source: 2010 Census, 2013 FFIEC Median Family Income Data and 2013 Dunn and Bradstreet Data</i>			

According to the 2010 U.S. Census Bureau economic data, the assessment area has a total population of 1,314,855. Approximately 12 percent of all households in the AA live below the poverty level. Housing units in the AA total 562,571 with 389,236 or 69.19 percent, classified as 1-4 family units of which 52.65 percent are owner-occupied. Multifamily housing represent 155,918, or 27.72 percent, and rental housing represent 214,687 or 38.16 percent of total housing units in the AA. Close to 14 percent, or 81,469 housing units are vacant. Based on 2013 Dunn and Bradstreet demographic data there are 224,505 non-farm businesses throughout the AA of which 160,836 or 71.64 percent are small businesses.

Seminole and Orange counties are contiguous counties located in Central Florida within the same MSA. Both counties share the Metro Orlando area, which is the 26th largest metropolitan area in the United States and boasts a gross domestic product (GDP) of more than \$100 billion dollars, according to the Metro Orlando Economic Development Commission. The metro area's economy benefits from a globally recognized tourism industry, the Orlando's aerospace and defense sector, biotechnology industry, and digital media sector. According to *Moody's Analytics*, the Orlando Metro's growth was the fifth fastest among major metro areas with at least 1 million residents. However, growth was concentrated in mainly low-paying leisure and hospitality and moderate-paying construction payrolls. Major employers in the AA include Walt Disney World, Florida Hospital, and the Publix Super Markets. The AA also serves as headquarters for several companies including Darden Restaurants, Tupperware Corporation, American Automobile Association (AAA) and Ruth's Chris Steak House to name a few. Leading industries include state and local government, restaurants, amusement parks and hospitality.

As with most metropolitan areas located in the State of Florida and throughout the country, the economy in the AA has been adversely impacted in the last several years due to high unemployment rates, foreclosures and significant declines in home values. Although economic recovery has been slow, weaknesses that continue for the AA according to *Moody's Analytics* include susceptibility to defense cuts, low industrial diversity and sensitivity to national and international economic conditions. Many businesses failed during the economic downturn, and the bank's ability to originate new loans to businesses, especially small businesses, was impacted by the continuing weak economy during the evaluation period.

Unemployment rates in the AA during the evaluation period were historically much higher than the national rate. However, the 2014 indicators suggested the AA is starting to exhibit signs of economic recovery as evidenced in the continuous unemployment rate-declining trend. According to the U.S. Department of Labor, Bureau of Labor Statistics information, the June 2014 unemployment rate (not seasonally adjusted) for Orange and Seminole Counties were 5.8 and 5.3 percent, respectively and compare favorably to the state- and nation-wide rate of 6.2 percent. In addition, the current unemployment rates reflect a significant improvement in comparison to the AA's December 2009 unemployment rates of 11.2 and 10.5 percent, respectively.

The AA has experienced a volatile housing market in the past several years as home values quickly escalated and declined in a short period. According to RealtyTrac, the State of Florida ranked as the top state for foreclosures nationwide for the period 2012 and 2013 with the trend continuing in 2014. The falling home values may continue as foreclosures and short sales continue in the AA; however, signs of recovery have somewhat improved in the market area. According to RealtyTrac, as of July 2014, Orange County is reporting one in every 359 housing units received a foreclosure filing, and Seminole County is reporting one in every 314 units. However, all counties are reporting significant declines from the same period last year. Based on data from the National Association of Realtors, the median housing sales price for an existing single-family home in the Orlando metropolitan area, as of June 30, 2014 was \$182,000, a 13.0 percent increase from the same period last year.

There is significant banking competition for financial services in the AA consisting of larger regional and national banks. According to the FDIC deposit market share data as of June 30, 2013, there were 44 financial institutions operating in 433 offices within Orange and Seminole Counties. Seaside National Bank & Trust is ranked ninth among banks with a 1.61 percent deposit market share. Major competitors include SunTrust Bank, Bank of America, N.A., Wells Fargo Bank, N.A., JPMorgan Chase Bank, N.A., and Fifth Third, which combined represent a 72.34 percent deposit market share.

During a CRA evaluation, it is customary for examiners to contact various persons and organizations within the institution's assessment area to gain insight regarding local and economic conditions and credit needs. During our examination, we spoke with a local organization to discuss the credit needs of the community and the responsiveness of financial institutions in the Orlando. According to the contact, the area was hit hard by the recession and the primary credit need in the area continues to be permanent financing for 1-4 single family and multi-family affordable housing. The contact mentioned there is an increased demand for affordable rental housing due to the inability of former homeowners and new homebuyers to qualify for mortgages mainly due to credit issues. The decline in home purchases by low- and moderate-income individuals and families and the significant amount of banks competing for these limited opportunities in the assessment areas were taken into consideration during this evaluation.

#### Description of the Palm Beach County Assessment Area

The assessment area (AA), which is part of the West Palm Beach-Boca Raton-Boynton Beach Metropolitan Statistical Area (MSA) #48424, is located in southeast Florida. The AA consists of 239 census tracts within Palm Beach County. West Palm Beach is the county seat for Palm Beach County. The assessment area meets the technical requirements of the regulation and does not arbitrarily exclude low- or moderate-income geographies.

SNBT has three full service branch offices located in the AA. One office is located in Boca Raton, one office in Palm Beach and the remaining office is located in Palm Beach Gardens. Out of the three branch locations, one is located in a middle-income census tract (Palm Beach Gardens) and the other two are located in upper-income tracts (Palm Beach and Boca Raton).

Specific 2010 and 2013 demographic and economic data for the assessment area are detailed below.

<b>Census 2010 and 2013 Demographic and Economic Characteristics of the Palm Beach County Assessment Area</b>			
<b>Population</b>		<b>Geographies</b>	
Total Persons	892,532	Number of Census Tracts	239
Number of Households	372,656	% Low-Income Census Tracts (14)	5.86%
<b>Median Family Income (MFI)</b>	\$64,600	% Moderate-Income Census Tracts (75)	31.38%
<i>Based on 2013 MFI</i>		% Middle-Income Census Tracts (83)	34.73%
Low-Income individuals earn	<\$32,300	% Upper-Income Census Tracts (64)	26.78%
Moderate-Income individuals earn	\$32,300-\$51,680	% NA (3)	1.26%
<b>Income Distribution</b>		<b>Non-Farm Businesses</b>	
Number of Families	217,702	Number of Businesses located in the AA	172,823
<b>Families residing in the AA by income category</b>		% of Small Businesses located in the AA	71.23%
% Low-Income Families	24.39%	% of Large Businesses	2.78%
% Moderate-Income Families	19.41%	% of Business with no revenues reported	25.99%
% Middle-Income Families	18.67%	% of Biz in Low-Income Census Tracts	4.36%
% Upper-Income Families	37.53%	% of Biz in Moderate-Income Census Tracts	24.76%
		% of Biz in Middle-Income Census Tracts	33.38%
		% of Biz in Upper-Income Census Tracts	37.24%

*Source: 2010 Census, 2013 FFIEC Median Family Income Data and 2013 Dunn and Bradstreet Data*

According to the 2010 U.S. Census Bureau economic data, the assessment area has a total population of 892,532. Approximately 12 percent of all households in the AA live below the poverty level. Housing units in the AA total 474,948, of which 55.56 percent are owner-occupied, with 286,343 (60.29 percent) classified as 1-4 family units. Multifamily housing represent 172,861, or 36.40 percent, and rental housing represent 124,260 or 26.16 percent of total housing units in the AA. Close to 22 percent, or 102,292 housing units are vacant. Based on 2013 Dunn and Bradstreet demographic data there are 172,823 non-farm businesses throughout the AA of which 123,096 or 71.23 percent are small businesses.

The AA is located on the southeast coast of Florida, north of the Miami metro area, in an area known as “Florida’s Treasure Coast”. West Palm Beach is the largest city in the Palm Beach County by population, bordered on the north by Palm Beach Gardens and on the east by Palm Beach. Boca Raton is located at the southeastern edge of the county. Retiree in-migration has surpassed expectations and is expected to continue to accelerate as increases in asset prices have rebuilt household wealth resulting in the ability to retire. Due to this increasing retiree population, the AA’s economy is largely based in the healthcare services, hospitality and retail sectors.

The AA is home to two Fortune 500 companies and a wide range of corporate, regional and divisional headquarters. Major employers in the AA include local governments, Publix Supermarkets, Tenet Healthcare, FP&L, Wackenhut, Office Depot, area hospitals

and Florida Atlantic University. Leading industries include state and local government, restaurants, hospitals, physicians and grocery stores.

As with most metropolitan areas located in the State of Florida and throughout the country, the economy in the AA has been adversely impacted in the last several years due to high unemployment rates, foreclosures and significant declines in home values. Although economic recovery has gained traction, weaknesses that continue for the AA according to *Moody's Analytics* include income susceptibility to interest rates and stock prices and a high cost of living. Many businesses failed during the economic downturn, and the bank's ability to originate new loans to businesses, especially small businesses, was impacted by the continuing weak economy during the evaluation period.

Unemployment rates in the AA during the evaluation period were historically much higher than the national rate. However, the 2014 indicators suggested the AA is starting to exhibit signs of economic recovery as evidenced in the continuous unemployment rate-declining trend. According to the U.S. Department of Labor, Bureau of Labor Statistics information, the June 2014 unemployment rate (not seasonally adjusted) for Palm Beach County was 6.1 percent, which coincides with the state rate of 6.2 percent and national rate of 6.1 percent. In addition, the current unemployment rates reflect a significant improvement in comparison to the AA's June 2013 unemployment rate of 7.9 percent.

The AA has experienced a volatile housing market in the past several years as home values quickly escalated and declined in a short period. According to RealtyTrac, the State of Florida ranked as the top state for foreclosures nationwide for the period 2012 and 2013 with the trend continuing in 2014. The falling home values may continue as foreclosures and short sales continue in the AA; however, signs of recovery have somewhat improved in the market area. Additionally, as of June 2014, Palm Beach County is reporting one in every 469 housing units received a foreclosure filing. With regard to branch locations, Palm Beach Gardens received 1 in every 687 units, Palm Beach 1 in every 2239 and Boca Raton 1 in every 583 units. All areas are reporting significant declines from the same period last year. According to data from Zillow, the median home value as of June 2014 for Palm Beach County was \$192,500, a 17.4 percent increase from the same period last year however still significantly lower than the peak of \$325,000 in February 2006.

There is significant banking competition for financial services in the AA consisting of larger regional and national banks. As of June 30, 2013, according to the Federal Deposit Insurance Corporation (FDIC) website, there were 59 deposit taking financial institutions in Palm Beach County operating 491 branches. SNB&T had a deposit market share of 0.21 percent and Wells Fargo and Bank of America continue to dominate the market with 22.26 percent and 15.17 percent, respectively.

During a CRA evaluation, it is customary for examiners to contact various persons and organizations within the institution's assessment area to gain insight regarding local and economic conditions and credit needs. During our examination, we relied on an existing community contact conducted by the OCC with a locally based community organization who stated affordable housing lending for 1-4 single-family and multi-family units is a

critical credit need. The impact of the recession has resulted in the inability of former homeowners and new homebuyers to qualify for mortgages mainly due to credit issues. The decline in home purchases by low- and moderate-income individuals and families and the significant amount of banks competing for these limited opportunities in the assessment areas were taken into consideration during this evaluation.

**LIMITED-SCOPE ASSESSMENT AREAS:**

*Description of the Broward County Assessment Area*

The assessment area (AA), which is part of the Fort Lauderdale-Pompano Beach-Deerfield Beach Metropolitan Statistical Area (MSA) #22744, is located in south Florida. The AA consists of 18 census tracts in Broward County. Fort Lauderdale is the county seat for Broward County. The assessment area meets the requirements of the regulation and does not arbitrarily exclude low - or moderate-income geographies.

Seaside National Bank & Trust has one full service branch located in Fort Lauderdale. The branch is located in an upper income census tract.

Specific 2010 and 2013 demographic and economic data for the assessment area are detailed below.

<b>Census 2010 and 2013 Demographic and Economic Characteristics of the Broward County Assessment Area</b>			
<b>Population</b>		<b>Geographies</b>	
Total Persons	62,503	Number of Census Tracts	18
Number of Households	28,794	% Low-Income Census Tracts (4)	22.22%
<b>Median Family Income (MFI)</b>	\$61,700	% Moderate-Income Census Tracts (2)	11.11%
<i>Based on 2013 MFI</i>		% Middle-Income Census Tracts (5)	27.78%
Low-Income individuals earn	<\$30,850	% Upper-Income Census Tracts (7)	38.89%
Moderate-Income individuals earn	\$30,851-\$49,360	% NA (0)	0%
<b>Income Distribution</b>		<b>Non-Farm Businesses</b>	
Number of Families	12,203	Number of Businesses located in the AA	20,015
<b>Families residing in the AA by income category</b>		% of Small Businesses located in the AA	68.61%
% Low-Income Families	31.82%	% of Large Businesses	3.77%
% Moderate-Income Families	13.85%	% of Business with no revenues reported	27.62%
% Middle-Income Families	15.43%	% of Biz in Low-Income Census Tracts	9.99%
% Upper-Income Families	38.90%	% of Biz in Moderate-Income Census Tracts	13.51%
		% of Biz in Middle-Income Census Tracts	20.24%
		% of Biz in Upper-Income Census Tracts	56.26%
<i>Source: 2010 Census, 2013 FFIEC Median Family Income Data and 2013 Dunn and Bradstreet Data</i>			

According to the 2010 U.S. Census Bureau economic data, the assessment area has a total population of 62,503. Approximately 17 percent of all households in the AA live below the poverty level. Housing units in the AA total 38,073 with 19,411 or 50.98 percent, classified as 1-4 family units of which 34.89 percent are owner-occupied. Multifamily housing represents 18,459 or 48.48 percent, and rental housing represents

17,815 or 46.79 percent of total housing units in the AA. Close to 25 percent, or 9,279 housing units are vacant. Based on 2013 Dunn and Bradstreet demographic data there are 20,015 non-farm businesses throughout the AA of which 13,732 or 68.61 percent are small businesses.

There is significant banking competition for financial services in the AA consisting of larger regional and national banks. According to the FDIC market share data as of June 30, 2013, there were 56 financial institutions operating in 487 offices within Broward County. Seaside National Bank & Trust ranked 53rd among banks with a 0.01 percent deposit market share. Major competitors include Bank of America, N.A., Wells Fargo Bank, N.A., JPMorgan Chase Bank, N.A., Citibank, N.A. and SunTrust Bank, which combined, represent 63.63 percent deposit market share.

Description of the Hillsborough County Assessment Area

The assessment area (AA), which is part of the Tampa-St. Petersburg-Clearwater Metropolitan Statistical Area (MSA) #45300, is located on the west coast of Florida. The AA consists of 174 census tracts in Hillsborough and Pinellas Counties. The assessment area meets the requirements of the regulation and does not arbitrarily exclude low - or moderate-income geographies.

Seaside National Bank & Trust has one full service branch office located in the AA. The branch is located in Tampa in an upper-income census tract.

Specific 2010 and 2013 demographic and economic data for the assessment area are detailed below.

<b>Census 2010 and 2013 Demographic and Economic Characteristics of the Hillsborough County Assessment Area</b>			
<b>Population</b>		<b>Geographies</b>	
Total Persons	699,670	Number of Census Tracts	174
Number of Households	299,399	% Low-Income Census Tracts (11)	6.32%
<b>Median Family Income (MFI)</b>	\$56,800	% Moderate-Income Census Tracts (44)	25.29%
<i>Based on 2013 MFI</i>		% Middle-Income Census Tracts (80)	45.98%
Low-Income individuals earn	<\$28,400	% Upper-Income Census Tracts (37)	21.26%
Moderate-Income individuals earn	\$28,401-\$45,440	% NA (2)	1.15%
<b>Income Distribution</b>		<b>Non-Farm Businesses</b>	
Number of Families	170,160	Number of Businesses located in the AA	122,832
<b>Families residing in the AA by income category</b>		% of Small Businesses located in the AA	66.30%
% Low-Income Families	21.73%	% of Large Businesses	3.46%
% Moderate-Income Families	19.10%	% of Business with no revenues reported	30.24%
% Middle-Income Families	20.34%	% of Biz in Low-Income Census Tracts	2.34%
% Upper-Income Families	38.83%	% of Biz in Moderate-Income Census Tracts	25.70%
		% of Biz in Middle-Income Census Tracts	43.50%
		% of Biz in Upper-Income Census Tracts	28.29%
<i>Source: 2010 Census, 2013 FFIEC Median Family Income Data and 2013 Dunn and Bradstreet Data</i>			

According to the 2010 U.S. Census Bureau economic data, the assessment area has a total population of 699,670. Approximately 12 percent of all households in the AA live below the poverty level. Housing units in the AA total 353,320 with 212,862 or 60.25 percent, classified as 1-4 family units of which 54.80 percent are owner-occupied. Multifamily housing represent 103,908, or 29.41 percent, and rental housing represent 119,957 or 33.95 percent of total housing units in the AA. Close to 15 percent, or 53,921 housing units are vacant. Based on 2013 Dunn and Bradstreet demographic data there are 122,832 non-farm businesses throughout the AA of which 81,436 or 66.30 percent are small businesses.

There is significant banking competition for financial services in the AA consisting of larger regional and national banks. According to the FDIC deposit market share data as of June 30, 2013, there were 61 financial institutions operating in 635 offices within Hillsborough and Pinellas Counties. Seaside National Bank & Trust is ranked 54<sup>th</sup> with a 0.04 percent deposit market share. Major competitors include Bank of America, N.A., Wells Fargo Bank, N.A., SunTrust Bank, Regions Bank and Fifth Third Bank, which combined, represent 56.33 percent deposit market share.

**Description of the Martin County Assessment Area**

The assessment area (AA), which is part of the Port St. Lucie Metropolitan Statistical Area (MSA) #38940 is located on the southeast coast of Florida. Stuart is the county seat for Martin County. The AA consists of 21 census tracts. The assessment area meets the requirements of the regulation and does not arbitrarily exclude low - or moderate-income geographies.

Seaside National Bank & Trust has one full service branch located in Stuart. The branch is located in a middle-income census tract.

Specific 2010 and 2013 demographic and economic data for the assessment area are detailed below.

<b>Census 2010 and 2013 Demographic and Economic Characteristics of the Martin County Assessment Area</b>			
<b>Population</b>		<b>Geographies</b>	
Total Persons	88,064	Number of Census Tracts	21
Number of Households	36,911	% Low-Income Census Tracts (0)	0%
<b>Median Family Income (MFI)</b>	<b>\$53,300</b>	% Moderate-Income Census Tracts (2)	9.52%
<i>Based on 2013 MFI</i>		% Middle-Income Census Tracts (9)	42.86%
Low-Income individuals earn	<\$26,650	% Upper-Income Census Tracts (10)	47.62%
Moderate-Income individuals earn	\$26,651-	% NA (2)	0%
	\$42,640		

<b>Income Distribution</b>		<b>Non-Farm Businesses</b>	
Number of Families	21,962	Number of Businesses located in the AA	18,661
<b>Families residing in the AA by income category</b>		% of Small Businesses located in the AA	73.64%
% Low-Income Families	13.00%	% of Large Businesses	2.89%
% Moderate-Income Families	15.90%	% of Business with no revenues reported	23.47%
% Middle-Income Families	17.26%	% of Biz in Low-Income Census Tracts	0.00%
% Upper-Income Families	53.83%	% of Biz in Moderate-Income Census Tracts	16.22%
		% of Biz in Middle-Income Census Tracts	41.47%
		% of Biz in Upper-Income Census Tracts	42.31%
<i>Source: 2010 Census, 2013 FFIEC Median Family Income Data and 2013 Dunn and Bradstreet Data</i>			

According to the 2010 U.S. Census Bureau economic data, the assessment area has a total population of 88,064. Approximately 9 percent of all households in the AA live below the poverty level. Housing units in the AA total 48,968 with 30,862, or 63.02%, classified as 1-4 family units of which 57.46 percent are owner-occupied. Multifamily housing represent 14,838, or 30.30 percent, and rental housing represent 10,207, or 20.84 percent of total housing units in the AA. Close to 25 percent, or 12,057 housing units are vacant. Based on 2013 Dunn and Bradstreet demographic data there are 18,661 non-farm businesses throughout the AA of which 13,742 or 73.64 percent are small businesses.

There is significant banking competition for financial services in the AA consisting of larger regional and national banks. According to the FDIC deposit market share data as of June 30, 2013, there were 17 financial institutions operating in 59 offices within the AA. Seaside National Bank & Trust ranked 14<sup>th</sup> among banks with a 0.46 percent deposit market share. Major competitors include Seacoast National Bank, Wells Fargo Bank, N.A., and Bank of America, N.A., which combined, represent a 53.95 percent deposit market share.

*Description of the Miami Assessment Area*

The assessment area (AA), which is part of the Miami-Miami Beach-Kendall (MSA) #33124, is located in southeast Florida. The AA consists of 197 census tracts in Dade County. The assessment area meets the requirements of the regulation and does not arbitrarily exclude low - or moderate-income geographies.

Seaside National Bank & Trust has one full service branch office located in the AA. The branch is located in Coral Gables in an upper-income census tract. Specific 2010 and 2013 demographic and economic data for the assessment area are detailed below.

<b>Census 2010 and 2013 Demographic and Economic Characteristics of the Miami Assessment Area</b>			
<b>Population</b>		<b>Geographies</b>	
Total Persons	865,227	Number of Census Tracts	197
Number of Households	300,645	% Low-Income Census Tracts (20)	10.15%
<b>Median Family Income (MFI)</b>	49,000	% Moderate-Income Census Tracts (53)	26.90%
<i>Based on 2013 MFI</i>		% Middle-Income Census Tracts (49)	24.87%
Low-Income individuals earn	<\$31,600	% Upper-Income Census Tracts (67)	34.01%
Moderate-Income individuals earn	\$31,600- \$39,200	% NA (8)	4.06%
<b>Income Distribution</b>		<b>Non-Farm Businesses</b>	
Number of Families	198,542	Number of Businesses located in the AA	197,041
<b>Families residing in the AA by income category</b>		% of Small Businesses located in the AA	69.08%
% Low-Income Families	24.86%	% of Large Businesses	3.59%
% Moderate-Income Families	16.33%	% of Business with no revenues reported	27.33%
% Middle-Income Families	17.31%	% of Biz in Low-Income Census Tracts	4.51%
% Upper-Income Families	41.50%	% of Biz in Moderate-Income Census Tracts	21.89%
		% of Biz in Middle-Income Census Tracts	20.81%
		% of Biz in Upper-Income Census Tracts	50.17%
<i>Source: 2010 Census, 2013 FFIEC Median Family Income Data and 2013 Dunn and Bradstreet Data</i>			

According to the 2010 U.S. Census Bureau economic data, the assessment area has a total population of 865,227. Approximately 19 percent of all households in the AA live below the poverty level. Housing units in the AA total 352,736 with 201,541 or 57.14 percent, classified as 1-4 family units of which 44.43 percent are owner-occupied. Multifamily housing represents 146,928 or 41.65 percent, and rental housing represent 161,580 or 45.81 percent of total housing units in the AA. Close to 15 percent, or 52,091 housing units are vacant. Based on 2013 Dunn and Bradstreet demographic data there are 197,041 non-farm businesses throughout the AA of which 136,123 or 69.08 percent are small businesses.

There is significant banking competition for financial services in the AA consisting of larger regional and national banks. According to the FDIC deposit market share data as of June 30, 2013, there were 69 financial institutions operating in 687 offices within the AA. Seaside National Bank & Trust is ranked 66<sup>th</sup> with a 0.01 percent deposit market share. Major competitors include Wells Fargo Bank, N.A., Bank of America, N.A., Citibank N.A., JPMorgan Chase N.A., and SunTrust Bank, which combined, represent approximately 48 percent deposit market share.

#### Description of the St. Johns County Assessment Area

The AA, which is part of the Jacksonville Metropolitan Statistical Area (MSA) #27260, is located in northeast Florida. The AA consists of 39 census tracts in Duval and St. Johns Counties. Jacksonville is the county seat for Duval County and St. Augustine for St. Johns County. The assessment area meets the requirements of the regulation and does not arbitrarily exclude low - or moderate-income geographies.

Seaside National Bank & Trust has one full service branch office located in the AA. The

office is located in an upper-income census tract in Ponte Vedra Beach, St. Johns County. In August 2013, a loan production office opened in Jacksonville.

Specific 2010 and 2013 demographic and economic data for the assessment area are detailed below.

<b>Census 2010 and 2013 Demographic and Economic Characteristics of the St. Johns Assessment Area</b>			
<b>Population</b>		<b>Geographies</b>	
Total Persons	206,657	Number of Census Tracts	39
Number of Households	77,698	% Low-Income Census Tracts (0)	0.00%
<b>Median Family Income (MFI)</b>	\$63,200	% Moderate-Income Census Tracts (4)	10.26%
<i>Based on 2013 MFI</i>		% Middle-Income Census Tracts (10)	25.64%
Low-Income individuals earn	<\$31,600	% Upper-Income Census Tracts (25)	64.10%
Moderate-Income individuals earn	\$31,600-\$50,560	% NA (0)	0.00%
<b>Income Distribution</b>		<b>Non-Farm Businesses</b>	
Number of Families	50,370	Number of Businesses located in the AA	31,016
<b>Families residing in the AA by income category</b>		% of Small Businesses located in the AA	70.10%
% Low-Income Families	12.65%	% of Large Businesses	2.17%
% Moderate-Income Families	15.33%	% of Business with no revenues reported	27.73%
% Middle-Income Families	19.53%	% of Biz in Low-Income Census Tracts	0.00%
% Upper-Income Families	52.48%	% of Biz in Moderate-Income Census Tracts	6.20%
		% of Biz in Middle-Income Census Tracts	22.19%
		% of Biz in Upper-Income Census Tracts	71.61%
<i>Source: 2010 Census, 2013 FFIEC Median Family Income Data and 2013 Dunn and Bradstreet Data</i>			

According to the 2010 U.S. Census Bureau economic data, the assessment area has a total population of 206,657. Approximately 8 percent of all households in the AA live below the poverty level. Housing units in the AA total 89,388 with 67,575 or 75.60 percent, classified as 1-4 family units of which 60.29 percent are owner-occupied. Multifamily housing represent 19,221, or 21.50 percent, and rental housing represent 27,045 or 30.26 percent of total housing units in the AA. Close to 13 percent, or 11,690 housing units are vacant. Based on 2013 Dunn and Bradstreet demographic data there are 31,016 non-farm businesses throughout the AA of which 21,743 or 70.10 percent are small businesses.

There is significant banking competition for financial services in the AA consisting of larger regional and national banks. According to the FDIC deposit market share data as of June 30, 2013, there were 35 financial institutions operating in 255 offices within St. Johns and Duval counties. Seaside National Bank & Trust is ranked 26<sup>th</sup> among all banks operating within the AA, with a 0.09 percent deposit market share. Major competitors include Bank of America, N.A., EverBank, Wells Fargo Bank, N.A. and SunTrust, which combined represent an 85.27 percent deposit market share.

*Description of the Sarasota County Assessment Area*

The assessment area (AA), which is part of the Northport-Bradenton-Sarasota Metropolitan Statistical Area (MSA) #35840, is located along Florida’s southwest coast.

The AA consists of 100 census tracts in Sarasota and Manatee Counties. The assessment area meets the requirements of the regulation and does not arbitrarily exclude low - or moderate-income geographies.

Seaside National Bank & Trust has one full service branch office located in the AA. The office is located in Sarasota in a moderate-income tract.

Specific 2010 and 2013 demographic and economic data for the assessment area are detailed below.

<b>Census 2010 and 2013 Demographic and Economic Characteristics of the Sarasota County Assessment Area</b>			
<b>Population</b>		<b>Geographies</b>	
Total Persons	362,729	Number of Census Tracts	100
Number of Households	158,407	% Low-Income Census Tracts (4)	4.04%
<b>Median Family Income (MFI)</b>	<b>\$59,900</b>	% Moderate-Income Census Tracts (29)	29.29%
<i>Based on 2013 MFI</i>		% Middle-Income Census Tracts (42)	42.42%
Low-Income individuals earn	<\$29,950	% Upper-Income Census Tracts (24)	24.24%
Moderate-Income individuals earn	\$29,951-\$47,920	% NA (0)	0.00%
<b>Income Distribution</b>		<b>Non-Farm Businesses</b>	
Number of Families	94,071	Number of Businesses located in the AA	62,845
<b>Families residing in the AA by income category</b>		% of Small Businesses located in the AA	71.89%
% Low-Income Families	22.41%	% of Large Businesses	2.56%
% Moderate-Income Families	19.38%	% of Business with no revenues reported	25.55%
% Middle-Income Families	20.08%	% of Biz in Low-Income Census Tracts	2.96%
% Upper-Income Families	38.13%	% of Biz in Moderate-Income Census Tracts	27.14%
		% of Biz in Middle-Income Census Tracts	42.14%
		% of Biz in Upper-Income Census Tracts	27.76%
<i>Source: 2010 Census, 2013 FFIEC Median Family Income Data and 2013 Dunn and Bradstreet Data</i>			

According to the 2010 U.S. Census Bureau economic data, the assessment area has a total population of 362,729. Approximately 12 percent of all households in the AA live below the poverty level. Housing units in the AA total 213,158 with 135,802 or 63.71 percent, classified as 1-4 family units of which 52.67 percent are owner-occupied. Multifamily housing represent 54,487, or 25.56 percent, and rental housing represent 56,412 or 26.46 percent of total housing units in the AA. Close to 26 percent, or 54,751 housing units are vacant. Based on 2013 Dunn and Bradstreet demographic data there are 62,845 non-farm businesses throughout the AA of which 45,177 or 71.89 percent are small businesses.

There is significant banking competition for financial services in the AA consisting of larger regional and national banks. According to the FDIC deposit market share data as of June 30, 2013, there were 40 financial institutions operating in 218 offices within the cities of Sarasota and Bradenton. Seaside National Bank & Trust is ranked 25<sup>th</sup> with a 0.64 percent deposit market share. Major competitors include Bank of America, N.A., Wells Fargo Bank, N.A., SunTrust Bank and Branch Banking and Trust Company, which combined, represent 52 percent deposit market share.

## Conclusions with Respect to Performance Tests

### LENDING TEST

The Lending Test analysis that follows evaluates the bank's lending activity as described earlier in the scope section. The factors considered are as follows: (1) Loan-to-Deposit Ratio; (2) Lending in the Assessment Area; (3) Lending to Borrowers of Different Income Levels; (4) Geographic Distribution of Loans; and (5) Response to CRA Complaints.

SNBT's performance under the Lending Test is Satisfactory. SNBT's lending among borrowers of different income levels and businesses of different sizes showed reasonable penetration. The geographic distribution of loans showed reasonable dispersion. In reaching our overall conclusion, primary consideration was given to the performance in the Central Florida and Palm Beach County assessment areas as the majority of the bank's activity and branches are located in the two assessment areas. Limited consideration was given to performance in the Broward County, Hillsborough County, Martin County, Miami, St. Johns County and Sarasota County assessment areas. We considered performance context factors in our ratings, especially the impact on lending as the result of the weak economy; the high level of competition in the AAs; the bank's delivery system for products and services.

#### Loan-to-Deposit Ratio

The bank's level of lending, as reflected in the bank's quarterly average net loan-to-deposit ratio (LTD), is reasonable given the bank's size, financial capacity and performance context factors.

The bank's quarterly average LTD ratio since the preceding CRA evaluation (15 quarters beginning with the third quarter of 2010) is 81.72 percent, ranging from a high of 86.07 percent in the third quarter of 2012 to a low of 72.27 percent in the fourth quarter of 2010. For the same period, Seaside's quarterly average ratio of 81.72 percent is slightly higher than the 78.47% percent ratio of three similarly situated banks operating in the bank's assessment area. The quarterly average high LTD ratio for these three banks was 86.36 percent and the low was 73.61 percent.

Management considers the banks shown below in the following table to be similarly situated institutions. Few community banks located within SNBT's AAs offer wealth management and private banking products and services. The community banks selected are less than \$2 billion in assets, have branch locations in the AAs, and offer similar lending products. Only one bank offers some wealth management products. The quarterly average LTD ratio for each similarly situated banks located in the AAs is depicted in the table below:

Loan-to-Deposit Ratios		
Institution	Total Assets \$ (000's) (As of 3/31/2014)	Average Loan-to-Deposit Ratio
<b>Seaside National Bank &amp; Trust</b>	<b>\$982,269</b>	<b>81.72%</b>
Cnlbank	\$1,272,046	75.44%
Florida Capital Bank, N.A.	\$377,006	73.61%
Stonegate Bank	\$1,710,840	86.36%

Source: Consolidated Reports of Condition and Income from September 2010 to March 2014.

### Lending in Assessment Areas

A majority of the bank's home mortgage and business loans originated and purchased over the evaluation period were inside its AA. This conclusion is based on an analysis of all HMDA reported mortgage home loans (415) and CRA reported business loans (529) originated and purchased in 2012 and 2013. As detailed in the table below, 68.64 percent in number, and 66.82 percent by dollar amount, of originated and purchased loans were inside the AA.

Lending in the Assessment Areas										
Loan Type	Number of Loans					Dollars of Loans(000's)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Mortgage Loans	275	66.27	140	33.73	415	99,512	65.57	52,254	34.43	151,766
Business Loans	373	70.51	156	29.49	529	102,164	68.08	47,891	31.92	150,055
Total	648	68.64	296	31.36	944	201,676	66.82	100,145	33.18	301,821

Source: 2012 and 2013 HMDA and CRA Reports.

### Lending to Borrowers of Different Incomes and to Businesses of Different Sizes

The bank's lending activities shows reasonable penetration among borrowers of different income levels and businesses of different sizes given the performance context.

This conclusion is based on an analysis of all business loans (373) and home mortgage loans (275) originated and purchased in 2012 and 2013. For home mortgage loans, we compared the income distribution of the bank's borrowers to the income distribution of the families with the assessment areas, using the FFIEC median family income levels. For business loans, we compared the bank's distribution of lending to small businesses in relation to small businesses with the assessment areas using business demographic data.

Based on the performance context, borrower distribution of loans in the full-scope AAs is reasonable. The level of penetration for mortgage lending to low- and moderate-income borrowers in the Central Florida AA was slightly below or below the demographic comparators. For small business lending, the level of penetration was much lower than the comparator. For the Palm Beach AA, the level of penetration for

mortgage lending to moderate-income borrowers was slightly below the demographic comparators. For small business lending, the level of penetration was much lower than the comparator.

As discussed in the performance context sections of this report (“Description of the Assessment Areas”) housing affordability is a challenge for low- and moderate-income families in Florida. For both AAs, poverty levels were approximately 12 % of all households residing in these areas. In addition, issues of declining home values and stricter credit criteria made it difficult for the majority of families to refinance home mortgage loans. The economic crisis severely affected revenues for many businesses, which resulted in many business failures, particularly small businesses. Further, competition to lend to low- and moderate-income individuals and families and small businesses is intense among the financial institutions within the eight assessment areas. In the Central Florida AA, there are 43 financial institutions operating in 432 offices. In the Palm Beach County AA, there are 58 financial institutions operating in 490 offices.

**Full-Scope Assessment Areas:**

*Central Florida Assessment Area:*

Home Mortgage Loans

Overall, SNBT’s home mortgage lending to borrowers of different income levels exhibits reasonable penetration among low- and moderate-income borrowers, given performance context. For the above reasons, we have placed more emphasis on performance to moderate-income borrowers. SNBT originated and purchased 136 home mortgage loans in the Central Florida AA.

Given performance context, the borrower distribution of home purchase loans is reasonable. The percentage of home purchase loans to low-income borrowers is lower than the percent of low-income families in the AA. This performance is reasonable given the percentage of households living below the poverty level in the AA and the affordability of housing. For moderate-income borrowers, the percent of loans is slightly lower than the percent of moderate-income families in the AA. This performance is reasonable given the affordability of housing and more restrictive underwriting standards.

Given the performance context, the borrower distribution of home refinance loans is reasonable. The bank did not extend any loans to low-income families. This performance is reasonable given the percentage of households living below the poverty level. For moderate-income borrowers, the percent of loans is below the percent of moderate-income families in the AA. This performance is reasonable given the demand for refinance loans were limited due to the declining home values and more restrictive underwriting standards.

The following table shows the distribution of home purchase and home refinance loans among borrowers of different income levels as compared to the percent of families in each income category.

<b>Borrower Distribution of Residential Real Estate Loans in the Central Florida Assessment Area</b>								
Borrower Income Level	Low		Moderate		Middle		Upper	
	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Home Purchase	19.90%	4.48%	18.14%	10.45%	20.10%	10.45%	41.86%	74.62%
Refinance	19.90%	0.00%	18.14%	4.23%	20.10%	2.82%	41.86%	85.92%

Source: 2012 and 2013 HMDA data, 2010 U.S. Census data. Note: No income information available for 7.03 percent of refinance loans.

**Business Loans**

The distribution of loans to businesses of different sizes is reasonable. Although the percentages were below the demographic data, we considered the distribution reasonable based on performance context factors discussed earlier. Context relates to the impact of the economic downturn and sluggish recovery during the evaluation period constraining SNBT’s ability to lend to small businesses. Additionally, based on demographic data, there are 160,836 small businesses (annual revenues of \$1 million or less) within the AA with 43 financial institutions operating in 432 offices competing to lend to these businesses.

SNBT made 237 business loans in the AA. Of the 237 business loans, 35.86 percent were made to small businesses, which is significantly below the 71.64% of small businesses in the AA. However, of the 237 loans originated, 36.29 percent were in amounts of \$100 thousand or less and 64.98 percent were in amounts of \$250 thousand or less, an indication that the bank is meeting the credit needs of small businesses in the AA. The following tables show the distribution of business loans among different sized businesses in the AA and total number of loans made by loan size.

<b>Borrower Distribution of Loans to Businesses in the Central Florida AA</b>				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/Unknown	Total
% of AA Businesses	71.64%	2.77%	25.59%	100.00%
% of Bank Loans in AA by #	35.86%	51.90%	12.24%	100.00%
% of Bank Loans in AA by \$	26.25%	60.31%	13.44%	100.00%

Source: 2012 and 2013 CRA Data, 2013 Dunn and Bradstreet Data.

<b>Borrower Distribution of Loans to Businesses by Loan Size in the Central Florida AA</b>				
Loan Size (000’s)	Number of Loans	Percent of Number	Dollar Volume of Loans	Percent of Dollar Volume
\$0 - \$100,000	86	36.29%	\$5,228,000	8.96%
\$100,001 - \$250,000	68	28.69%	\$12,493,000	21.40%
\$250,001 - \$1,000,000	83	35.02%	\$40,646,000	69.64%
> \$1,000,000	0	0	0	0
Total	237	100.00%	\$58,367,000	100.00%

Source: 2012 and 2013 CRA Data.

*Palm Beach County Assessment Area:*

Home Mortgage Loans

Overall, SNBT’s home mortgage lending to borrowers of different income levels exhibits reasonable penetration among low- and moderate-income borrowers, given performance context. As noted above, we have placed more emphasis on performance to moderate-income borrowers. SNBT originated and purchased 35 home mortgage loans in the Palm Beach County AA.

Given performance context, the borrower distribution of home purchase loans is reasonable. The bank did not extend any loans to low-income families. This performance is reasonable given the percentage of households living below the poverty level and the affordability of housing. For moderate-income borrowers, the percent of loans is slightly lower than the percent of moderate-income families in the AA. This performance is reasonable given the affordability of housing and more restrictive underwriting standards.

Given the performance context, the borrower distribution of home refinance loans is reasonable. The bank did not extend any loans to low-income families. This performance is reasonable given the percentage of households living below the poverty level. For moderate-income borrowers, the percent of loans is slightly below the percent of moderate-income families in the AA. This performance is reasonable given the demand for refinance loans were limited due to the declining home values and more restrictive underwriting standards.

The following table shows the distribution of home purchase and home refinance loans among borrowers of different income levels as compared to the percent of families in each income category.

<b>Borrower Distribution of Residential Real Estate Loans in the Palm Beach County Assessment Area</b>								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Home Purchase	24.39%	0.00%	19.41%	11.54%	18.67%	15.38%	37.53%	69.23%
Refinance	24.39%	0.00%	19.41%	11.11%	18.67%	0.00%	37.53%	66.67%

*Source: 2012 and 2013 HMDA data, 2010 U.S. Census data. NOTE: No income information available for 3.85 percent of home purchase loans and 22.22 percent of refinance loans.*

Business Loans

The distribution of loans to businesses of different sizes is reasonable given the performance context. Although the percentages were significantly below the demographic data, we considered the distribution reasonable based on performance context factors discussed earlier. Context relates to the impact of the economic downturn and sluggish recovery during the evaluation period constraining SNBT’s ability to lend to small businesses. Additionally, based on demographic data, there are

123,096 small businesses within the AA (annual revenues of \$1 million or less) with 58 financial institutions operating in 490 offices competing to lend to these businesses.

SNBT made 56 business loans in the AA. Of the 56 business loans, 32.14 percent were made to small businesses, which is well below the 71.23% of small businesses in the AA. However, of the 56 loans originated, 25 percent were in amounts of \$100 thousand or less and 44.64 percent were in amounts of \$250 thousand or less, an indication that the bank is meeting the credit needs of small businesses in the AA.

The following tables show the distribution of business loans among different sized businesses in the AA and total number of loans made by loan size.

<b>Borrower Distribution of Loans to Businesses in the Palm Beach County Assessment Area</b>				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/Unknown	Total
% of AA Businesses	71.23%	2.78%	25.99%	100.00%
% of Bank Loans in AA by #	32.14%	55.36%	12.50%	100.00%
% of Bank Loans in AA by \$	35.63%	53.00%	11.37%	100.00%

Source: 2012 and 2013 CRA Data, 2013 Dunn and Bradstreet Data.

<b>Borrower Distribution of Loans to Businesses by Loan Size in the Palm Beach County Assessment Area</b>				
Loan Size (000's)	Number of Loans	Percent of Number	Dollar Volume of Loans	Percent of Dollar Volume
\$0 - \$100,000	14	25.00%	\$816,000	3.93%
\$100,001 - \$250,000	11	19.64%	\$2,076,000	9.99%
\$250,001 - \$1,000,000	31	55.36%	\$17,894,000	86.08%
>\$1,000,000	0	0	0	0
Total	56	100.00%	\$20,786,000	100.00%

Source: 2012 and 2013 CRA Data.

**Conclusions for Areas Receiving Limited-Scope Reviews:**

Based on limited-scope reviews, the bank’s performance for borrower distribution in the Broward County, Hillsborough County, Martin County, Miami County, Sarasota County and the St. John’s County was not inconsistent with performance in the full-scope AAs. Consideration was given to the performance context, the limited number of offices in the AAs (one each) and the low volume of lending and deposit activity at each of the branches.

Home purchase and home refinance and business lending in Martin County was consistent with the performance in the full-scope AAs. Business lending in St. Johns County was stronger than the performance for the full-scope AAs and consistent performance for home refinance lending. There was no home purchase lending to low- and moderate-income borrowers.

For the Broward County, Hillsborough County, Miami and Sarasota County AAs, there was an insufficient volume of lending for home mortgage loans and business loans to conduct a meaningful analysis.

### **Geographic Distribution of Loans**

The geographic distribution of home mortgage and business loans reflects a reasonable dispersion among the various income geographies given the performance context.

This conclusion is based on the same home mortgage loans and business loans originated and purchased during the evaluation period. The following tables illustrates the geographic distribution of home mortgage loans originated and purchased within these income tracts in comparison to the percentage of owner-occupied units in each income geography. For business loans, the comparator is the number of businesses operating in the assessment area within each income tract. Although the bank did not lend in all geographies in the eight assessment areas, we did not identify any conspicuous gaps that could not be explained by the performance context, including the location of SNBT's branches, limited opportunities and the level of competition in the AAs.

The geographic distribution of mortgage loans and business loans in the full-scope AAs is reasonable. There were no home loans and business loans made in low-income geographies in the Central Florida AA. However, there are only five low-income census tracts in the AA and the level of owner-occupied housing and businesses in these tracts are less than 1 percent. For moderate-income geographies, the level of home mortgage lending is lower and for business lending the level is higher than the comparators. For the Palm Beach County AA, the level of mortgage lending to low-income borrowers is higher than the demographic comparators for home purchase lending. For business lending, the lending is similar to the number of businesses operating in low-income geographies. For moderate-income geographies, the level of home mortgage lending is lower and business lending is lower than the comparators. The performance context issues discussed in the borrower distribution analysis and *Description of Assessment Areas* also had the same impact on home mortgage and business lending in low- and moderate-income geographies. Additionally, there are limited number of low-income geographies in the AAs and very low-levels of owner-occupied housing in low- and moderate-income geographies. As such, for our analysis, more weight was placed on the distribution in moderate-income census tracts. Business lending is weighted slightly more than small loans to businesses given lending volumes.

### **Full-Scope Assessment Areas:**

#### *Central Florida Assessment Area:*

#### Home Mortgage Loans

Overall, the geographic distribution of home mortgage loans in the AA reflects a reasonable dispersion given the performance context. As noted above, more weight was placed on moderate-income tracts.

Given the performance context, the bank’s home purchase lending in low- and moderate-income geographies reflects reasonable penetration. SNBT made 136 home mortgage loans in the AA. The bank did not originate any home purchase loans in low-income geographies, which is reasonable given there are no offices in low-income geographies; few low-income geographies in the AA; and, few opportunities to lend in low-income tracts. The percentage of owner-occupied housing in low-income geographies is only 0.46 percent of all owner-occupied housing units in the AA. The percentage of the bank’s home purchase loans in moderate-income geographies is lower than the percentage of owner-occupied housing units in moderate-income geographies. The percentage of all owner-occupied units in moderate-income geographies is only 18.87 percent of all owner-occupied units in the AA with 43 financial institutions operating in 432 offices competing to lend in this census tract. Given the performance context factors noted previously to include the significant level of banking competition, this level of lending in moderate-income geographies is considered reasonable.

Given the performance context, the bank’s refinance lending in low- and moderate-income geographies reflects reasonable penetration. The bank did not originate any refinance loans in low-income geographies, which is reasonable given there are no branches located in low-income geographies; few low-income geographies in the AA; and few opportunities to lend in low-income tracts. The percentage of owner-occupied housing in low-income geographies is only 0.46 percent of all owner-occupied housing units in the AA. The percentage of the bank’s home purchase loans in moderate-income geographies is lower than the percentage of owner-occupied housing units in moderate-income geographies. The percentage of all owner-occupied units in moderate-income geographies is only 18.87 percent of all owner-occupied units in the AA with 43 financial institutions operating in 432 offices competing to lend in this census tract. Given the performance context factors noted previously to include the significant level of banking competition, this level of lending in moderate-income geographies is considered reasonable.

The following table details the bank’s performance as compared to the percentage of owner-occupied housing units in each census tract level.

<b>Geographic Distribution of Residential Real Estate Loans in the Central Florida Assessment Area</b>								
Census Tract Income Level	Low		Moderate		Middle		Upper	
	% of Owner-Occupied Housing	% of Number of Loans	% of Owner-Occupied Housing	% of Number of Loans	% of Owner-Occupied Housing	% of Number of Loans	% of Owner-Occupied Housing	% of Number of Loans
Home Purchase	0.46%	0.00%	18.87%	5.97%	36.99%	26.87%	43.68%	67.16%
Refinance	0.46%	0.00%	18.87%	5.63%	36.99%	9.86%	43.68%	84.51%

Source: 2012 and 2013 HMDA data, 2010 U.S. Census data.

Business Loans

The geographic distribution of small loans to businesses reflects an excellent dispersion throughout the census tracts of different income levels given the performance context.

SNBT made 216 small loans to businesses in the AA. The bank did not make any loans in the five low-income geographies located in the AA, which is reasonable, given there are no offices located in low-income geographies and limited opportunities in the census tract. In moderate-income geographies, the percentage of business lending exceeds the percentage of businesses located in moderate-income geographies. The bank extended 33.33 percent of its business loans to businesses that are located in moderate-income geographies. By comparison, these census tracts account for 22.74 percent of all businesses within the AA.

The following table details the bank’s performance as compared to the percentage of businesses in each census tract income level.

Geographic Distribution of Loans to Businesses in the Central Florida Assessment Area								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
Business	0.63%	0.00%	22.74%	33.33%	33.99%	18.57%	42.64%	48.10%

*Source: 2012 and 2013 CRA data, 2013 Dunn and Bradstreet data.*

*Palm Beach County Assessment Area:*

Home Mortgage Loans

Overall, the geographic distribution of home mortgage loans in the AA reflects a reasonable dispersion given the performance context. As noted above, more weight was placed on moderate-income tracts. The bank made 35 home mortgage loans during the evaluation period.

Given the performance context, the bank’s home purchase lending in low- and moderate-income geographies reflects reasonable penetration. The level of lending in low-income geographies exceeds the percentage of owner-occupied units located in low-income geographies. The bank did not make any loans in moderate-income geographies, which is considered reasonable given there are no offices located in moderate-income census tracts and limited lending opportunities. The percentage of all owner-occupied units in moderate-income geographies is only 28.15 percent in the AA with 58 financial institutions operating in 490 offices competing to lend in this census tract.

Given the performance context, the bank’s refinance lending in low- and moderate-income geographies reflects reasonable penetration. The bank did not originate any

refinance loans in low-income geographies, which is reasonable given there are no offices located in low-income geographies and few low-income geographies and opportunities to lend in the AA. The percentage of the bank’s refinance loans in moderate-income geographies is lower than the percentage of owner-occupied housing units in moderate-income geographies, which is reasonable given there are no offices located in moderate-income census tracts and limited lending opportunities. The percentage of all owner-occupied units in moderate-income geographies is only 28.15 percent of all owner-occupied units in the AA with 58 financial institutions operating in 490 offices competing to lend in this census tract.

The following table details the bank’s performance as compared to the percentage of owner-occupied housing units in each census tract income level.

<b>Geographic Distribution of Residential Real Estate Loans in the Palm Beach County Assessment Area</b>								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan type	% of Owner-Occupied Housing	% of Number of Loans	% of Owner-Occupied Housing	% of Number of Loans	% of Owner-Occupied Housing	% of Number of Loans	% of Owner-Occupied Housing	% of Number of Loans
Home Purchase	3.20%	3.85%	28.15%	0.00%	40.20%	30.77%	28.45%	65.38%
Refinance	3.20%	0.00%	28.15%	11.11%	40.20%	0.00%	28.45%	88.89%

*Source: 2012 and 2013 HMDA data, 2010 U.S. Census data.*

### Business Loans

Given the performance context, the geographic distribution of small loans to businesses reflects a reasonable dispersion throughout the census tracts of different income levels given the performance context.

SNBT made 56 small loans to businesses in the AA. In low-income geographies, the percentage of business lending is slightly lower than the percentage of business located in low-income geographies, which is reasonable given there are no offices located in low-income geographies. In moderate-income geographies, the percentage of business lending is lower than the percentage of businesses located in moderate-income geographies, which is reasonable given there are no offices located in low-income geographies and limited opportunities.

The following table details the bank’s performance as compared to the percentage of businesses in each census tract income level.

Geographic Distribution of Loans to Businesses in the Palm Beach County Assessment Area								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
Business	4.36%	3.57%	24.76%	8.93%	33.38%	21.43%	37.24%	66.07%

Source: 2012 and 2013 CRA data, 2013 Dunn and Bradstreet data NOTE: No information was available for 0.26 percent of the businesses.

**Conclusions for Areas Receiving Limited-Scope Reviews:**

Based on limited-scope reviews, the bank’s performance for borrower distribution in the Broward County, Hillsborough County, Martin County, Miami County, Sarasota County and the St. John’s County was not inconsistent with performance in the full-scope AAs. Consideration was given to the performance context, the limited number of offices in the AAs (one each) and the low volume of lending and deposit activity at each of the branches.

Business lending in Martin County was consistent with the performance in the full-scope AAs. There was no home purchase lending in low- and moderate-income geographies. There was no home purchase, refinance and business lending in St. Johns County in low-and moderate-income geographies. However, the performance for Martin County and St. Johns County is reasonable given the performance context noted under the full-scope AAs as well as there are no offices located in low-and moderate-income geographies and limited opportunities to lend in these census tracts.

For the Broward County, Hillsborough County, Miami and Sarasota County AAs, there was an insufficient volume of lending for home mortgage loans and business loans to conduct a meaningful analysis

**Responses to Complaints**

There have been no CRA related complaints received by the bank or our office since the last CRA examination.

**COMMUNITY DEVELOPMENT TEST**

**The bank’s performance under the Community Development Test is rated “Outstanding”:**

The overall level of community development performance demonstrates excellent responsiveness to needs of its assessment areas through community development loans, qualified investments and community development services, considering the bank’s size, its performance context and the need and availability of such opportunities for community development in the AAs.

## Community Development Loans

Assessment Area	#	\$ (000)
Full-Scope Assessment Areas	12	\$ 25.7
Limited-Scope Assessment Areas	28	\$11.6
<b>Totals:</b>	<b>40</b>	<b>\$37.3</b>

SNBT's community development loan (CD) performance demonstrates excellent responsiveness to community needs, given the limited opportunities in the assessment areas during the evaluation period.

During the evaluation period, the bank made 40 CD loans totaling \$37.3 million to eight different organizations throughout the AAs. Specifically, 24 CD loans totaling \$20 million were made to entities involved in providing affordable housing for low-and moderate-income persons. All of the bank's AAs were negatively impacted in the economic downturn resulting in high foreclosure levels and the increased need for affordable housing. Based on our community interviews, community development loans addressing affordable housing was identified as an important credit need in the AAs. SNBT made 16 loans totaling \$17.3 million to entities that provided community services targeted to low-and moderate-income persons, a critical community need during the evaluation period due to the weak economy, which resulted in an increased need for social services in the AAs. Specific CD loan performance includes:

- SNBT made 12 loans (7 new and 5 renewals) totaling \$25.7 million to entities in the full-scope Central Florida and Palm Beach County AAs. Specifically, two loans totaling \$16 million were made to an entity to fund land purchases for new Low Income Housing Tax Credits (LIHTCs) housing projects under development. LIHTCs are an important funding source for affordable housing as it helps provide rental housing to low-and moderate-income residents. The bank also made two loans (one new and one renewal) totaling \$3 million to Habit for Humanity of Greater Orlando, a non-profit organization involved in providing housing for low-and moderate-income families. The remaining eight totaling \$6.7 million were provided to organizations supplying community services to low- and moderate-income persons including emergency shelter, treatment centers, jobs, vocational and financial literacy training as well as other social services in the AAs.
- SNBT made 28 loans (26 new and 2 renewals) totaling \$11.6 million to entities in the Sarasota and Hillsborough Counties assessment areas. Specifically, twenty loans totaling \$923 thousand are part of a consortium in conjunction with Neighborhood Stabilization Funds to finance residential properties in areas of Pinellas County (Hillsborough AA), that have been identified with high foreclosure rates. The remaining eight loans totaling \$10.7 million were provided mainly to organizations supplying community services to low-and moderate-income persons including jobs and vocational training.

### **Conclusion for Limited-Scope AAs**

The level of CD lending for the limited-scope AAs reflects excellent responsiveness to the CD needs of the AAs through CD lending during the evaluation period.

### **Number and Amount of Qualified Investments**

Community Development investments represent excellent responsiveness to the AAs needs, given the bank's size, its performance context and the need and availability of such opportunities in the AAs. In total, SNBT made 20 qualified investments totaling \$4.3 million throughout the AAs during the evaluation period and includes:

- SNBT made three Ginnie Mae (GNMA) investments totaling \$3.7 million. The three investments are mortgage-back securities collateralized by a pool of mortgage loans to low-and moderate-income borrowers residing within the bank's full- and limited-scope assessment areas. Based on our community contacts, affordable housing has been identified as a critical credit need in the AAs.
- One statewide investment totaling \$500 thousand made in the Florida Community Loan Fund (FCLF). FCLF is a Certified Community Development Financial Institution (CDFI) whose purpose is the provision of loans on affordable terms and technical assistance to those community-based organizations that are engaged in primarily affordable housing development. In addition, three monetary donations totaling \$7,500 were made to FCLF during the evaluation period to fund operating costs. Statewide investments were given positive consideration in reaching the overall rating for the Investment Test due to the bank adequately meeting the CD needs within its assessment areas.
- During the evaluation period, the bank made 13 donations totaling \$70,250 to 12 different non-profit organizations encompassing the entire bank's AAs. Donations were to non-profit organizations that provide community services directed to assist low-and moderate-income residents of the bank's AAs and include services such as emergency shelter and child welfare services for low-and moderate-income individuals and families.

### **Conclusion for Limited-Scope AAs**

The level of CD investments for the limited-scope AAs reflects excellent responsiveness to the CD needs of the AAs through CD investments during the evaluation period.

### **Community Development Services**

The extent to which the bank provides banking services and community development services is excellent given its size and capacity to provide such services.

The bank has three offices located in a moderate-income geography. Although SNBT's primary product lines are targeted to business and also includes wealth management customers, there are a few deposit and lending products that are considered responsive

to the banking needs of small businesses and low-and moderate-income individuals. SNBT offers for businesses a low-cost checking account with a \$100 minimum balance to open; no monthly maintenance fees and the first 150 items are free. The fee for items in excess of 150 is \$0.30 per item. SNBT offers a low-cost personal checking account for consumers with no minimum balance to open and the ability to avoid the \$5 monthly maintenance fee with a direct deposit. Both accounts offer debit cards and online banking services. The bank has one automated teller machine (ATM) located in a moderate-income geography. There is no charge for ATM transactions conducted at any Publix (Presto) ATMs.

SNBT is a qualified U.S. Small Business Administration (SBA) lender, which allows the bank to address the lending needs of small businesses in the assessment areas. SNBT offers 7(a) and 504 SBA loan products. Affordable residential lending products include Federal Housing Administration (FHA) loans and Veterans Administration (VA) loans.

Bank personnel engage in community development services throughout all the AAs that are responsive to community needs. During the evaluation period, 38 different bank personnel to include one director, served organizations whose mission or specific activity meets the definition of community development. In total, 2,738.50 hours of community services were provided to 20 different organizations located in the AAs. Specifically, bank personnel used their financial expertise by serving on board, executive, budget, finance, and loan committees as well as assisting with fund-raising activities for local organizations whose primary purpose is to provide affordable housing and services targeted to low-and moderate-income persons. Bank personnel also provided financial literacy training targeted to low-and moderate-income students and residents of the AAs.

### **Conclusion for Limited-Scope AAs**

The level of CD services for the limited-scope AAs reflects excellent responsiveness to the CD needs of the AAs through CD services during the evaluation period.

### **Responsiveness to Community Development Needs**

Considering the bank's size, performance context factors and the need and availability of CD opportunities, SNBT's community development performance throughout all of the AAs demonstrates excellent responsiveness to community development needs through its community development loan, investment and services. CD loans, investment and services supported organizations whose principal activities are consistent with identified needs. CD loans and investments activities addressed affordable housing to benefit low-and moderate-income individuals and families, an important credit need identified by community contacts used for this examination. Community development services included low-cost checking accounts and affordable loan products that can benefit low-and moderate-income individuals and small businesses. Further, SNBT bank personnel time were mainly focused on organizations involved in affordable housing initiatives and organizations involved in community services. Bank personnel provided a significant amount of time providing their financial expertise to non-profit organizations whose mission is focused on affordable housing, a critical need in all of the AAs.

## **Fair Lending or Other Illegal Credit Practices Review**

Pursuant to 12 C.F.R. 25.28(c), in determining a national bank's (bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any assessment area by an affiliate whose loans have been considered as part of the bank's lending performance.

We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.