



PUBLIC DISCLOSURE

11/15/2021

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Finemark National Bank and Trust
Charter Number: 24719

8695 College Parkway
Fort Myers, FL 33919

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, and should not 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.

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Overall CRA Rating

Institution’s CRA Rating: This institution is rated Satisfactory.

The following table indicates the performance level of FineMark National Bank & Trust with respect to the Lending, Investment, and Service Tests:

Performance Levels	FineMark National Bank & Trust Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X	X	X
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			

* The Lending Test is weighted more heavily than the Investment and Service Tests when arriving at an overall rating.

The major factors that support this rating include:

- The Lending Test rating is based performance across all rating areas. The state rating areas of Florida and Arizona received greater weight. Lending performance reflects good responsiveness to credit needs, an adequate geographic distribution of loans, and an adequate distribution of loans among individuals of different income levels and businesses of different sizes. Use of flexible lending programs was considered in arriving at the overall Lending Test ratings. Community development (CD) loans had a positive impact on the state of Florida and South Carolina.
- The Investment Test rating is based on performance across all rating areas. The state rating areas of Florida and Arizona received greater weight. The bank has a good level of qualified CD investments and grants across the rating areas, including broader statewide areas. Investments exhibit good responsiveness to credit and community development needs; and the bank occasionally uses innovative and/or complex investments to support CD initiatives.
- The Service Test rating is based on the performance across all rating areas. The state rating areas of Florida and Arizona received greater weight. Service delivery systems are reasonably accessible to geographies and individuals of different income levels in the assessment areas (AAs). The bank provided a good level of CD services.

Lending in Assessment Area

A substantial majority of the bank's loans are in its assessment areas.

The bank originated and purchased 86.8 percent of its total loans inside the bank's assessment area(s) (AAs) during the evaluation period. This analysis is performed at the bank level, rather than the AA level.

Table D - Lending Inside and Outside of the Assessment Area											
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)	
	Inside		Outside			Inside		Outside			
	#	%	#	%		\$	%	\$	%		
Home Mortgage											
2018	256	83.7	50	16.3	306	179,776	87.4	25,921	12.6	205,697	
2019	317	82.8	66	17.2	383	184,462	81.0	43,298	19.0	227,759	
2020	385	82.4	82	17.6	467	306,572	87.3	44,528	12.7	351,100	
Subtotal	958	82.9	198	17.1	1,156	670,810	85.5	113,747	14.5	784,556	
Small Business											
2018	163	89.6	19	10.4	182	45,258	85.4	7,723	14.6	52,981	
2019	225	93.8	15	6.3	240	58,770	92.0	5,092	8.0	63,862	
2020	664	90.2	72	9.8	736	113,744	88.0	15,533	12.0	129,277	
Subtotal	1,052	90.8	106	9.2	1,158	217,772	88.5	28,348	11.5	246,120	
Small Farm											
2018	0	0.0	1	100.0	1	0	0.0	50	100.0	50	
2019	0	0.0	1	100.0	1	0	0.0	50	100.0	50	
Subtotal	0	0.0	2	100.0	2	0	0.0	100	100.0	100	
Total	2,010	86.8	306	13.2	2,316	888,582	86.2	142,195	13.8	1,030,776	
<i>Source: Bank Data Due to rounding, totals may not equal 100.0%</i>											

As a percentage of total loans originated or purchased inside the bank's AAs, HMDA-reportable loans represented 47.7 percent of the total, small business loans represented 52.3 percent of the total. There were few small farm loans originated and none were in the bank's AAs. Small business lending in 2020 includes 532 loans totaling \$98.5 million made under the U.S. Small Business Administration's Paycheck Protection Program.

Since small farm loans are not a primary loan product, performance in this category does not impact the overall geographic or borrower distribution of the lending conclusions. Small farm information is provided in the table for informational purposes only and was not considered in the overall analysis of the Lending Test.

Lending in the assessment areas is factored into the analysis of the bank's geographic distribution of loans in each AA.

Description of Institution

FineMark National Bank & Trust (FNB&T or FineMark) is wholly owned by FineMark Holdings, Inc., a one-bank holding company headquartered in Fort Myers, Florida. FNB&T is a nationally chartered commercial bank and trust company that opened its first office on February 16, 2007 in Fort Myers, Florida. In 2016, the bank formed FineMark Solar, LLC subsidiary, a South Carolina Limited Liability Company comprised of twelve solar farms that generate renewable energy that is sold to local electric cooperatives. In 2018, the bank formed 8695, LLC, which was created in connection with the acquisition and construction of the bank's headquarters.

As of December 31, 2020, the bank reported total assets of \$2.85 billion, with \$1.87 billion in loans, representing 65.6 percent of assets. The loan portfolio is comprised primarily of residential real estate loans, which totaled \$1.11 billion, or 59.4 percent of total outstanding loan balances. Loans for commercial or commercial real estate purposes represented 24.6 percent of outstanding loan balances. Tier 1 capital totaled \$247.6 million.

The Bank operates twelve full-service branches in three states. Based on the 2020 Census, ten branches are located in upper-income level census tracts and two are located in middle income census tracts within the Bank's five assessment areas in Collier, Lee, and Palm Beach Counties (Florida), Maricopa County (Arizona), and Berkeley and Charleston Counties (South Carolina). ATM services are available at nine of the twelve branch locations, with four ATMs offering deposit taking and cash dispensing services, while five of the ATMs provide only cash dispensing. No ATM service is available in the Palm Beach, FL assessment areas nor the Berkeley and Charleston County, SC assessment areas, and one of the three branch locations in the Collier County, FL assessment area. During June 2018 the bank opened a new branch office in Fort Myers, FL and in December 2020 the bank closed the main office branch and relocated it to a new location within Fort Myers, FL.

Through the branch network, the bank provides retail banking products and services to meet the needs of the assessment area, including personal and business banking services, wealth management, trust and estate planning, and sports management. Consumer and business deposit products offered include checking, savings, money market, health savings accounts, and corporate cash management accounts. Electronic banking services include online banking (www.finemarkbank.com), nonproprietary ATMs with no surcharge, mobile banking, and remote deposit capture. Additional services include bill pay, ACH and wire transfers and foreign currency services.

Each of the Bank's AAs has strong banking competition. Major bank competitors include Bank of America, N.A., JPMorgan Chase Bank, N.A., KeyBank N.A., Truist Bank, and Wells Fargo Bank, N. A. Refer to "Description of the Institution's Operations" in each state within this Evaluation for more discussion on banking competition in each AA. There are no financial or legal impediments that would prevent the bank from meeting the credit needs of the communities it serves. In the preceding CRA evaluation, dated August 13, 2018, the Bank received a "Satisfactory" rating.

Product Innovation and Flexibility

The bank makes use of innovative and/or flexible lending practices in a safe and sound manner to serve credit needs in the AAs. Programs offered throughout the bank's multi-state geographic footprint are described below. Unless indicated below, the bank did not track the volume of originations during the evaluation period.

FineMark Affordable Housing Program

The Bank program is offered to income-qualified borrowers at 80 percent of or less of the county's median family income. FineMark has established partnerships with community development nonprofits who provide affordable housing in the states of Arizona, Florida, and South Carolina. Through the program, the bank financed 44 home loans totaling \$7.3 million in its AAs during the evaluation period. Special considerations include waiver of the bank's standard documentation preparation fee; waiver of the requirement to maintain private mortgage insurance; flexible income and credit guidance that have an allowable loan-to value of 89 percent that may increase to 95 percent with the flexibility reducing the down payment requirement. With this program, no credit score cutoff is used rather, the credit report history is used to determine creditworthiness. Other program options include fixed-term repayment options, competitive rates, and utilization of the Federal Home Loan Bank's (FHLB) set-aside application for down payment assistance through FHLB funds when available.

Affordable Housing Program (AHP) Interest Rate Modifications

In 2020, the Bank initiated loan modifications of existing borrowers in the affordable housing program to reduce mortgage interest rates based on current market conditions. As a result, 52 AHP loans were modified. Of these 52 loans, 36 loans had a rate of 4.00 percent or higher at the time of the bank's outreach. No fees were charged to the borrowers for the rate reduction and no changes were made to the original maturity dates. Modification of these loans resulted in payment reductions of \$10 to \$330 per month with an average payment reduction of \$70 per month. In total, the approximate aggregate savings for all AHP borrowers is \$44,000 per year. This proactive initiative provided a substantial financial benefit to LMI families in the bank's AAs.

Community Land Trust (CLT) Financing

The Bank's affordable housing program also includes loans to finance homebuyers in community land trusts (CLTs). A CLT refers to the housing method of separating the land from the improvements (the home or commercial building), for the purpose of transferring title to the home without selling the land. A private non-profit corporation acquires the land, holds title, and manages the ground leases on the property for the benefit of the community. Home purchases through CLTs becomes more affordable because the transfer of title to the homeowner does not include purchasing the land. This can be beneficial in markets where the high cost of land makes the total cost of a home purchase unattainable for LMI families (source: Florida Housing Coalition). Few banks offer CLT home purchase financing because of the complexity of the loan structure. During the evaluation period, the bank financed 22 CLT home loans totaling \$3.7 million in its AAs.

Federal Home Loan Bank (FHLB) of Atlanta Homeownership Set-Aside Program

The FHLB of Atlanta offers a Homeownership Set-Aside Program provides funding to assist low- and moderate-income borrowers with down payment, closing costs, and/or principal reduction on a home purchase or rehabilitation costs for a home impacted by a natural disaster. These funds are typically structured as a forgivable five-year second mortgages with no interest or payments, are accessible only through FHLB member institutions, and can be layered with other down payment assistance programs.

FineMark is one of only two FHLB member banks in both Lee and Collier County, FL. The bank leverages the program for its own qualified home mortgage borrowers as well for as loans offered by

local Habitat for Humanity organizations. During the evaluation period 51 loans were funded in the bank's AAs totaling \$264,000.

Federal Home Loan Bank (FHLB) of Atlanta AHP Competitive Grants

This competitive grant program affordable housing development to member financial institutions and their community housing partners that award up to \$500,000 in funds for individual affordable housing development were funds can be used to help finance the acquisition, construction, and rehabilitation of either affordable rental housing or affordable homeownership units. During the evaluation period, the bank sponsored applications of a development company that provides affordable housing in Fort Myers, FL; and a nonprofit housing organization that serves the Cape Coral-Fort Myers, FL MSA that builds affordable housing for LMI individuals.

Habitat for Humanity Mortgage Purchases

FineMark has a partnership with Habitat for Humanity (HFH) organizations to purchase existing mortgages originated by the local HFH affiliates. During the evaluation period, in Collier County, the bank purchased 15 mortgages totaling \$1.9 million, in Lee and Hendry Counties, FL, 15 mortgages totaling \$1.8 million, in Palm Beach County, 11 mortgages totaling \$1.1 million, and in Charleston, SC, nine (9) mortgages totaling \$378,000.

Lending to Nonprofit Affordable Housing Organizations

FineMark originates unsecured flexible loan terms to nonprofit organizations to assist with the organization's needs. Types of loan terms include unsecured, interest-only lines of credit to support operations and for working cash flow and capital. In one instance, a \$500,000 line of credit to a nonprofit housing development corporation resulted in nine affordable houses being built in a three-year period.

COVID-19 Pandemic

In response to the challenges of the COVID-19 pandemic (COVID-19), the bank engaged in a variety of initiatives to support community needs for small business, homeowners, and clients affected by the long-term impacts of this major disaster. Initiatives are detailed below or, where applicable, within the AA performance sections of this evaluation.

Paycheck Protection Program ("PPP") Loans

The bank participated in the SBA's PPP loan program to support businesses impacted by COVID-19. Prior to this initiative, the bank was not an SBA lender, but took the necessary steps to become an SBA lender to offer this critical emergency loan program to affected businesses in its communities. Tourism and hospitality are a major industry in the bank's markets and the emergency closure of businesses significantly impacted the economy in each of the bank's AAs.

Bank employees worked additional hours and weekends to process loan applications as quickly as possible before SBA funds were depleted due to the competitive nature of this program. Employees from departments around the bank, including Compliance and Deposit Operations, stepped in to review initial loan checklists and loan applications. Their work on this program helped clients obtain funding to process payroll and pay rent and utilities during the economic shutdown.

As a result of the bank's efforts, the bank successfully processed 532 PPP loans totaling \$98.5 million in critical financing to businesses in need. These loans are included in our analysis of small business lending within the AAs.

Access to Banking Services & Fee Waivers for Impacted Clients

In response to COVID-19, the bank continued to provide access to banking services by keeping branches open and accessible via drive-in facilities, ATMs, and online banking. The bank also remained open for appointments and walk-ins under mask and safety protocols.

Between April 2020 and February 2021, the bank waived most standard account fees on deposit services to facilitate easier access to funds for affected clients. Fee waivers included account maintenance fees, foreign ATM fees, analysis fees, wire fees, and printed check fees.

Loan Accommodations for Impacted Borrowers

For mortgage borrowers, the bank proactively contacted clients regarding their need for forbearance payments of their loans. If forbearance was requested by the borrower, the bank sent a forbearance agreement electronically to allow for easier processing to expeditiously obtain payment relief. No fees were charged for forbearance. In general, the forbearance involved deferred principal and interest payments for 90 days. Following completion of the initial 90-day period, most clients were able to resume regularly scheduled monthly payments. In total, 199 forbearance agreements were created. The bank also waived all late charges on loans between April 2020 and June 2021.

Scope of the Evaluation

Evaluation Period/Products Evaluated

The evaluation period includes all reported activity from January 1, 2018 to December 31, 2020. The evaluation considers mortgage loans reported under the Home Mortgage Disclosure Act (HMDA) and small loans made to businesses reported under the Community Reinvestment Act (CRA). We also considered the bank's community development loans, qualified investments, and community development services during the evaluation period.

As discussed under "Lending in the Assessment Area", the bank's primary loan products during the evaluation period were home mortgage loans and small business loans, with an emphasis on home mortgage lending. Our performance review considered home mortgage lending performance more than small business lending performance in arriving at conclusions and overall ratings.

The OCC compared bank loan data for all applicable years in the state rating areas to: demographic data using the U.S. Census American Community Survey (ACS); Federal Financial Institutions Examination Council (FFIEC) adjusted median family income; 2019 and 2020 Dunn and Bradstreet (D&B) small business demographic data; 2020 peer mortgage loan data reported under HMDA; and 2019 peer small business data reported under CRA.

Selection of Areas for Full-Scope Review

In each state where the bank has an office, one or more AA(s) within that state was selected for a full-scope review. For purposes of this evaluation, the Phoenix-Mesa-Chandler, AZ MSA, Cape Coral-Fort Myers, FL MSA, Naples-Marco Island, FL MSA and Charleston-North Charleston, SC MSA were selected for a full-scope review.

Refer to the “Scope” section under each State Rating section for details regarding how full-scope AAs were selected. Refer to appendix A, Scope of Examination, for a list of full- and limited-scope AAs.

Ratings

The bank’s overall rating is a blend of the state ratings.

The state ratings are based on performance in all bank AAs. Refer to the “Scope” section under each State Rating section for details regarding how the areas were weighted in arriving at the respective ratings.

When evaluating the bank’s performance, we placed greater weight on the performance in the state of Florida because this represented the bank’s most significant market in terms of deposit concentration, branch distribution, and reportable loans. As of June 30, 2020, deposits in this rating area comprised 82.4 percent of FNB&T’s total deposits. Additionally, 75 percent of the bank’s branches, 64.5 percent of reportable mortgages and 87.4 percent reportable small business loans were originated or purchased in Florida.

Generally, under the Lending Test, equal emphasis is given to the geographic distribution of the bank’s loans and the bank’s lending by borrower income level.

Affordability Analysis – We conducted an affordability analysis for all AAs. Our goal was to determine if either low- or moderate-income borrowers could reasonably afford a home mortgage loan in their respective AA. To determine affordability, we used the median housing value and the adjusted median family income found in the respective Table A, for each AA. We calculated a payment based on a five percent mortgage interest rate, with a 30-year loan amortization. Our analysis concluded that home mortgages were unaffordable if the principal and interest payment exceeded 30 percent of the calculated AA debt-to-income ratio.

This information was used as performance context in the borrower distribution of home mortgage loans when determined to be relevant to the performance conclusions. See the “Description of the Institution’s Operations” in each state for information relating to our determination of affordability.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 C.F.R. §25.28(c) or §195.28(c), respectively, in determining a national bank's or federal savings association's (collectively, 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. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Bureau of Consumer Financial Protection, as applicable.

The OCC has not identified that this institution has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

The OCC will consider any information that this institution engaged in discriminatory or other illegal credit practices, identified by or provided to the OCC before the end of the bank's next performance evaluation in that subsequent evaluation, even if the information concerns activities that occurred during the evaluation period addressed in this performance evaluation.

State Ratings

State of Arizona

CRA rating for the State of Arizona: Satisfactory

The Lending Test is rated: Low Satisfactory

The Investment Test is rated: Needs to Improve

The Service Test is rated: Low Satisfactory

The major factors that support this rating include:

- Lending levels reflect adequate responsiveness to AA credit needs.
- The bank exhibits an adequate geographic distribution of loans in the AA.
- The bank exhibits an adequate distribution of loans among individuals of different income levels and businesses of different sizes.
- The bank has a poor level of qualified investments.
- Service delivery systems are reasonably accessible to geographies and individuals of different income levels in the bank's AA.
- The bank provides a good level of CD services in the AA.

Description of Institution's Operations in Arizona

FNB&T has one AA within the state of Arizona. The bank's assessment area consists of the whole county of Maricopa, Arizona which is part of the Phoenix-Mesa-Chandler, Arizona MSA.

In this evaluation the Phoenix-Mesa-Chandler, Arizona MSA will receive a full-scope review.

Based on the FDIC Deposit Market Share data as of June 30, 2020, FNB&T had a 0.20 percent deposit market share in this MSA and is ranked 37th out of 77 financial institutions doing business in the MSA. The deposits account for 15.0 percent of the bank's total deposits. Primary competitors include JPMorgan Chase Bank, N.A., which ranked first in deposit market share (22.94 percent) with 144 offices, Wells Fargo Bank, N.A. which ranked second in deposit market share (17.93 percent) with 132 offices, and Bank of America, N.A. which ranked third in deposit market share (17.66 percent) with 95 offices.

FNB&T provides a full range of loan and deposit products and services in the MSA. The bank operates two full-service brick and mortar offices that are in upper income CTs and two ATMs that offer deposit-taking and cash dispensing services. The branches represent 16.7 percent of the bank's total branch network.

Table A – Demographic Information of the Assessment Area						
Assessment Area: Phoenix-Mesa-Chandler, Arizona MSA (Maricopa County)						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	916	11.5	22.5	31.2	33.4	1.4
Population by Geography	4,018,143	11.1	22.9	31.3	34.4	0.3
Housing Units by Geography	1,668,555	9.8	23.4	33.3	33.4	0.1

Owner-Occupied Units by Geography	875,327	4.6	18.8	34.7	41.9	0.0
Occupied Rental Units by Geography	567,191	17.1	29.4	31.2	21.9	0.3
Vacant Units by Geography	226,037	11.8	25.6	33.2	29.3	0.2
Businesses by Geography	630,020	7.2	15.0	29.9	47.3	0.6
Farms by Geography	10,146	7.0	18.5	29.1	45.1	0.3
Family Distribution by Income Level	945,115	21.8	16.9	19.2	42.2	0.0
Household Distribution by Income Level	1,442,518	23.3	16.3	17.7	42.7	0.0
Median Family Income MSA - 38060 Phoenix-Mesa-Chandler, AZ MSA	\$63,686	Median Housing Value				\$203,811
		Median Gross Rent				\$993
		Families Below Poverty Level				12.6%
<i>Source: 2015 ACS and 2020 D&B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The bank's assessment area in Arizona consists of Maricopa County, part of the Phoenix-Mesa-Chandler, AZ MSA. The AA meets the requirements of the regulation and does not arbitrarily exclude LMI geographies. According to 2020 U.S. Census data, the AA consists of 916 CTs, of which 105 are low-income, 206 are moderate-income, 286 are middle-income, 306 are upper-income, and 13 have not been assigned an income classification. The percentage of families living below the poverty level is 12.6 percent. Strong competition for financial services exists within FNB&T's AA, which includes nationwide and regional institutions. According to the U.S. Bureau of Labor Statistics, as of December 31, 2020, the unemployment rate in the Phoenix-Mesa-Chandler MSA was 6.4 percent, which was slightly lower than the national average of 6.7 percent

The bank is ranked 287 among 1,052 lenders with 0.02 percent market share based on the number of loans reported. Based on the total dollar volume of loans originated, the bank has a 0.07 percent market share. The bank's average mortgage loan size in the AA is \$970,000. The top mortgage lender in the Phoenix-Mesa-Chandler MSA is Quicken Loans, LLC with 7.05 percent market share by count followed by United Wholesale Mortgage, LLC with 5.67 percent market share and Wells Fargo Bank, N.A. with 4.00 percent market share.

In small loans to businesses, the bank is ranked 112 among 215 lenders with 0.01 percent market share based on the total dollar volume of loans originated. The bank's average small business loan size in the AA is \$163,000. The top three small business lenders were Wells Fargo Bank, N.A. with 16.93 percent market share, JPMorgan Chase Bank, N.A. with 13.87 percent market share, and American Express National Bank with 9.05 percent market share.

Major area employers consist of Banner Health System, Walmart Inc., Fry's Food Stores, and Wells Fargo. Other large employers are Arizona State University, HonorHealth, and Dignity Health.

Housing affordability is a challenge in the Phoenix-Mesa-Chandler MSA. The FFIEC estimated 2020 median family income was \$77,800. The median sales price of existing single-family homes according

to the National Association of Realtors was \$272,700 in September 2018 and \$341,600 in September 2020, a 25.27 percent increase. The 2020 housing price would require a mortgage payment of \$1,834 based on a 30-year mortgage with a five percent interest rate. Based on this data and not accounting for down payment, homeowners insurance, real estate taxes, or any additional monthly expenses, a low-income borrower making \$38,900 per year (or less than 50 percent of the 2020 FFIEC adjusted median family income in the AA) could afford a mortgage payment of \$972 per month. A moderate-income borrower making \$62,240 per year (or less than 80 percent of the 2020 FFIEC adjusted median family income in the AA) could afford a mortgage payment of \$1,556 per month. This illustrates that LMI borrowers are challenged to qualify for a mortgage loan in the AA.

According to the 2020 City of Phoenix's Housing Needs Assessment and Gap Analysis¹, wages have not kept pace with rising rents and home prices. Between 2010 and 2018, Phoenix's median income increased by 10 percent, while, median rent increased by over 28 percent and the median home price increased by over 57 percent during this time. The city needs assessment notes that in the current Phoenix housing market, the 65 percent of LMI households would require some amount of subsidy to achieve housing that is considered affordable at their income level. The assessment also notes a significant lack of affordable housing inventory and the lack of available land for affordable housing development that further exacerbated housing affordability for LMI residents.

As part of this evaluation, the OCC conducted community contacts with two organizations working in the AA, one nonprofit affordable housing organization and one organization that provides business assistance to retain and attract new and diversified businesses, advance workforce skills and grow employment. The contacts reported the following needs within the AA.

- Affordable housing development
- Housing acquisition and rehabilitation lending and smaller mortgage lending
- Small business and micro small business lending
- Small consumer lending

Scope of Evaluation in Arizona

The assessment area was evaluated as a full-scope review. The bank's lending, investment and service tests covers the period January 1, 2018 through December 31, 2020. All qualified community development activities between those dates are included in this evaluation.

As previously noted, the bank's primary loan products during the evaluation period were home mortgage and business lending with an emphasis on home mortgage lending. As such, our review of the bank's lending performance considered home mortgage lending performance more than small business lending performance in arriving at conclusions and overall ratings.

Where relevant to our conclusions, we considered the performance context previously discussed in the "Description of the Institution", the "Description of the Institution's Operations", and other factors discussed in this section.

¹ https://www.phoenix.gov/housingsite/Documents/Final_Housing_Phx_Plan.pdf

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN ARIZONA

LENDING TEST

The bank's performance under the Lending Test in Arizona is rated Low Satisfactory.

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank's performance in the Phoenix-Mesa-Chandler, AZ MSA is Low Satisfactory

Lending Activity

Lending levels reflect adequate responsiveness to AA credit needs considering the number and dollar amount of home mortgage and small business lending activities, and FNB&T's capacity based on AA deposits, competition, and market presence.

The tables below present the total number and dollar volume of loans originated during the evaluation period.

Number of Loans						
Assessment Area	Home Mortgage	Small Business	Community Development	Total	%State Loans	%State Deposits
Phoenix-Mesa-Chandler, AZ MSA	230	97	3	330	100	100

Dollar Volume of Loans (000s)						
Assessment Area	Home Mortgage	Small Business	Community Development	Total	%State Loans	%State Deposits
Phoenix-Mesa-Chandler, AZ MSA	166,323	11,057	150	177,530	100	100

According to FDIC Deposit Market Share data as of June 30, 2020, the bank ranked 37 among 77 depository banks with a deposit market share of 0.20 percent based on deposits of \$288.9 million in the AA.

Based on 2020 data for all lenders subject to HMDA, FNB&T ranked 287 out of 1,052 mortgage lenders with a market share of 0.02 percent based on the number of loans reported. The bank's mortgage lending market share is lower than the its deposit market share. The mortgage lending market in the AA is very competitive with large national banks, online lenders and non-bank mortgage companies dominating the mortgage lending activity in the AA. The top three mortgage lenders in the AA represent 16.7 percent of the market share in the AA.

According to 2019 data for banks subject to CRA small business loan reporting—the most recent peer small business data available —FNB&T ranked 112 out of 215 lenders with a market share of 0.03 percent based on the dollar volume of loans. Top lenders in the market include large banks, regional banks and business credit card lenders, including Wells Fargo Bank, N.A. JPMorgan Chase Bank, N.A. and American Express National Bank.

Consideration was given to the bank's PPP loans. The bank's small business loans in the AA (loans with original amounts less than \$1 million) increased significantly in 2020 in response to credit needs during

the pandemic. FineMark's 2020 lending includes 74 PPP loans totaling \$5 million. This represents 87.1 percent of loans made to small business loans in 2020 and 76.3 percent of all small business loans made in the AA during the evaluation period. Business revenue data was not available for 66 PPP loans totaling \$4.6 million.

Distribution of Loans by Income Level of the Geography

The bank exhibits an adequate geographic distribution of loans in the AA.

Home Mortgage Loans

Refer to Table O in the state of Arizona section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

The bank's distribution of home mortgage loans in LMI geographies is adequate. The percent of bank home mortgage loans in low-income geographies is well below the percent of owner-occupied housing units and is well below the aggregate lending. The percent of bank home mortgage loans in moderate-income geographies is also well below the percent of owner-occupied housing units and well below the aggregate lending.

Small Loans to Businesses

Refer to Table Q in the state of Arizona section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

The bank's distribution of small loans to businesses in LMI geographies is adequate. The percent of the bank's small loans to businesses in low-income geographies is significantly below the percentage of small businesses located in low-income geographies and significantly below the aggregate lending. The percent of small loans to businesses in moderate-income geographies is below the percentage of small businesses located in moderate-income geographies and below the aggregate lending.

Lending Gap Analysis

The OCC evaluated the lending distribution in the AA to determine if any unexplained, conspicuous gaps existed. We reviewed summary reports, maps, and analyzed FNB&T's home mortgage and small business lending activity over the evaluation period to identify any gaps in the geographic distribution of loans. We did not identify any unexplained conspicuous gaps.

Distribution of Loans by Income Level of the Borrower

The bank exhibits an adequate distribution of loans among individuals of different income levels and businesses of different sizes.

Our housing affordability analysis for the AA demonstrates that LMI individuals face challenges in obtaining a home mortgage. Given the AA median family income and the median home price in 2020, the ability to qualify for a home purchase loan is generally out of reach without significant subsidies or down payment assistance. This context was considered in evaluating the bank's lending to borrowers of different income levels.

Home Mortgage Loans

Refer to Table P in the state of Arizona section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The bank's distribution of home mortgage loans to LMI borrowers is adequate. The percent of bank loans to LMI borrowers is somewhat below the percentage of low-income families in the AA and well below the aggregate lending. The percent of bank loans to moderate-income families is below the percentage of moderate-income families in the AA and below the aggregate lending.

Home mortgage lending in the AA includes 28 loans totaling \$5 million to LMI borrowers through the Bank's affordable housing program, discussed in the "Description of the Institution". These loans were done in partnership with a local nonprofit community land trust.

Small Loans to Businesses

Refer to Table R in the state of Arizona section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

The bank's distribution of small loans to businesses by revenue size is adequate. The percent of bank small loans to businesses with less than \$1 million in annual revenues is well below the percent of small businesses in the AA and also well below the aggregate lending.

Consideration was given to the bank's PPP loans to small businesses. In 2020, FNB&T originated 74 PPP loans totaling \$5 million in the AA. This represents 76.3 percent of all loans to small businesses made in the AA during the evaluation period.

Community Development Lending

The bank has made an adequate level of CD loans in the AA. The bank's CD loans had a neutral impact on the State of Arizona Lending Test rating.

The Lending Activity Table, shown above, set forth the information and data used to evaluate the bank's level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans.

The bank made an adequate level of CD loans. During the evaluation period, FineMark's CD lending consisted of a \$50,000 unsecured line of credit to a nonprofit, federally-certified Community Development Financial Institution (CDFI) that serves the AA. The CDFI provides small business loans and financial support to LMI individuals. The loan was renewed annually during the evaluation period for total CD lending of \$150,000. CD loans represent a low level, at 0.4 percent of allocated tier 1 capital; however, the CD loan exhibits adequate responsiveness to the credit and community needs in the AA.

Product Innovation and Flexibility

The institution used innovative and/or flexible lending practices in order to serve AA credit needs. Refer to the "Description of the Institution" section for additional details regarding bank-wide consumer and small business lending programs.

During the evaluation period, FNB&T offered its affordable housing program in the AA that provided flexible home purchase financing for LMI families and included financing for home purchases through CLTs. The bank also provided PPP loans to businesses in the AA, providing flexible financing through the program in response to the COVID-19 pandemic.

INVESTMENT TEST

The bank’s performance under the Investment Test in Arizona is rated Needs to Improve.

Number and Amount of Qualified Investments

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Full-Scope										
Phoenix –Mesa–Chandler, AZ MSA	1	393	17	63	18	9%	456	2%	-	-

* Prior Period Investments means investments made in a previous evaluation period that are outstanding as of the examination date.

** Unfunded Commitments means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

Based on a full-scope review, the bank’s performance in the Phoenix-Mesa-Chandler, Arizona MSA is poor.

The bank has a poor level of qualified CD investments and grants, particularly those that are not routinely provided by private investors

The bank exhibits poor responsiveness to credit and community economic development needs. The institution rarely uses innovative and/or complex investments to support CD initiatives.

Qualified investments totaled \$456,000, which include a prior period investment in mortgage-backed securities totaling \$383,000 and current period qualified grants of \$63,000. Investments benefiting the AA during the evaluation period represented 1.2 percent of allocated tier 1 capital over the evaluation period. There were no unfunded investment commitments at the end of the evaluation period.

Grants were made to organizations that promote affordable housing, education, and provide community services to LMI individuals. Community contacts in the AA stated that there is a shortage of affordable housing, a need for down-payment assistance and credit building programs, and financial literacy.

Examples of qualified investments in this AA include:

- Grants of \$50,000 to nonprofit organizations that provide meals, food, education, and social service programs to the most vulnerable and homeless populations.
- Grants of \$7,000 to nonprofit organizations that promote affordable housing for LMI individuals.
- Grants of \$6,000 to support economic development and revitalization/stabilization in LMI communities.

SERVICE TEST

The bank's performance under the Service Test in the state of Arizona is rated Low Satisfactory. Based on a full-scope review, the bank's performance in the Phoenix-Mesa-Chandler, AZ MSA is adequate.

Retail Banking Services

Service delivery systems are reasonably accessible to geographies and individuals of different income levels in the bank's AA(s).

Distribution of Branch Delivery System											
Assessment Area	Deposits	Branches						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				% of Population within Each Geography			
				Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Phoenix-Mesa-Chandler, AZ MSA	15	2	100				2	11.1	22.9	31.3	34.4

In the Phoenix-Mesa-Chandler, AZ MSA (partial MSA), the bank has no branches in low- moderate income geographies, and two branches in upper-income geographies. The percentage of branches located in low- moderate income geographies is well below the percentage of the population residing in these geographies.

While there are no branches in LMI geographies, there is adequate banking usage by households in LMI geographies in the AA. Bank-provided data shows that 7 percent of all deposit accountholders reside in LMI geographies in the AA.

The bank complements its traditional service delivery methods in the AA with certain alternative retail delivery systems, including mobile banking, online banking, remote deposit capture and online bill pay.

The bank did not open or close branches during the evaluation period.

Services, including where appropriate, business hours, do not vary in a way that inconveniences the various portions of its AA(s), particularly low- and moderate-income geographies and/or individuals.

Community Development Services

The bank provides a relatively high level of CD services in the Phoenix-Mesa-Chandler, AZ MSA. CD services were effective and responsive in helping the bank address community needs in in the AA.

The bank conducted a relatively high level of CD services consistent with its capacity and expertise to conduct such activities. During the evaluation period of January 1, 2018 to December 31, 2020, five bank employees provided 254 hours of CD services to five community organizations that serve the MSA. The community development organizations support community services to LMI families and

economic development for small businesses. Bank staff activities included board service, technical assistance, and education, often serving in leadership roles.

Examples of CD services provided:

- A bank officer serves on the board of a local foundation, which reviews more than 100 grant applications yearly from nonprofit organizations in the AA. On average, 65 percent of the nonprofit grant recipients primarily serve the LMI community, providing services that include healthcare and education.
- A bank employee taught financial education at a local high school where 93 percent of students are eligible for free or reduced lunch programs. The employee also provided financial education at a local youth employability event designed to help students from low-income schools better prepare themselves for the business world.
- The bank supported the Industrial Authority of Scottsdale's small business grant program. The Authority was granted government COVID relief funds to distribute as small dollar grants to small businesses. FineMark created an account for the program and processed almost 200 payments to small businesses in the AA. The bank waived all fees related to the administration of the account.

State of Florida

CRA rating for the State of Florida: Satisfactory

The Lending Test is rated: **High Satisfactory**

The Investment Test is rated: **High Satisfactory**

The Service Test is rated: **High Satisfactory**

The major factors that support this rating include:

- Lending levels reflect good responsiveness to AA credit needs.
- The bank exhibits an adequate geographic distribution of loans in its AA(s).
- The bank exhibits an adequate distribution of loans among individuals of different income levels and businesses of different sizes.
- The bank is a leader in making CD loans, which had a significant impact on the State of Florida Lending Test rating.
- The bank has a good level of qualified investments, occasionally in a leadership position. Investments exhibit good responsiveness to credit and community development needs; and the bank occasionally uses innovative and/or complex investments to support CD initiatives.
- Service delivery systems are reasonably accessible to geographies and individuals of different income levels in the bank's AA(s).
- The bank is a leader in providing CD services in the AA.

Description of Institution's Operations in Florida

FNB&T has three AAs within the state of Florida. These AAs include the Cape Coral-Fort Myers FL MSA, the Naples- Marco Island FL MSA, and the West Palm Beach-Boca Raton-Boynton Beach FL MSA. The Cape Coral-Fort Myers MSA is comprised of Lee County. The Naples-Marco Island MSA is comprised of Collier County. The West Palm Beach-Boca Raton-Boynton Beach MSA is comprised of Palm Beach County.

In this evaluation the Cape Coral-Fort Myers MSA and the Naples-Marco Island MSA will receive full scope reviews.

Based on the FDIC Deposit Market Share data as of June 30, 2020, FNB&T had a 0.22 percent deposit market share in the state of Florida and is ranked 43rd out of 196 financial institutions doing business in the state. The deposits account for 82.4 percent of the bank's total deposits. Primary competitors include Bank of America, N.A., which ranked first in deposit market share (20.15 percent) with 514 offices, Wells Fargo Bank, N.A. which ranked second in deposit market share (13.08 percent) with 572 offices, and Truist Bank which ranked third in deposit market share (10.30 percent) with 672 offices.

FNB&T provides a full range of loan and deposit products and services in the state. The bank operates nine full-service brick and mortar offices in the state. Two are in middle-income CTs, and seven are in upper-income CTs. The branches represent 75 percent of the bank's total branch network.

Description of the Institution's Operations in the Cape Coral-Fort Myers, Florida MSA

The Cape Coral-Fort Myers FL MSA consists of the whole county of Lee.

Based on the FDIC Deposit Market Share data as of June 30, 2020, FNB&T had a 5.93 percent deposit market share in this MSA and is ranked sixth out of 29 financial institutions doing business in the MSA. The deposits account for 57.3 percent of the bank's total deposits. Primary competitors include Truist Bank, which ranked first in deposit market share (16.67 percent) with 32 offices, Wells Fargo Bank, N.A. which ranked second in deposit market share (15.24 percent) with 26 offices, and Bank of America, N.A. which ranked third in deposit market share (15.13 percent) with 20 offices.

FNB&T provides a full range of loan and deposit products and services in the MSA. The bank operates five full-service brick and mortar offices; two are in middle income CTs, and three are in upper income CTs. The branches represent 41.7 percent of the bank's total branch network.

Table A – Demographic Information of the Assessment Area						
Assessment Area: FineMark Cape Coral MSA 2020						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	167	4.2	25.1	35.9	33.5	1.2
Population by Geography	663,675	4.7	27.1	42.3	25.9	0.0
Housing Units by Geography	374,333	3.5	21.3	40.9	34.4	0.0
Owner-Occupied Units by Geography	174,162	2.1	18.6	44.2	35.1	0.0
Occupied Rental Units by Geography	78,125	8.5	32.9	38.0	20.5	0.0
Vacant Units by Geography	122,046	2.3	17.6	38.0	42.1	0.0
Businesses by Geography	98,649	2.7	22.6	40.1	34.4	0.2
Farms by Geography	2,955	3.2	26.1	46.5	24.3	0.0
Family Distribution by Income Level	165,635	20.7	18.5	19.7	41.1	0.0
Household Distribution by Income Level	252,287	22.6	17.2	18.8	41.4	0.0
Median Family Income MSA - 15980 Cape Coral-Fort Myers, FL MSA		\$57,627	Median Housing Value			\$192,233
			Median Gross Rent			\$970
			Families Below Poverty Level			11.1%
<i>Source: 2015 ACS and 2020 D&B Data</i>						
<i>Due to rounding, totals may not equal 100.0%</i>						
<i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The Cape Coral-Fort Myers MSA AA includes all of Lee County in Florida. The AA meets the requirements of the regulation and does not arbitrarily exclude LMI geographies. According to 2020 U.S. Census data, the AA consists of 167 CTs, of which seven are low-income, 42 are moderate-income, 60 are middle-income, 56 are upper-income, and two have not been assigned an income classification. The percentage of families living below the poverty level is 11.1 percent. Strong competition for financial services exists within FNB&T's AA, which includes nationwide and regional institutions. According to the U.S. Bureau of Labor Statistics, as of December 31, 2020, the unemployment rate in the Cape Coral-Fort Myers MSA was 3.4 percent, which was lower than the national average of 6.7 percent

The bank is ranked 89 among 1,113 lenders with 0.17 percent market share based on the number of loans reported. Based on the total dollar volume of loans, the bank is ranked 56 among 1,113 lenders

with 0.34 percent market share. The bank's average mortgage loan size in the AA is \$486,000. The top mortgage lender in the Cape Coral-Fort Myers MSA is Quicken Loans, LLC with 6.89 percent market share, based on the number of loans; followed by Suncoast Credit Union with 5.01 percent market share and Wells Fargo Bank, N.A. with 4.38 percent market share.

In small loans to businesses, the bank is ranked fourth among 141 lenders with 6.82 percent market share. The bank's average small business loan size in the AA is \$239,000. The top three small business lenders were American Express National Bank with 9.40 percent market share, Wells Fargo Bank, N.A. with 8.47 percent market share, and Bank of America, N.A. with 8.42 percent market share.

Major area employers consist of Lee Memorial Health System, Publix Super Markets Inc., Florida Gulf Coast University, and Walmart Inc. Other large employers are Hope Hospice, McDonald's, and Florida Southwestern State College.

Housing affordability is a challenge in the Cape Coral-Fort Myers FL MSA. The FFIEC estimated 2020 median family income was \$68,700. The median sales price of existing single-family homes according to the National Association of Realtors was \$266,500 in September 2018 and \$313,400 in September 2020, a 17.6 percent increase. The 2020 housing price would require a mortgage payment of \$1,683 based on a 30-year mortgage with a five percent interest rate. Based on this data and not accounting for down payment, homeowners insurance, real estate taxes, or any additional monthly expenses, a low-income borrower making \$34,350 per year (or less than 50 percent of the 2020 FFIEC adjusted median family income in the AA) could afford a mortgage payment of \$858 per month. A moderate-income borrower making \$54,960 per year (or less than 80 percent of the 2020 FFIEC adjusted median family income in the AA) could afford a mortgage payment of \$1,374 per month. This illustrates that LMI borrowers are challenged to qualify for a mortgage loan in the AA.

As part of this evaluation, the OCC conducted community contacts with two organizations working in the AA, one nonprofit affordable housing organization and one economic development organization that provides business assistance to retain and attracts new and diversified businesses, advance workforce skills and grow employment. The contacts reported the following needs within the AA.

- Affordable housing
- Small business lending for start-ups and young businesses (\$25,000 - \$100,000)
- Financial literacy

Description of the Institution's Operations in the Naples-Marco Island, Florida MSA

The Naples-Marco Island, FL MSA consists of the whole county of Collier.

Based on the FDIC Deposit Market Share data as of June 30, 2020, FNB&T had a 2.33 percent deposit market share in this MSA and is ranked 13th out of 32 financial institutions doing business in the MSA. The deposits account for 21.8 percent of the bank's total deposits. Primary competitors include Fifth Third Bank, N.A., which ranked first in deposit market share (13.53 percent) with 15 offices, Bank of America, N.A. which ranked second in deposit market share (13.31 percent) with 17 offices, and Wells Fargo Bank, N.A. which ranked third in deposit market share (12.09 percent) with 13 offices.

FNB&T provides a full range of loan and deposit products and services in the MSA. The bank operates three full-service brick and mortar offices that are in upper income CTs. The branches represent 25 percent of the bank's total branch network.

Table A – Demographic Information of the Assessment Area						
Assessment Area: FineMark Naples MSA 2020						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	74	8.1	20.3	35.1	35.1	1.4
Population by Geography	341,091	7.2	23.5	38.0	31.3	0.0
Housing Units by Geography	201,582	3.6	18.3	38.0	40.0	0.0
Owner-Occupied Units by Geography	93,733	2.3	16.3	41.3	40.1	0.0
Occupied Rental Units by Geography	36,155	9.5	28.3	37.8	24.5	0.0
Vacant Units by Geography	71,694	2.4	15.9	33.8	47.8	0.0
Businesses by Geography	61,497	2.7	13.6	38.2	45.6	0.0
Farms by Geography	1,516	5.3	20.4	43.3	30.9	0.0
Family Distribution by Income Level	87,665	20.8	17.7	19.3	42.2	0.0
Household Distribution by Income Level	129,888	22.3	17.1	18.4	42.2	0.0
Median Family Income MSA - 34940 Naples-Marco Island, FL MSA		\$66,264	Median Housing Value			\$347,465
			Median Gross Rent			\$1,087
			Families Below Poverty Level			9.1%
<i>Source: 2015 ACS and 2020 D&B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The Naples-Marco Island, FL MSA AA includes all of Collier County in Florida. The AA meets the requirements of the regulation and does not arbitrarily exclude LMI geographies. According to 2020 U.S. Census data, the AA consists of 74 CTs, of which six are low-income, 15 are moderate-income, 26 are middle-income, 26 are upper-income, and one has not been assigned an income classification. The percentage of families living below the poverty level is 9.1 percent. Strong competition for financial services exists within FNB&T's AA, which includes nationwide and regional institutions. According to the U.S. Bureau of Labor Statistics, as of December 31, 2020, the unemployment rate in the Naples-Marco Island, FL MSA was 2.9 percent, which was lower than the national average of 6.7 percent

The bank is ranked 53 among 958 lenders with 0.35 percent market share based on the number of loans reported. Based on the total dollar volume, the bank is ranked 30th among 958 lenders with 0.87 percent market share. The bank's average mortgage loan size in the AA is \$887,000. The top mortgage lender in the Naples-Marco Island FL MSA is Quicken Loans, LLC with 5.80 percent market share by count followed by Crosscountry Mortgage, LLC with 5.29 percent market share and Wells Fargo Bank, N.A. with 4.69 percent market share.

In small loans to businesses, the bank is ranked seventh among 128 lenders with 3.27 percent market share. The top three small business lenders were American Express National Bank with 11.82 percent market share, Bank of America, N.A. with 8.65 percent market share, and First Florida Integrity Bank with 8.02 percent market share. The bank's average small business loan size in the AA is \$363,000.

Major area employers consist of Naples Community Hospital Inc., Publix Super Markets Inc., and Arthrex Inc. & Manufacturing. Other large employers are Walmart Inc. and Ritz-Carlton Hotel Co, LLC.

Housing affordability is a challenge in the Naples-Marco Island FL MSA. The FFIEC estimated 2020 median family income was \$82,300. The median sales price of existing single-family homes according to the National Association of Realtors was \$425,000 in September 2018 and \$485,000 in September 2020, a 14.1 percent increase. The 2020 housing price would require a mortgage payment of \$2,604 based on a 30-year mortgage with a five percent interest rate. Based on this data and not accounting for down payment, homeowners insurance, real estate taxes, or any additional monthly expenses, a low-income borrower making \$41,150 per year (or less than 50 percent of the 2020 FFIEC adjusted median family income in the AA) could afford a mortgage payment of \$1,029 per month. A moderate-income borrower making \$65,840 per year (or less than 80 percent of the 2020 FFIEC adjusted median family income in the AA) could afford a mortgage payment of \$1,646 per month. This illustrates that LMI borrowers are challenged to qualify for a mortgage loan in the AA.

As part of this evaluation, the OCC conducted a community contact with one nonprofit affordable housing organization working in the AA. The contact reported the following needs within the AA.

- Down payment and closing cost assistance grants
- Financial literacy and credit building products

Scope of Evaluation in Florida

The Cape Coral-Fort Myers, FL MSA and Naples-Marco Island, FL MSA were evaluated as full-scope reviews. The West Palm Beach-Boca Raton-Boynton Beach, FL Metropolitan Division (MD) was evaluated as a limited-scope review. The bank's lending, investment and service tests cover the period January 1, 2018 through December 31, 2020. All qualified activities between those dates are included in this evaluation.

As previously noted, the bank's primary loan products during the evaluation period were home mortgage and business lending with an emphasis on home mortgage lending. As such, our review of the bank's lending performance considered home mortgage lending performance more than small business lending performance in arriving at conclusions and overall ratings.

Where relevant to our conclusions, we considered the performance context previously discussed in the "Description of the Institution", the "Description of the Institution's Operations", and other factors discussed in this section.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN FLORIDA

LENDING TEST

The bank's performance under the Lending Test in State of Florida is rated High Satisfactory.

Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, the bank's performance in the Cape Coral-Fort Myers, FL MSA and the Naples-Marco Island, FL MSA is good. CD lending had a positive impact on the State of Florida Lending Test rating.

Lending Activity

Lending levels reflect good responsiveness to AA credit needs.

The tables below present the total number and dollar volume of loans originated during the evaluation period.

Number of Loans						
Assessment Area	Home Mortgage	Small Business	Community Development	Total	%State Loans*	%State Deposits
Cape Coral-Fort Myers, FL MSA	297	677	29	978	62.3	57.3
Naples-Marco Island, FL MSA	282	214	4	525	33.4	21.8
West Palm Beach-Boca Raton-Boynton Beach, FL MD	39	28	0	67	4.3	3.3

*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

Dollar Volume of Loans (000s)						
Assessment Area	Home Mortgage	Small Business	Community Development	Total	%State* Loans	%State Deposits
Cape Coral-Fort Myers, FL MSA	142,805	145,261	22,375	310,441	45.9	57.3
Naples-Marco Island, FL MSA	254,565	49,215	28,295	332,075	49.1	21.8
West Palm Beach-Boca Raton-Boynton Beach, FL MD	26,998	6,506	-	33,504	5.0	3.3

*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

Cape Coral-Fort Myers, Florida MSA

According to FDIC Deposit Market Share data as of June 30, 2020, the bank ranked 6 among 29 depository banks with a deposit market share of 5.93 percent based on deposits of \$1.1 billion in the AA.

Based on 2020 data for all lenders subject to HMDA, FNB&T ranked 89 out of 1,113 mortgage lenders with a market share of 0.17 percent based on the number of loans reported. The bank's mortgage lending market share is lower than its deposit market share. The mortgage lending market in the AA is very competitive with 1,113 lenders in Lee County. Large national banks, online lenders and non-bank mortgage companies lead the mortgage lending activity in the AA. Top mortgage lenders in the AA include Quicken Loans, LLC, United Wholesale Mortgage, LLC, and Wells Fargo Bank, N.A. These lenders represent 16.7 percent of the mortgage market share in the AA.

According to 2019 data for banks subject to CRA small business loan reporting—the most recent peer small business data available—FNB&T ranked 4 out of 141 lenders with a market share of 6.82 percent based on the dollar volume of loans. Top lenders in the market include large banks, regional banks and business credit card lenders, including American Express National Bank, Wells Fargo Bank and N.A., JPMorgan Chase Bank, N.A.

Consideration was given to the bank's PPP loans. The bank's small business loans in the AA (loans with original amounts less than \$1 million) increased significantly in 2020 in response to credit needs during

the pandemic. FineMark's 2020 lending includes 261 PPP loans totaling \$50.4 million. This represents 67.4 percent of loans made to small business loans in 2020 and 38.6 percent of all small business loans made in the AA during the evaluation period. Business revenue data was not available for 156 PPP loans totaling \$17 million.

Naples-Marco Island, FL MSA

According to FDIC Deposit Market Share data as of June 30, 2020, the bank ranked 13 among 32 depository banks with a deposit market share of 2.33 percent based on deposits of \$418.6 million in the AA.

Based on 2020 data for all lenders subject to HMDA, FNB&T ranked 53 out of 958 mortgage lenders with a market share of 0.35 percent based on the number of loans reported. The bank's mortgage lending market share is lower than its deposit market share. The mortgage lending market in the AA is very competitive with 958 lenders in Collier County. Large financial institutions—including a statewide credit union, online lenders and non-bank mortgage companies lead the mortgage lending activity in the AA. Top mortgage lenders in the AA include Quicken Loans, LLC, Crosscountry Mortgage, LLC, and Wells Fargo Bank, N.A. These lenders represent 15.8 percent of the mortgage market share in the AA.

According to 2019 data for banks subject to CRA small business loan reporting—the most recent peer small business data available—FNB&T ranked 7 out of 128 lenders with a market share of 3.27 percent based on the dollar volume of loans. Top lenders in the market include large banks, regional banks and business credit card lenders, including American Express National Bank, Bank of America, N.A and First Florida Integrity Bank.

Consideration was given to the bank's PPP loans. The bank's small business loans in the AA (loans with original amounts less than \$1 million) increased significantly in 2020 in response to credit needs during the pandemic. FineMark's 2020 lending includes 115 PPP loans totaling \$18.5 million. This represents 77.2 percent of loans made to small business loans in 2020 and 53.7 percent of all small business loans made in the AA during the evaluation period. Business revenue data was not available for 82 PPP loans totaling \$8.4 million.

Distribution of Loans by Income Level of the Geography

The bank exhibits an adequate geographic distribution of loans in its AA(s).

Home Mortgage Loans

Refer to Table O in the state of Florida section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

Cape Coral-Fort Myers, Florida MSA

The bank's distribution of home mortgage loans in LMI geographies in the Cape Coral-Fort Myers, Florida MSA is adequate. The percent of bank home mortgage loans in low-income geographies meets the percent of owner-occupied housing units and exceeds the aggregate lending. The percent of bank home mortgage loans in moderate-income geographies is well below the percent of owner-occupied housing units and well below the aggregate lending.

Naples-Marco Island, FL MSA

The bank's distribution of home mortgage loans in LMI geographies in the Naples-Marco Island, FL MSA is adequate. The percent of bank home mortgage loans in low-income geographies exceeds the percent of owner-occupied housing units and exceeds the aggregate lending. The percent of bank home mortgage loans in moderate-income geographies is well below the percent of owner-occupied housing units and well below the aggregate lending.

Small Loans to Businesses

Refer to Table Q in the state of Florida section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

Cape Coral-Fort Myers, Florida MSA

The bank's distribution of small loans to businesses in LMI geographies is good. The percent of the bank's small loans to businesses meets the percentage of small businesses in low-income geographies and exceeds the aggregate lending. The percent of small loans to businesses in moderate-income geographies is somewhat below the percentage of small businesses and somewhat below the aggregate lending.

Naples-Marco Island, FL MSA

The bank's distribution of small loans to businesses in LMI geographies is adequate. The percent of the bank's small loans to businesses is somewhat below the percentage of small businesses in low-income geographies and somewhat below the aggregate lending. The percent of small loans to businesses in moderate-income geographies is well below the percentage of small businesses and well below the aggregate lending.

Lending Gap Analysis

The OCC evaluated the lending distribution in the AA to determine if any unexplained, conspicuous gaps existed. We reviewed summary reports, maps, and analyzed FNB&T's home mortgage and small business lending activity over the evaluation period to identify any gaps in the geographic distribution of loans. We did not identify any unexplained conspicuous gaps.

Distribution of Loans by Income Level of the Borrower

The bank exhibits an adequate distribution of loans among individuals of different income levels and businesses of different sizes.

Home Mortgage Loans

Refer to Table P in the state of Florida section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

Our housing affordability analysis for the AA demonstrates that LMI individuals face challenges in obtaining a home mortgage. Given the AA median family income and the median home price in 2020, the ability to qualify for a home purchase loan is generally out of reach without significant subsidies or

down payment assistance. This context was considered in evaluating the bank's lending to borrowers of different income levels.

Cape Coral-Fort Myers, Florida MSA

The bank's distribution of home mortgage loans to LMI borrowers is adequate. The percent of bank loans to LMI borrowers is significantly below the percentage of low-income families in the AA but exceeds the aggregate lending. The percent of bank loans to moderate-income families is well below the percentage of moderate-income families in the AA and below the aggregate lending.

Home mortgage lending in the AA includes 9 loans totaling \$1.3 million to LMI borrowers through the Bank's affordable housing program, discussed in the "Description of the Institution".

Naples-Marco Island, FL MSA

The bank's distribution of home mortgage loans to LMI borrowers is adequate. The percent of bank loans to LMI borrowers is significantly below the percentage of low-income families in the AA but exceeds the aggregate lending. The percent of bank loans to moderate-income families is well below the percentage of moderate-income families in the AA and well below the aggregate lending.

Home mortgage lending in the AA includes 5 loans totaling \$770,000 to LMI borrowers through the Bank's affordable housing program, discussed in the "Description of the Institution".

Small Loans to Businesses

Refer to Table R in the state of Florida section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

Cape Coral-Fort Myers, Florida MSA

The bank's distribution of loans to small businesses by revenue is adequate. The percent of bank small loans to businesses with less than \$1 million in annual revenues is well below the percent of small businesses in the AA. The percent of bank loans to small businesses is below the aggregate lending.

Consideration was given to the bank's PPP loans to small businesses. In 2020, FNB&T originated 261 PPP loans totaling \$50.3 million in the AA. This represents 38.5 percent of all loans to small businesses made in the AA during the evaluation period.

Naples-Marco Island, FL MSA

The bank's distribution of loans to small businesses by revenue is adequate. The percent of bank small loans to businesses with less than \$1 million in annual revenues is well below the percent of small businesses in the AA. The percent of bank loans to small businesses is below the aggregate lending.

Consideration was given to the bank's PPP loans to small businesses. In 2020, FNB&T originated 115 PPP loans totaling \$18.5 million in the AA. This represents 53.7 percent of all loans to small businesses made in the AA during the evaluation period.

Community Development Lending

The bank is a leader in making CD loans. CD lending had a positive impact on the State of Florida Lending Test rating.

The Lending Activity tables, shown above, set forth the information and data used to evaluate the bank's level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans.

Cape Coral-Fort Myers FL MSA

The bank is a leader in making CD loans in the AA. During the evaluation period, FineMark originated or renewed 29 CD loans totaling \$28.3 million within the Cape Coral-Fort Myers FL MSA representing 19.9 percent of allocated tier 1 capital. CD loans exhibited an excellent responsiveness to the credit and community needs in the AA. The composition of loans consisted of 16 affordable housing loans totaling \$9 million, eight community services loans totaling \$5.3 million, and five revitalization or stabilization loans totaling \$14.0 million.

Examples of CD loan originations and refinances during the evaluation period include:

- A \$15 million affordable housing loan made to a nonprofit organization located in a moderate-income CT that provides housing, financial literacy, and housing counseling to LMI individuals seeking affordable housing.
- A \$2.3 million loan for the purchase of a 161-unit apartment complex located in a moderate-income CT where rents include below market rents and rents that are below U. S. Department of Housing and Urban Development (HUD) median rents.
- A \$3.0 million refinance loan to the headquarters of a corporation that includes a three-building warehouse facility located in a moderate-income CT. The loan assists with stabilizing the community by providing employment and business in the area for a company that provides heating, ventilation, and air conditioning, electrical, plumbing, and refrigeration services.

Naples-Marco Island, FL MSA

The bank is a leader in making CD loans in the AA. During the evaluation period, FineMark originated or renewed four CD loans totaling \$22.4 million within the Naples-Marco Island, FL MSA representing 41.5 percent of allocated tier 1 capital. CD loans exhibited an excellent responsiveness to the credit and community needs in the AA. The composition of loans consists of two affordable housing loans totaling \$12.5 million, one \$5 million community service loan and one \$4.9 million revitalization loan.

Examples of CD loan originations and refinances during the evaluation period include:

- A \$5 million line of credit (LOC) to a Health Services company that is a federally qualified healthcare center that receives federal funding to provide healthcare services to underserved populations regardless of their ability to repay. The funds will assist with the construction funding of a new medical office.

- A \$10 million loan to an affordable housing nonprofit organization that provides housing to LMI individuals seeking affordable housing. Funds will be used to purchase land for new affordable housing developments.
- A \$2.5 million working capital loan to an affordable housing nonprofit organization that provides housing to LMI individuals seeking affordable housing. The organization operates in a moderate-income CT.

Outside the AAs – Broader Statewide Area

In addition to the CD loans that benefited the bank’s AAs, FineMark made a \$1.4 million paycheck protection program loan to a healthcare foundation that is located in a moderate-income CT.

Product Innovation and Flexibility

The institution used innovative and/or flexible lending practices in order to serve AA credit needs. Refer to the “Description of the Institution” section for additional details regarding bank-wide consumer and small business lending programs.

During the evaluation period, FNB&T offered its affordable housing program in the AA that provided flexible home purchase financing for LMI families. The bank also provided PPP loans to businesses in the AA, providing flexible financing through the program in response to the COVID-19 pandemic.

Conclusions for Area Receiving a Limited-Scope Review

Refer to Tables O through V in the state of Florida section of appendix D for the facts and data that support these conclusions.

Based on a limited-scope review, the bank’s performance under the Lending Test in the West Palm Beach-Boca Raton-Boynton Beach, FL MD is weaker than the bank’s overall performance under the Lending Test in the full-scope area(s). Home mortgage and small business lending were consistent with the performance in the full-scope areas. There were no community development loans in the AA.

INVESTMENT TEST

The bank’s performance under the Investment Test in Florida is rated High Satisfactory.

Number and Amount of Qualified Investments

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000’s)	#	\$(000’s)	#	% of Total #	\$(000’s)	% of Total \$	#	\$(000’s)

Full-Scope										
Cape Coral-Fort Myers, FL MSA	4	2,952	113	1,768	117	60%	4,720	22%	-	-
Naples – Marco Island, FL MSA	-	-	30	7,885	30	15%	7,885	37%	-	-
Limited Scope										
West Palm Beach-Boca Raton- Boynton Beach, FL MD	1	203	18	3,751	19	10%	3,954	19%	-	-

* Prior Period Investments means investments made in a previous evaluation period that are outstanding as of the examination date.

** Unfunded Commitments means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

The bank has a significant level of qualified CD investments and grants, occasionally in a leadership position, and including those investments not routinely provided by private investors.

The bank exhibits good responsiveness to credit and community economic development needs. The institution occasionally uses innovative and/or complex investments to support CD initiatives.

Cape Coral-Fort Myers, Florida MSA

Based on a full-scope review, the bank's performance under the Investment Test in the Cape Coral-Fort Myers, Florida MSA is good.

The bank has an adequate level of qualified CD investments and grants, occasionally in a leadership position. Investments include some not routinely provided by private investors.

The bank exhibits good responsiveness to credit and community economic development needs. The institution makes occasional use of innovative and/or complex investments to support CD initiatives.

Qualified investments totaled \$4.7 million, which includes current period investments in mortgage-backed securities totaling \$486,000, prior period investments in mortgage-backed securities totaling \$2.95 million, and qualified grants of \$1.28 million. Investments benefiting the AA during the evaluation period represented 3.3 percent of allocated tier 1 capital over the evaluation period. There were no unfunded investment commitments at the end of the evaluation period.

Qualified investments supported affordable housing, small businesses, and community services to LMI individuals. Community contacts in the AA stated that there is a shortage of affordable housing and a need for small business lending and financial literacy. Investments were especially responsive to AA needs to support small businesses and financial literacy.

Examples of qualified investments in this AA include:

- Grants of \$450,000 to a local university to create shared space with technical assistance and supportive services for small businesses.
- Grants and in-kind donations of \$242,900 to nonprofit organizations that provide educational and developmental programs, mentoring and social services, and financial assistance and scholarships for at-risk youth and LMI children.
- Grants and in-kind donations of \$174,800 to nonprofit organizations that provide meals, food, education, and social service programs to the most vulnerable and homeless populations.

Naples – Marco Island, Florida MSA

Based on a full-scope review, the bank's performance under the Investment Test in the Naples – Marco Island, Florida MSA is good.

The bank has a significant level of qualified CD investments and grants, occasionally in a leadership position. Investments include some not routinely provided by private investors.

The bank exhibits good responsiveness to credit and community economic development needs. The institution makes occasional use innovative and/or complex investments to support CD initiatives.

Qualified investments totaled \$7.88 million, which includes current period investments in mortgage-backed securities totaling \$7.7 million and qualified grants totaling \$148,000. Investments benefiting the AA during the evaluation period represented 14.6 percent of allocated tier 1 capital over the evaluation period. There were no unfunded investment commitments at the end of the evaluation period.

Qualified investments supported affordable housing, education, and community services to LMI individuals. Community contacts in the AA stated that there is a shortage of affordable housing, a need for down-payment assistance and credit building programs, and financial education.

Examples of qualified investments in this AA include:

- Grants of \$109,5000 to nonprofit organizations that provide healthcare and dental care for LMI individuals.
- Grants of \$19,900 to nonprofit organizations that provide meals, food, education, and social service programs to the most vulnerable and homeless populations.
- Grants of \$13,800 to nonprofit organizations that provide scholarships to LMI students.

Outside the AAs – Broader Statewide Area

The bank continues to hold a prior period investment totaling \$2.2 million in Florida Housing Finance Corporation Homeowner revenue bonds to support affordable multifamily and single-family housing throughout the State for LMI persons or families.

Conclusions for Area Receiving a Limited-Scope Review

Based on a limited-scope review, the bank's performance in the West Palm Beach-Boca Raton-Boynton Beach, Florida MD is stronger than the bank's overall performance under the Investment Test in the full-scope areas. The bank had a high level of investments that provided adequate responsiveness to AA community development needs. Investments benefiting the AA during the evaluation period represented 48.2 percent of allocated tier 1 capital over the evaluation period and consisted of mortgage-backed securities totaling \$3.9 million and grants totaling \$25,000.

SERVICE TEST

The bank's performance under the Service Test in the state of Florida is rated High Satisfactory.

Based on a full-scope review, the bank's performance in the Cape Coral-Fort Myers, FL MSA is good.

Retail Banking Services

Service delivery systems are reasonably accessible to geographies and individuals of different income levels in the bank's AA(s).

Distribution of Branch Delivery System											
Assessment Area	Deposits	Branches						Population			
	% of Rated Area Deposits in AA	# of Bank Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				% of Population within Each Geography			
				Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Cape Coral-Fort Myers, FL MSA	57.3	5	55.56			2	3	4.7	27.1	42.3	25.9
Naples- Marco Island, FL MSA	21.8	3	33.33				3	7.2	23.5	38.0	31.3
West Palm Beach-Boca Raton-Boynton Beach, FL MD	3.3	1	11.11				1	7.3	27.5	30.9	33.9

Cape Coral-Fort Myers, FL MSA

In the Cape Coral-Fort Myers, FL MSA, the bank has no branches in low- moderate income geographies, three branches in upper-income geographies and two branches in middle-income geographies. The percentage of branches located in low- moderate income geographies is well below the percentage of the population residing in these geographies.

While there are no branches in LMI geographies, there is adequate banking usage by households in LMI geographies in the AA. Bank-provided data shows that 7 percent of all deposit accountholders reside in LMI geographies in the AA.

Naples-Marco Island, FL MSA

In the Naples-Marco Island, FL MSA, the bank has no branches in low- moderate income geographies, and all three branches are located in upper-income geographies. The percentage of branches located in low- moderate income geographies is well below the percentage of the population residing in these geographies.

While there are no branches in LMI geographies, there is adequate banking usage by households in LMI geographies in the AA. Bank-provided data shows that 4 percent of all deposit accountholders reside in LMI geographies in the AA.

The bank's opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in LMI geographies and/or to LMI individuals.

The bank opened two branches and closed one branch in the Cape Coral-Fort Myers, FL MSA during the January 1, 2018 to December 31, 2020 period. The opening of one of the branches was to replace the branch closing at a nearby location in the AA. The new branch opening is located in a middle- income tract.

The bank complements its traditional service delivery methods in the AA with certain alternative retail delivery systems, including mobile banking, online banking, remote deposit capture and online bill pay.

Services, including where appropriate, business hours, do not vary in a way that inconveniences the various portions of its AA(s), particularly low- and moderate-income geographies and/or individuals.

Community Development Services

The bank is a leader in providing CD services.

Cape Coral-Fort Myers, FL MSA

The bank is a leader in providing CD services in the Cape Coral-Fort Myers, FL MSA. CD services were effective and responsive in helping the bank address community needs in the AA.

The bank conducted a high level of CD services consistent with its capacity and expertise to conduct such activities. During the evaluation period of January 1, 2018 to December 31, 2020, 30 bank employees provided 2,919 hours of CD services to 21 community organizations that serve the AA. The community development organizations support affordable housing initiatives, community services to LMI families, and economic development. Bank staff activities included board service, technical assistance, and education, frequently serving in leadership roles.

Examples of CD services provided:

- Twelve bank employees supported a local youth development program that primarily serves LMI youth; their activities included providing financial education and career skills.
- A senior bank officer served as treasurer and chairman for the finance committee of a community organization that provides jobs and services for LMI, including those with disabilities.
- Five bank employees supported a local affordable housing organization that builds homes for LMI families. Bank employees served in various roles, including coordinating the organization's home loans, providing financial education to future homeowners, and serving on the organization's Board of Directors.

Naples – Marco Island, FL MSA

The bank is a leader in providing CD services in the Naples-Marco Island, FL MSA. CD services were effective and responsive in helping the bank address community needs in the AA.

The bank conducted a high level of CD services consistent with its capacity and expertise to conduct such activities. During the evaluation period of January 1, 2018 to December 31, 2020, 11 bank

employees provided 740 hours of CD services to 11 community organizations that serve the MSA. The community development organizations support community services for LMI families and rehabilitation services. Bank staff activities included board service, technical assistance, and education, often serving in leadership roles.

Examples of CD services provided:

- A bank officer served on the Board of an organization that allocates funding to nonprofits in the AA that primarily serve LMI residents. The bank officer's activities included assisting with fundraising activities, reviewing applicant finances, providing recommendations for funding allocation.
- A bank employee provided economics education to students at a school that primarily serves LMI.
- A bank officer served on a committee that assists with fundraising and community awareness, for a nonprofit healthcare organization. The organization provides healthcare facilities and services to predominately LMI communities in the AA, including Immokalee and Golden Gate.

Conclusions for Area Receiving a Limited-Scope Review

Based on the limited scope reviews, the bank's performance under the Service Test in the West Palm Beach-Boca Raton-Boynton Beach, FL MD is consistent with the performance in the full-scope AAs.

The bank has one branch in the AA, located in an upper-income geography. The percentage of branches located in low- moderate income geographies is well below the percentage of the population residing in these geographies. Bank-provided data shows that 10 percent of all deposit accountholders reside in LMI geographies in the AA.

The bank provides an adequate level of CD services in the AA, often in a leadership role. During the evaluation period of January 1, 2018 to December 31, 2020, three bank employees provided 72 hours of CD services to two community organizations that serve the AA. CD services were focused on scholarship programs for LMI students.

State of South Carolina

CRA rating for the State of South Carolina: Satisfactory

The Lending Test is rated:	High Satisfactory
The Investment Test is rated:	High Satisfactory
The Service Test is rated:	Low Satisfactory

The major factors that support this rating include:

- Lending levels reflect good responsiveness to AA credit needs.
- The bank exhibits an adequate geographic distribution of loans in its AA(s).
- The bank exhibits an adequate distribution of loans among individuals of different income levels and businesses of different sizes.
- The bank is a leader in making CD loans, which had a significant impact on the State of South Carolina Lending Test rating.
- The bank has a significant level of qualified CD investments and grants, occasionally in a leadership position, and including some investments not routinely provided by private investors. Investments exhibit adequate responsiveness to credit and community development needs, with limited use of innovative and/or complex investments to support CD initiatives.
- Service delivery systems are reasonably accessible to geographies and individuals of different income levels in the bank's AA.
- The bank provides an adequate level of CD services in the AA.

Description of Institution's Operations in South Carolina

FNB&T has one AA within the state of South Carolina. The bank's assessment area consists of the whole counties of Charleston and Berkeley in South Carolina which is part of the Charleston-North Charleston, SC MSA.

In this evaluation the Charleston-North Charleston, SC MSA will receive a full-scope review.

Based on the FDIC Deposit Market Share data as of June 30, 2020, FNB&T had a 0.27 percent deposit market share in this MSA and is ranked 28th out of 39 financial institutions doing business in the MSA. The deposits account for 2.6 percent of the bank's total deposits. Primary competitors include Wells Fargo Bank, N.A., which ranked first in deposit market share (19.83 percent) with 18 offices, Bank of America, N.A. which ranked second in deposit market share (13.32 percent) with 12 offices, and South State Bank, N.A. which ranked third in deposit market share (11.15 percent) with 19 offices.

FNB&T provides a full range of loan and deposit products and services in the MSA. The bank operates one full-service brick and mortar offices that is in an upper income CT and does not have an ATM on-site. The branch represents 8.3 percent of the bank's total branch network.

Table A – Demographic Information of the Assessment Area						
Assessment Area: Charleston-North Charleston, SC MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	131	10.7	22.1	35.9	28.2	3.1
Population by Geography	566,517	8.4	20.3	39.5	30.8	1.0
Housing Units by Geography	252,110	8.3	20.3	37.6	32.9	1.0
Owner-Occupied Units by Geography	137,987	4.2	17.5	41.1	37.0	0.4
Occupied Rental Units by Geography	79,061	15.0	24.2	36.4	22.7	1.7
Vacant Units by Geography	35,062	9.3	22.3	26.8	39.7	1.9
Businesses by Geography	48,494	9.0	16.4	32.0	40.9	1.7
Farms by Geography	1,133	4.5	16.2	44.1	34.8	0.4
Family Distribution by Income Level	136,371	22.9	16.8	19.2	41.1	0.0
Household Distribution by Income Level	217,048	25.0	15.6	17.4	42.1	0.0
Median Family Income MSA - 16700 Charleston-North Charleston, SC MSA		\$65,558	Median Housing Value			\$259,105
			Median Gross Rent			\$1,035
			Families Below Poverty Level			11.7%
<i>Source: 2015 ACS and 2020 D&B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The bank's assessment area in South Carolina consists of Berkeley and Charleston Counties, part of the Charleston-North Charleston, SC MSA. The AA meets the requirements of the regulation and does not arbitrarily exclude LMI geographies. According to 2020 U.S. Census data, the AA consists of 131 CTs, of which 14 are low-income, 29 are moderate-income, 47 are middle-income, 37 are upper-income, and 4 have not been assigned an income classification. The percentage of families living below the poverty level is 11.7 percent. Strong competition for financial services exists within FNB&T's AA, which includes nationwide and regional institutions. According to the U.S. Bureau of Labor Statistics, as of December 31, 2020, the unemployment rate in Charleston-North Charleston, SC MSA was 5.5 percent, which was lower than the national average of 6.7 percent

The top mortgage lender in the Charleston-North Charleston, SC MSA is Quicken Loans, LLC with 4.57 percent market share based on the number of loans reported, followed by Wells Fargo Bank, N.A with 4.50 percent market share and Freedom Mortgage Corporation with 3.53 percent market share. The bank is ranked 174 among 669 lenders with 0.06 percent market share based on the number of loans. Based on the total dollar volume, the bank is ranked 105 among 669 lenders with 0.16 percent market share. The bank's average mortgage loan size in the AA is \$904,000.

In small loans to businesses, the bank is ranked 30 among 119 lenders with 0.34 percent market share based on total dollar volume of loans. The top three small business lenders were South State Bank with 10.84 percent market share, Wells Fargo Bank, N.A. with 10.31 percent market share, and American Express National Bank with 8.76 percent market share. The bank's average small business loan size in the AA is \$342,000.

Major area employers consist of Joint Base Charleston, Medical University of South Carolina, Roper St. Francis Healthcare, and The Boeing Co. Other large employers are Walmart, Inc., and College of Charleston.

Housing affordability is a challenge in the Charleston-North Charleston, SC MSA. The FFIEC estimated 2020 median family income was \$81,000. The median sales price of existing single-family homes according to the National Association of Realtors was \$286,300 in September 2018 and \$337,100 in September 2020, a 17.7 percent increase. The 2020 housing price would require a mortgage payment of \$1,810 based on a 30-year mortgage with a five percent interest rate. Based on this data and not accounting for down payment, homeowners insurance, real estate taxes, or any additional monthly expenses, a low-income borrower making \$40,500 per year (or less than 50 percent of the 2020 FFIEC adjusted median family income in the AA) could afford a mortgage payment of \$1,012 per month. A moderate-income borrower making \$64,800 per year (or less than 80 percent of the 2020 FFIEC adjusted median family income in the AA) could afford a mortgage payment of \$1,620 per month. This illustrates that LMI borrowers are challenged to qualify for a mortgage loan in the AA.

As part of this evaluation, the OCC conducted community contacts with one nonprofit organization working in the AA that provides housing, financial literacy, and workforce development programs to underserved groups. The contacts reported the following needs within the AA.

- Affordable housing
- Mortgage and home improvement lending
- Outreach to small business and small business lending
- Financial literacy

Scope of Evaluation in South Carolina

The Berkeley-Charleston AA was evaluated as a full-scope review. The bank's lending, investment and service tests covers the period January 1, 2018 through December 31, 2020. All qualified activities between those dates are included in this evaluation.

As previously noted, the bank's primary loan products during the evaluation period were home mortgage and business lending with an emphasis on home mortgage lending. As such, our review of the bank's lending performance considered home mortgage lending performance more than small business lending performance in arriving at conclusions and overall ratings.

Where relevant to our conclusions, we considered the performance context previously discussed in the "Description of the Institution", the "Description of the Institution's Operations", and other factors discussed in this section.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN SOUTH CAROLINA

LENDING TEST

The bank's performance under the Lending Test in South Carolina is rated High Satisfactory.

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank's performance in the Charleston-North Charleston, SC MSA is good.

Lending Activity

Lending levels reflect good responsiveness to AA credit needs.

Number of Loans						
Assessment Area	Home Mortgage	Small Business	Community Development	Total	%State Loans	%State Deposits
Charleston-North Charleston, SC MSA	110	36	4	150	100.0%	100.0%

Dollar Volume of Loans						
Assessment Area	Home Mortgage	Small Business	Community Development	Total	%State* Loans	%State Deposits
Charleston-North Charleston, SC MSA	80,120	5,733	4,266	90,119	100.0%	100.0%

According to FDIC Deposit Market Share data as of June 30, 2020, the bank ranked 28 among 39 depository banks with a deposit market share of 0.64 percent based on deposits of \$50 million in the AA.

Based on 2020 data for all lenders subject to HMDA, FNB&T ranked 174 out of 669 mortgage lenders with a market share of 0.06 percent based on the number of loans reported. The bank's mortgage lending market share is lower than its deposit market share. The mortgage lending market in the AA is very competitive with 669 lenders in Lee County. Large national banks, online lenders and non-bank mortgage companies lead the mortgage lending activity in the AA. Top mortgage lenders in the AA include Quicken Loans, LLC, Freedom Mortgage Corporation, and Wells Fargo Bank, N.A. These lenders represent 12.6 percent of the mortgage market share in the AA.

According to 2019 data for banks subject to CRA small business loan reporting—the most recent peer small business data available—FNB&T ranked 30 out of 119 lenders with a market share of 0.34 percent based on the dollar volume of loans. Top lenders in the market include large banks, regional banks and business credit card lenders, including South State Bank, N.A., American Express National Bank, and Wells Fargo Bank N.A.

Consideration was given to the bank's PPP loans. The bank's small business loans in the AA (loans with original amounts less than \$1 million) increased significantly in 2020 in response to credit needs during the pandemic. FineMark's 2020 lending includes 14 PPP loans totaling \$663,000. This represents 70.0 percent of loans made to small business loans in 2020 and 38.9 percent of all small business loans made in the AA during the evaluation period. Business revenue data was not available for 11 of the PPP loans.

Distribution of Loans by Income Level of the Geography

The bank exhibits an adequate geographic distribution of loans in its AA(s).

Home Mortgage Loans

Refer to Table O in the state of South Carolina section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

The bank's distribution of home mortgage loans in LMI geographies in the Charleston-North Charleston, SC MSA is adequate. The percent of bank home mortgage loans in low-income geographies exceeds the percent of owner-occupied housing units and exceeds the aggregate lending. The percent of bank home mortgage loans in moderate-income geographies is below the percent of owner-occupied housing units and well below the aggregate lending.

Small Loans to Businesses

Refer to Table Q in the state of South Carolina section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

The bank's distribution of small loans to businesses in LMI geographies is adequate. The percent of the bank's small loans to businesses is below the percentage of small businesses in low-income geographies and below the aggregate lending. The percent of small loans to businesses in moderate-income geographies is also below the percentage of small businesses and below the aggregate lending.

Lending Gap Analysis

The OCC evaluated the lending distribution in the AA to determine if any unexplained, conspicuous gaps existed. We reviewed summary reports, maps, and analyzed FNB&T's home mortgage and small business lending activity over the evaluation period to identify any gaps in the geographic distribution of loans. We did not identify any unexplained conspicuous gaps.

Distribution of Loans by Income Level of the Borrower

The bank exhibits an adequate distribution of loans among individuals of different income levels and businesses of different sizes, given the product lines offered by the institution.

Home Mortgage Loans

Refer to Table P in the state of South Carolina section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

Our housing affordability analysis for the AA demonstrates that LMI individuals face challenges in obtaining a home mortgage. Given the AA median family income and the median home price in 2020, the ability to qualify for a home purchase loan is generally out of reach without significant subsidies or down payment assistance. This context was considered in evaluating the bank's lending to borrowers of different income levels.

The bank's distribution of home mortgage loans to LMI borrowers is adequate. The percent of bank loans to LMI borrowers exceeds the percentage of low-income families in the AA but is below the aggregate lending. The percent of bank loans to moderate-income families is significantly below the percentage of moderate-income families in the AA and significantly below the aggregate lending.

Small Loans to Businesses

Refer to Table R in the state of South Carolina section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

The bank's distribution of loans to small businesses by revenue is adequate. The percent of bank small loans to businesses with less than \$1 million in annual revenues is below the percent of small businesses in the AA. The percent of bank loans to small businesses exceeds the aggregate lending.

Consideration was given to the bank's PPP loans to small businesses. In 2020, FNB&T originated 14 PPP loans totaling \$663,000 in the AA. This represents 70.0 percent of all loans to small businesses made in the AA during the evaluation period.

Community Development Lending

The bank is a leader in making CD loans. CD lending had a positive impact on the overall Lending Test rating.

The Lending Activity tables, shown above, set forth the information and data used to evaluate the bank's level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans.

The bank made a relative high level of CD loans. During the evaluation period, FineMark originated or renewed four loans totaling \$4.3 million within the Charleston-North Charleston, SC MSA representing 66.1 percent of allocated tier 1 capital. CD loans exhibited excellent responsiveness to the credit and community needs in the AA. The composition of loans consisted of one affordable housing loan totaling \$394,000, two economic development loans totaling \$3.7 million and one revitalization and stabilization loan totaling \$188,000.

Examples of CD loan originations and refinances during the evaluation period include:

- A \$3.6 million loan for the construction of a supermarket and additional 17 stores. When completed, the new supermarket will create approximately 100 new permanent LMI jobs.
- A \$394,000 loan for the purpose of refinancing a 12-unit multifamily apartment complex located in a low-income CT where rents are below HUD median rents.

- A \$188,000 loan to an Opportunity Zone to acquire and convert a residential property to a commercial property for lease in a low-income CT that has been designated as a Federal Opportunity Zone.

Outside the AA – Broader Statewide Area

In addition to the CD loans that benefited the bank’s AAs, FineMark made one economic development loan totaling \$8.4 million and one community services loan totaling \$2 million.

Product Innovation and Flexibility

The bank makes limited use of innovative and/or flexible lending practices in order to serve AA credit needs. Refer to the “Description of the Institution” section for additional details regarding bank-wide consumer and small business lending programs. During the evaluation period, the bank provided PPP loans to businesses in the AA, providing flexible financing through the program in response to the COVID-19 pandemic.

INVESTMENT TEST

The bank’s performance under the Investment Test in South Carolina is rated High Satisfactory.

Number and Amount of Qualified Investments

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Full-Scope										
Charleston-North Charleston, SC MSA	1	1,250	10	3,036	11	6%	4,286	20%	-	-

* Prior Period Investments means investments made in a previous evaluation period that are outstanding as of the examination date.

** Unfunded Commitments means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

Based on a full-scope review, the bank’s performance in the Charleston-North Charleston, South Carolina MSA is good.

The bank has a significant level of qualified CD investments and grants, occasionally in a leadership position, and including some investments not routinely provided by private investors.

The bank’s investments exhibit adequate responsiveness to credit and community economic development needs. The bank made limited use of innovative and/or complex investments to support CD initiatives.

Qualified investments totaled \$4.3 million and include prior period investments of \$1.2 million, current period investments of \$3 million and qualified grants of \$18,000. Investments benefiting the AA during the evaluation period represented 66.4 percent of allocated tier 1 capital over the evaluation period. There were no unfunded investment commitments at the end of the evaluation period.

Investments and grants were made to organizations that promote affordable housing and provide community services to LMI individuals. Community contacts in the AA stated that there is a need for mortgage and home improvement lending, financial literacy, and outreach and lending to small businesses.

Examples of qualified investments in this AA include:

- Grants of \$17,300 to nonprofit organizations that provide meals, food, education, and social service programs to the most vulnerable and homeless populations.
- Grants of \$1,000 to nonprofit organizations that promote affordable housing.
- A prior-period investment of \$1.25 million in a municipal economic development bond that supported the development of a manufacturing facility that created approximately 1,300 jobs.

Outside the AA – Broader Statewide Area

The bank continues to hold prior period investments totaling \$4.35 million in the South Carolina Electric Co-Operative. In 2017, the bank invested in twelve solar farms located in LMI, distressed or underserved communities. The solar farms lower the costs of energy for LMI residents and created over 25 full-time jobs.

SERVICE TEST

The bank’s performance under the Service Test in the state of South Carolina is rated Low Satisfactory.

Based on a full-scope review, the bank’s performance in the Charleston - North Charleston, SC MSA is adequate.

Retail Banking Services

Service delivery systems are reasonably accessible to geographies and individuals of different income levels in the bank’s AA(s).

Distribution of Branch Delivery System											
Assessment Area	Deposits	Branches						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				% of Population within Each Geography			
				Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Charleston - North Charleston, SC MSA	2.6	1	100				1	8.4	20.3	39.5	30.8

In the Charleston - North Charleston, SC MSA, the bank has no branches in low- moderate income geographies, one branch in upper-income geographies. The percentage of branches located in low-moderate income geographies is well below the percentage of the population residing in these geographies.

While there are no branches in LMI geographies, there is adequate banking usage by households in LMI geographies in the AA. Bank-provided data shows that 7 percent of all deposit accountholders reside in LMI geographies in the AA.

The bank complements its traditional service delivery methods in the Charleston - North Charleston, SC MSA with certain alternative retail delivery systems, such as ATMs and 24/7 online banking.

The bank did not open or close branches during the evaluation period.

Services, including where appropriate, business hours, do not vary in a way that inconveniences the various portions of its AA(s), particularly low- and moderate-income geographies and/or individuals.

Community Development Services

The bank provides an adequate level of CD services in the Charleston – North Charleston, SC MSA.

CD services were adequate and responsive in helping the bank address community needs in the Charleston – North Charleston, SC MSA. During the evaluation period of January 1, 2018 to December 31, 2020, the bank conducted an adequate level of CD services consistent with its capacity and expertise to conduct such activities. One bank employee provided 262 hours of CD services to one community organization that serves the MSA. The community development organization supports community services for LMI families.

Example of CD services provided:

- A bank officer served on the Board of Directors for a community organization in the AA. This role included providing guidance on allocating contributions, planning for emergencies and guidance on financial management. The community organization provides services to LMI in the AA including senior citizens, the disabled, unemployed, or underemployed, veterans, families living in generational poverty, and those experiencing situational poverty.

Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the MSAs and non-MSAs that received comprehensive examination review, designated by the term “full-scope,” and those that received a less comprehensive review, designated by the term “limited-scope”.

Time Period Reviewed:	January 1, 2018 to December 31, 2020	
Bank Products Reviewed:	Home Mortgage Loans, Small Business Loans, Community Development Loans Qualified Investments, Community Development Services	
Affiliate(s)	Affiliate Relationship	Products Reviewed
None		
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
State of Arizona		
Phoenix-Mesa-Chandler, AZ MSA	Full Scope	<i>Maricopa County only</i>
State of Florida		
Cape Coral-Fort Myers, FL MSA	Full Scope	
Naples-Marco Island, FL MSA	Full Scope	
West Palm Beach-Boca Raton- Boynton Beach, FL MD	Limited Scope	
State of South Carolina		
Charleston-North Charleston, SC MSA	Full Scope	<i>Charleston and Berkeley counties only</i>

Appendix B: Summary of State Ratings

RATINGS FineMark National Bank & Trust				
Overall Bank:	Lending Test Rating*	Investment Test Rating	Service Test Rating	Overall Bank/State/ Rating
FineMark NB&T	High Satisfactory	High Satisfactory	High Satisfactory	Satisfactory
State:				
Arizona	Low Satisfactory	Needs to Improve	Low Satisfactory	Satisfactory
Florida	High Satisfactory	High Satisfactory	High Satisfactory	Satisfactory
South Carolina	High Satisfactory	High Satisfactory	Low Satisfactory	Satisfactory

(*) The Lending Test is weighted more heavily than the Investment and Service Tests in the overall rating.

Appendix C: Definitions and Common Abbreviations

The following terms and abbreviations are used in this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

Affiliate: Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. For example, a bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Aggregate Lending (Aggt.): The number of loans originated and purchased by all reporting lenders (HMDA or CRA) in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

Census Tract (CT): A small, relatively permanent statistical subdivision of a county delineated by a local committee of census data users for the purpose of presenting data. Census tracts nest within counties, and their boundaries normally follow visible features, but may follow legal geography boundaries and other non-visible features in some instances, Census tracts ideally contain about 4,000 people and 1,600 housing units.

Combined Statistical Area (CSA): A geographic entity consisting of two or more adjacent Core Based Statistical Areas with employment interchange measures of at least 15. An employment interchange measure is a measure of ties between two adjacent entities. The employment interchange measure is the sum of the percentage of workers living in the smaller entity who work in the larger entity and the percentage of employment in the smaller entity that is accounted for by workers who reside in the larger entity.

Community Development (CD): Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; or activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas.

Community Reinvestment Act (CRA): the statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its entire community, including LMI areas, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

Consumer Loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, other secured consumer loans, and other unsecured consumer loans.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into ‘male householder’ (a family with a male householder’ and no wife present) or ‘female householder’ (a family with a female householder and no husband present).

Full-Scope Review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that conduct business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants, the amount of loan requested, the disposition of the application (e.g., approved, denied, and withdrawn), the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

Home Mortgage Loans: A closed-end mortgage loan or an open-end line of credit as these terms are defined under §1003.2 of this title, and that is not an excluded transaction under §1003.3(c)(1) through (10) and (13) of this title.

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Limited-Scope Review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

Low-Income Individual: Individual income that is less than 50 percent of the area median income.

Low Income Geography: A census tract with a median family income that is less than 50 percent.

Market Share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. The median is the point at which half of the families have income above, and half below, a range of incomes. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above, and half below, a range of incomes.

Metropolitan Division: As defined by Office of Management and Budget, a county or group of counties within a Core Based Statistical Area that contains an urbanized population of at least 2.5 million. A Metropolitan Division consists of one or more main/secondary counties that represent an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area: An area, defined by the Office of Management and Budget, as a core based statistical area associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

Middle-Income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of a geography

Moderate-Income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of a geography.

Multifamily: Refers to a residential structure that contains five or more units.

MMSA (state): Any multistate metropolitan statistical area or multistate combined statistical area, as defined by the Office of Management and Budget.

Owner-Occupied Units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Qualified Investment: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rating Area: A rated area is a state or multi-state metropolitan statistical area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multi-state metropolitan statistical area, the institution will receive a rating for the multi-state metropolitan statistical area.

Small Loan(s) to Business(es): A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans.

Small Loan(s) to Farm(s): A loan included in 'loans to small farms' as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

Tier 1 Capital: The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

Upper-Income: Individual income that is at least 120 percent of the area median income, or a median family income that is at least 120 percent, in the case of a geography.

Appendix D: Tables of Performance Data

Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan statistical areas, if applicable, are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: (1) purchased loans are treated the same as originations; and (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all HMDA or CRA reporting lenders in the MMSA/assessment area. Deposit data are compiled by the FDIC and are available as of June 30th of each year. *Tables without data are not included in this PE.*

The following is a listing and brief description of the tables included in each set:

- Table O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents aggregate peer data for the years the data is available.
- Table P. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MMSA/assessment area. The table also presents aggregate peer data for the years the data is available.
- Table Q. Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses that were originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) in those geographies. Because aggregate small business data are not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank’s assessment area.
- Table R. Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenue** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to: 1) the percentage distribution of businesses with revenues of greater than \$1 million; and, 2) the percentage distribution of businesses for which revenues are not available. The table also presents aggregate peer small business data for the years the data is available.

- Table S. Assessment Area Distribution of Loans to Farms by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. Because aggregate small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table T. Assessment Area Distribution of Loans to Farms by Gross Annual Revenues** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$500,000) originated and purchased by the bank to farms with revenues of \$1 million or less to: 1) the percentage distribution of farms with revenues of greater than \$1 million; and, 2) the percentage distribution of farms for which revenues are not available. The table also presents aggregate peer small farm data for the years the data is available.
- Table U. Assessment Area Distribution of Consumer Loans by Income Category of the Geography** – Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households in those geographies.
- Table V. Assessment Area Distribution of Consumer Loans by Income Category of the Borrower** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of households by income level in each MMSA/assessment area.

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography **2018-20**

Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
State of Arizona																			
Phoenix-Mesa-Chandler, AZ MSA	230	166,323	24.0	394,734	4.6	0.9	2.9	18.8	4.8	13.0	34.7	18.7	34.1	41.9	75.7	49.4	0.0	0.0	0.7
State of Florida																			
Cape Coral-Fort Myers, FL MSA	297	142,805	31.0	47,035	2.1	2.0	1.5	18.6	8.4	17.8	44.2	27.3	43.8	35.1	62.3	36.7	0.0	0.0	0.1
Naples-Marco Island, FL MSA	282	254,565	29.4	23,536	2.3	6.7	1.1	16.3	6.4	13.8	41.3	24.1	42.7	40.1	62.8	42.5	0.0	0.0	0.0
West Palm Beach-Boca Raton-Boynton Beach, FL MD	39	26,998	4.1	72,313	3.1	20.5	2.3	23.3	15.4	18.3	32.7	15.4	34.1	40.6	48.7	45.2	0.2	0.0	0.2
State of South Carolina																			
Charleston-North Charleston, SC MSA	110	80,120	11.5	50,809	4.2	13.6	2.3	17.5	6.4	9.4	41.1	10.0	42.4	37.0	67.3	45.5	0.4	2.7	0.4
Total	958	670,810	100.0	588,427	3.8	5.2	2.6	19.6	7.0	13.8	36.2	21.8	35.9	40.4	65.7	47.2	0.1	0.3	0.5

Source: 2015 ACS Census; 01/01/2018 - 12/31/2020 Bank Data, 2020 HMDA Aggregate Data, "--" data not available.
 Due to rounding, totals may not equal 100.0%

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower **2018-20**

	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers			
Assessment Area:	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	
State of Arizona																				
Phoenix-Mesa-Chandler, AZ MSA	230	166,323	24.0	394,734	21.8	2.6	4.5	16.9	10.4	16.1	19.2	7.4	20.3	42.2	57.4	40.7	0.0	22.2	18.4	
State of Florida																				
Cape Coral-Fort Myers, FL MSA	297	142,805	31.9	47,035	20.7	3.6	3.6	18.5	7.7	14.8	19.7	5.4	19.9	41.1	66.3	44.1	0.0	17.8	17.6	
Naples-Marco Island, FL MSA	282	254,565	29.4	23,536	20.8	4.3	3.2	17.7	5.3	13.4	19.3	2.5	17.7	42.2	65.6	52.9	0.0	22.3	12.9	
West Palm Beach-Boca Raton-Boynton Beach, FL MD	39	26,998	5.1	72,313	22.8	30.6	3.2	17.3	8.3	14.1	17.8	33.3	19.1	42.1	43.6	47.5	0.0	17.9	16.1	
State of South Carolina																				
Charleston-North Charleston, SC MSA	110	80,120	11.5	50,809	22.9	15.1	4.2	16.8	--	14.4	19.2	5.5	18.6	41.1	49.1	39.6	0.0	35.5	23.3	
Total	958	670,810	100.0	588,427	21.9	5.0	4.2	17.2	6.8	15.5	19.0	4.9	19.8	42.0	61.1	42.2	0.0	22.2	18.2	

Source: 2015 ACS Census ; 01/01/2018 - 12/31/2020 Bank Data, 2020 HMDA Aggregate Data, "--" data not available.
 Due to rounding, totals may not equal 100.0%

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography **2018-20**

Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	
State of Arizona																				
Phoenix-Mesa-Chandler, AZ MSA	97	11,057	9.2	111,778	7.2	0.0	6.8	15.0	10.3	16.5	29.9	6.2	27.0	47.3	83.5	49.2	0.6	0.0	0.6	
State of Florida																				
Cape Coral-Fort Myers, FL MSA	677	145,261	64.4	20,842	2.7	2.5	2.3	22.6	17.4	22.9	40.1	27.5	39.1	34.4	52.6	35.6	0.2	0.0	0.0	
Naples-Marco Island, FL MSA	214	49,215	20.3	13,870	2.7	1.9	2.6	13.6	3.7	10.8	38.2	28.0	40.6	45.6	66.4	46.0	0.0	0.0	0.0	
West Palm Beach-Boca Raton-Boynton Beach, FL MD	28	6,506	2.7	64,740	5.2	7.1	5.7	21.0	14.3	22.0	29.3	7.1	28.4	43.9	71.4	43.5	0.6	0.0	0.5	
State of South Carolina																				
Charleston-North Charleston, SC MSA	36	5,733	3.4	16,120	9.0	5.6	8.7	16.4	8.3	14.1	32.0	16.7	30.1	40.9	69.4	45.0	1.7	0.0	2.0	
Total	1,052	217,772	100.0	227,350	6.2	2.4	5.9	17.1	13.6	18.1	31.2	24.7	29.5	45.0	59.3	45.8	0.6	0.0	0.6	

Source: 2020 D&B Data; 01/01/2018 - 12/31/2020 Bank Data; 2019 CRA Aggregate Data, "--" data not available.
 Due to rounding, totals may not equal 100.0%

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues **2018-20**

Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
State of Arizona											
Phoenix-Mesa-Chandler, AZ MSA	97	11,057	9.2	111,778	93.1	14.4	49.6	2.3	16.5	4.7	69.1
State of Florida											
Cape Coral-Fort Myers, FL MSA	677	145,261	64.4	20,842	91.8	27.5	46.3	2.7	46.1	5.5	26.4
Naples-Marco Island, FL MSA	214	49,215	20.3	13,870	92.4	28.0	45.9	2.7	30.8	5.0	41.1
West Palm Beach-Boca Raton-Boynton Beach, FL MD	28	6,506	2.7	64,740	92.5	17.9	47.1	2.7	32.1	4.8	50.0
State of South Carolina											
Charleston-North Charleston, SC MSA	36	5,733	3.4	16,120	84.7	44.4	44.1	4.7	25.0	10.6	30.6
Total	1,052	217,772	100.0	227,350	92.4	26.7	48.0	2.5	39.2	5.1	34.1
<i>Source: 2020 D&B Data; 01/01/2018 - 12/31/2020 Bank Data; 2019 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>											