



Office of the
Comptroller of the Currency
Washington, DC 20219

INTERMEDIATE SMALL BANK

PUBLIC DISCLOSURE

August 13, 2018

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Finemark National Bank & Trust
Charter Number 24719

12681 Creekside Lane, Fort Myers, FL 33919

Office of the Comptroller of the Currency

4042 Park Oaks Blvd., Ste 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

The Lending Test is rated: **Satisfactory**

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

Major factors supporting the rating include:

- The bank's average loan-to-deposit ratio is more than reasonable and exceeds peer group averages.
- A substantial majority of the bank's primary loan products were originated within the AAs.
- Based on the bank's lending data and performance context considerations, the borrower and geographic distribution of the bank's home mortgage and small business loan originations reflects reasonable dispersion within the bank's AAs.
- The bank's community development activities demonstrates good responsiveness to needs in assessment areas.

Definitions and Common Abbreviations

The following terms and abbreviations are used throughout 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. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Aggregate Lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

Census Tract (CT): A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan areas. Census tracts generally have a population between 1,200 and 8,000 people, with an optimal size of 4,000 people. Their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community Development: 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; activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas; or loans, investments, and services that support, enable or facilitate projects or activities under HUD Neighborhood Stabilization Program criteria that benefit low-, moderate-, and middle-income individuals and geographies in the bank's assessment area(s) or outside the assessment area(s) provided the bank has adequately addressed the community development needs of its assessment area(s).

Community Reinvestment Act (CRA): the statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, 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, home equity 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 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), loan pricing, the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

Home Mortgage Loans: Such loans include home purchase, home improvement and refinancings, as defined in the HMDA regulation. These include loans for multifamily (five or more families) dwellings, manufactured housing and one-to-four family dwellings other than manufactured housing.

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 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 income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

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 MA/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. 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 it and half below it.

Metropolitan Area (MA): Any metropolitan statistical area or metropolitan division, as defined by the Office of Management and Budget, and any other area designated as such by the appropriate federal financial supervisory agency.

Metropolitan Division (MD): 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 (MSA): 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.

Other Products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

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.

Rated Area: A rated area is a state or multi-state metropolitan 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 area, the institution will receive a rating for the multi-state metropolitan 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 One 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.

Description of Institution

Description of Institution

Organizational Structure

FineMark National Bank & Trust (FNB&T) is a nationally chartered commercial bank and trust company. The bank opened its first office on February 16, 2007, in Fort Myers, Florida. FineMark Holdings, Inc., owns 100 percent of the outstanding common stock of FineMark NB&T, and is also headquartered in Fort Myers, Florida. In 2016, the bank formed FineMark Solar, LLC subsidiary, comprised of eight solar farms located in South Carolina that generates renewable energy that is sold to local electric cooperatives.

As of December 31, 2017, the bank reported total assets of \$1.6 billion, with \$1.2 billion in loans, representing 76.8 percent of assets. The loan portfolio is comprised primarily of residential real estate loans, which totaled \$777.8 million, or 64.2 percent of total outstanding loan balances. Loans for commercial or commercial real estate purposes represented 24 percent of outstanding loan balances. Tier 1 capital totaled \$137 million.

The Bank operates twelve full-service branches; all are located in upper-income level census tracts in the Bank's assessment areas in Collier, Lee, and Palm Beach Counties (Florida), Maricopa County (Arizona), and Charleston (South Carolina) counties. All branch offices are full-service, however, ATM services are only available at certain branches in each AA except for Palm Beach and Charleston counties which have no ATM service. The most recent opening of a branch was in Charleston, South Carolina in 2016. There were no branch closings during the evaluation period. Based on the 2016 Census, all of the branches are located in upper-income census tracts.

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 through twelve branches. 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 Wells Fargo Bank, N. A., KeyBank N.A. and JPMorgan Chase Bank, N.A. Refer to Appendix C, Community Profiles section of 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 April 6, 2015, the Bank received a "Satisfactory" rating.

Scope of the Evaluation

Evaluation Period/Products Evaluated

This evaluation considered home mortgage lending activity reported under the Home Mortgage Disclosure Act (HMDA) and small business lending activity. For home mortgage lending, the evaluation period includes all reported activity for the full calendar years of 2015, 2016, and 2017. For small business loans, the evaluation is based on a sample of loans originated/purchased during the same time period. For community development loans, qualified investments and community development services, the evaluation period begins from July 13, 2015 (the date of our prior CRA evaluation) to December 31, 2017.

Our conclusions related to community development loans and qualified investments are based, in part, on the number and dollar amounts made during the evaluation period. In addition, we considered the level of innovation, complexity, responsiveness to community credit needs, and the degree to which investment instruments are not routinely provided by private investors.

Data Integrity

A data integrity review was conducted by the OCC in March 2018. The review verified the accuracy and reliability of data reported by the FNBT for HMDA loans and community development loans. The data was reviewed for years 2015, 2016, and 2017. The OCC also reviewed investments and service activities occurring within the same time period, to determine if these qualified for CD consideration. It was determined that the bank's processes and controls for the collection and reporting of HMDA loan data and community development activities are satisfactory. Therefore, this CRA evaluation is based on reliable data.

Selection of Areas for Full-Scope Review

As detailed in OCC guidance¹, this evaluation considers performance in all of FNBT's assessment areas (AAs). Each AA is reviewed according to interagency examination procedures under either full-scope (FS) or limited-scope (LS) procedures. FS procedures require analysis of both quantitative and qualitative data, while LS procedures focus primarily on quantitative data with consideration of qualitative data generally limited to demographic and competitive comparators. Factors considered in selecting AAs for full-scope reviews are outlined in the OCC guidance, including the number of bank AAs in each state; the bank's lending, investment, and service activity in each AA; the lending, investment, and service needs and opportunities in each AA; the number of competing banks in each AA and the importance of the examined bank in serving each of those AAs, particularly when relatively few financial services providers

¹ OCC Bulletin 2018-17 - "Supervisory Policy and Processes for Community Reinvestment Act Performance Evaluations"

operate in an AA; and the length of time since each AA was reviewed under FS procedures. Nonetheless, conclusions and ratings will reflect the bank's performance across all AAs.

For this evaluation, FS reviews were performed for the following FNBT AAs:

State of Florida

- Cape Coral-Fort Myers, FL MSA 15980
- Naples-Immokalee-Marco Island, FL MSA 34940

State of Arizona

- Phoenix-Mesa-Scottsdale, AZ MSA 38060

State of South Carolina

- Charleston-North Charleston, SC MSA 16700

The remaining bank AA—West Palm Beach-Boca Raton-Delray Beach, FL MD 48424 was evaluated as a LS review under the State of Florida. Refer to Appendix A: Scope of Examination, for summary listing of all FNBT AAs and the type of review performed.

Ratings

The bank's overall rating is based on consideration of performance in all FNBT AAs. However, significant consideration was given to the bank's performance in the Cape Coral-Fort Myers, FL MSA, which has the largest share of deposits and reported lending activity (refer to Table 1). The Cape Coral-Fort Myers, FL MSA is the location of the bank's headquarters.

In addition to performance in the bank's AAs, the ratings consider activities in the broader statewide or regional area (BSRA). The evaluation considers the number, dollar volume, and responsiveness of the BSRA activities to identified CD needs. In completing the analysis, we found that FNBT demonstrated adequate performance for its AAs consistent with the bank's capacity; therefore, statewide and regional activities are considered in this evaluation.

Other

Community Contacts

During this evaluation, we contacted community organizations for the FS AAs. We also incorporated information from community contacts conducted during the evaluation period. The community contacts provided an assessment of the community's needs, opportunities in which financial institutions may participate in meeting those needs, and information on the perception of financial institutions involvement in the community. Community needs noted by these organizations include financing for more units affordable housing in urban and rural communities in the AAs and the BSRAs; access to credit and technical assistance for small businesses, including those in LMI areas;

financial education for LMI individuals and small business owners; and support for youth education and adult vocational training programs that improve job opportunities for LMI persons. Refer to the community profiles in appendix C for more information on the community contacts.

Impact of Census Demographic Changes

As a result of changes to the U.S. Census Bureau (Census) approach to collecting demographic data, the bank regulatory agencies established a policy of how these changes will be implemented in the CRA performance evaluation process². While *borrower* income classifications of low-, moderate-, middle-, and upper-income are updated annually for CRA evaluations, *geographic* income classifications are updated based on the 5-year Census American Community Survey (ACS) estimates. For FNBT's evaluation, the analysis of borrower and geographic distribution used ACS demographic comparators that changed during the evaluation period. FNBT performance tables in appendix C reflect these changes—resulting in 2015-2016 combined performance tables; and separate 2017 performance tables. However, all performance is considered in arriving at our overall conclusions and ratings. Refer to the Ratings section for more information on AA ratings considerations.

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 Consumer Financial Protection Bureau, as applicable.

The OCC has not identified that this institution, or any affiliate whose loans have been considered as part of the institution's lending performance, 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 institution'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.

² https://www.ffiec.gov/press/pr101911_ACS.htm

Conclusions with Respect to Performance Criteria

Loan-to-Deposit Ratio

The bank’s quarterly average loan-to-deposit (LTD) ratio is more than reasonable and exceeds peer group averages. The LTD ratio was calculated and averaged for each quarter since the preceding CRA evaluation (11 quarters beginning with the second quarter of 2015). The peer group used for this analysis consist of eight banks located within all three states and with total assets below \$2.0 million. FNBT’s average quarterly LTD ratio for the 11 quarters was 88.23 percent, which exceeds the peer banks’ average of 84.27 percent for the same time period.

Lending in Assessment Area

A substantial majority of the bank’s primary loan products were originated within the AAs. This conclusion is based on an analysis of HMDA and a sample of business loans originated during the period of January 1, 2015, through December 31, 2017. As detailed in the table below, 83.19 percent by number, and 83.24 percent by dollar amount, of originated loans were within FineMark’s assessment area.

Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage	836	83.85	161	16.15	997	490,315	86.00	79,838	14.00	570,153
Small Business	119	78.81	32	21.19	151	71,103	68.17	33,197	31.83	104,300
Totals:	955	83.19	193	16.81	1,148	561,418	83.24	113,035	16.76	674,453

Source: HMDA data; sample of business loans from bank prepared loan origination reports for the Evaluation Period: 1/1/2015 - 12/31/2017

State Rating

State of Florida

CRA rating for the State of Florida

The lending test is rated: **Satisfactory**

The community development test is rated: **Satisfactory**

Major factors supporting the state rating include:

- Based on the bank's lending data and performance context considerations, the borrower and geographic distribution of the bank's home mortgage and small business loan originations reflects reasonable dispersion.
- The bank's community development activities demonstrates good responsiveness to needs in assessment area.

Description of the Institution's Operations in the State of Florida

The bank's assessment areas in Florida consists of Cape Coral- Fort Myers (Lee County, MSA 15980), Naples-Immokalee-Marco Island, FL (Collier County, MSA 34940) and West Palm Beach-Boca Raton-Delray Beach, FL (Palm Beach County, MD 48424). The assessment areas are comprised of 579 census tracts. The bank operates nine full-service branches in these AAs, including one opened during the evaluation period in Lee County (June 2015) and an additional branch opened in Lee County in 2018. All branches in Florida are located in upper-income census tracts. As of June 30, 2017, the bank's total deposits in the Florida AAs totaled \$1.062 billion, or 88.2 percent of the bank's total deposits.

As described in the Description of the Institution, the bank operates full-service branches that offer private banking, wealth management products and services and commercial banking. Lending products are primarily used to complement existing customer banking needs; however, the bank offers a few loan products and services for affordable home mortgages and small business credit. Although home mortgage and small business lending were the primary lending products during the evaluation period, greater consideration was given to home mortgage lending based on the overall volume of such lending by the bank during the evaluation period.

Deposit Market Share

Banking competition in the Florida AAs is strong. FDIC deposit market share data for June 30, 2017, is shown below.

Assessment Area	Rank in the AA	Deposit Market Share (%)
Cape Coral-Fort Myers, FL MSA	7 th of 35 banks	4.58
Naples-Immokalee-Marco Island, FL MSA	13 th of 38 banks	1.83
West Palm Beach-Boca Raton-Delray Beach, FL MD	43 rd of 55 banks	0.09

Large national banks dominate the deposit market share in these AAs with Wells Fargo Bank, N.A., Bank of America, N.A. and SunTrust Bank having a combined deposit market share of 45.2 in the Cape Coral MSA; KeyBank, N.A., Fifth Third Bank and Wells Fargo Bank, N.A. top the Naples MSA with a combined deposit market share of 43.6 percent; and Wells Fargo Bank, N.A., Bank of America, N.A., and JPMorgan Chase Bank, N.A. top the West Palm Beach MD with a combined deposit market share of 47.0 percent.

Loan Market Share

Based on 2016 peer home mortgage data FineMark ranks 56 out of 814 home mortgage lenders in the Cape Coral-Fort Myers, FL MSA with a market share of 0.42 percent. While no one mortgage lender dominated the MSA, top home mortgage lenders include Wells Fargo Bank, N.A., Quicken Loans, Pennymac Loan Services LLC and Suncoast Credit Union with a combined market share of 23.2 percent. For banks that reported 2016 small business data, there were 138 such lenders in the AA. This total does not include small banks and non-bank lenders that are not required to report small business loan data. The top bank small business lenders in the AA are small business credit card lenders with a combined market share of 58.9 percent and an average loan size of \$14,000.

Based on 2016 peer home mortgage data, FineMark ranks 34 out of 666 home mortgage lenders in the Naples-Immokalee-Marco Island, FL MSA with a market share of 0.69 percent. Top home mortgage lenders include Wells Fargo Bank, N.A., Quicken Loans and The American Eagle Mortgage Co with a combined market share of 23.2 percent. For banks that reported 2016 small business data, there were 127 such lenders in the AA. The top bank small business lenders in the AA are small business credit card lenders with a combined market share of 67.1 percent and an average loan size of \$16,750.

Based on 2016 peer home mortgage data, FineMark ranks 412 out of 771 home mortgage lenders in the West Palm Beach-Boca Raton-Delray Beach, FL MD with a market share of 0.01 percent. Top home mortgage lenders include Wells Fargo Bank, N.A., Quicken Loans and Flagstar Bank with a combined market share of 19.5 percent. For banks that reported 2016 small business data, there were 164 such lenders in the AA. The top bank small business lenders in the AA are small business credit card lenders with a combined market share of 65.8 percent and an average loan size of \$16,000.

Scope of the Evaluation in the State of Florida

The Cape Coral-Fort Myers, FL MSA and Naples-Immokalee-Marco Island, FL MSA were evaluated as full-scope reviews. The West Palm Beach-Boca Raton-Delray Beach, FL MD was evaluated as a limited-scope review. The bank's lending test covers the period January 1, 2015 through December 31, 2017. The bank's lending test performance for the years 2015 and 2016 were evaluated on a combined basis. Due to the aforementioned changes in census data, lending performance for 2017 was

evaluated separately. The evaluation period for community development activities is July 13, 2015 through December 31, 2017. All qualified CD activities between those dates is 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.

Community Development Needs

During the evaluation period, we contacted community development organizations in the AA to discuss current economic trends, community development challenges and needs of low-to-moderate income persons and small businesses in the community. Metropolitan areas in Florida have recovered from the housing and foreclosure declines of 2005-2008. The population of Florida is increasing steadily. The resultant increases in home prices and reduced affordable housing inventory typify most Florida MSAs, including the AAs in this evaluation. In the Florida AAs, there is a need for affordable single family residences and multi-family rental units. Preservation and renovation of existing affordable housing stock, as well as development of new affordable housing units are key needs. In addition, Florida is among the top states in the nation for the number of small businesses (those with less than \$1 million in revenue), yet access to capital for start-up or expansion remains a challenge.

The community contacts provided an assessment of the community’s needs and opportunities in which financial institutions may participate in supporting community development needs. Those needs identified include financing for more units affordable housing; access to credit for small business, including those in LMI areas; financial education for LMI individuals and small business owners; and support for youth education and adult vocational training programs that improve job opportunities for LMI persons. The income ranges for the Florida AAs are detailed below.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Cape Coral-Fort Myers, FL MSA Median Family Income (15980)				
2015 (\$57,600)	<\$28,800	\$28,800 to <\$46,080	\$46,080 to <\$69,120	≥\$69,120
2016 (\$56,400)	<\$28,200	\$28,200 to <\$45,120	\$45,120 to <\$67,680	≥\$67,680
2017 (\$57,900)	<\$28,950	\$28,950 to <\$46,320	\$46,320 to <\$69,480	≥\$69,480
Naples-Immokalee-Marco Island, FL MSA Median Family Income (34940)				
2015 (\$66,500)	<\$33,250	\$33,250 to <\$53,200	\$53,200 to <\$79,800	≥\$79,800
2016 (\$65,700)	<\$32,850	\$32,850 to <\$52,560	\$52,560 to <\$78,840	≥\$78,840
2017 (\$68,300)	<\$34,150	\$34,150 to <\$54,640	\$54,640 to <\$81,960	≥\$81,960

West Palm Beach-Boca Raton-Delray Beach, FL MD Median Family Income (48424)				
2015 (\$64,900)	<\$32,450	\$32,450 to <\$51,920	\$51,920 to <\$77,880	≥\$77,880
2016 (\$65,400)	<\$32,700	\$32,700 to <\$52,320	\$52,320 to <\$78,480	≥\$78,480
2017 (\$67,900)	<\$33,950	\$33,950 to <\$54,320	\$54,320 to <\$81,480	≥\$81,480
Source: FFIEC; www.ffiec.gov				

Refer to the community profiles in appendix C for the FS AAs of Cape Coral-Fort Myers, FL MSA and Naples-Immokalee-Marco Island, FL MSA for detailed demographics and other performance context information.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE STATE OF FLORIDA

The bank’s performance in the State of Florida is Satisfactory.

LENDING TEST

The bank’s performance under the lending test in the State of Florida is rated Satisfactory. Based on full-scope reviews, the bank’s performance in the FS AAs of Cape Coral- Fort Myers, FL MSA and Naples-Immokalee-Marco Island, FL MSA is reasonable. The bank’s performance in the LS AA of West Palm Beach-Boca Raton-Delray Beach, FL MSA was poor and weaker than performance in the FS AAs.

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

Based on the bank’s lending data and the performance context considerations discussed herein, we concluded that the bank’s record of lending to borrowers of different incomes and businesses of different sizes is reasonable. Our analysis of 615 home mortgage loans and 89 business loans made in the Florida AAs during the evaluation period reflects reasonable penetration among borrowers of different income and businesses of different sizes for the Cape Coral- Fort Myers, FL MSA and Naples-Immokalee-Marco Island, FL MSA.

The overall volume of loans in the West Palm Beach-Boca Raton-Delray Beach, FL MSA was significantly lower than the FS Florida AAs. Home mortgage lending was weaker than lending in the FS AAs. The volume of small business loans was not sufficient to impact the performance conclusions.

Refer to Tables P and R in appendix D for the facts and data used to evaluate the borrower distribution of the bank’s lending activity in the State of Florida.

Home mortgage lending to LMI borrowers was evaluated relative to the housing affordability context and other market challenges in the Florida AAs. As discussed in the

Community Profile section of this evaluation, affordable homeownership is out of reach of most LMI families in the Florida AAs without the support of downpayment assistance programs or housing subsidies. In the Cape Coral- Fort Myers, FL MSA, the median sales price of a home in 2017 was \$243,500³. Given the 2017 MSA median family income of \$57,900, a low-income family could afford a \$151,598 mortgage with a payment of \$724 per month, spending no more than 30 percent of their income on housing⁴. Similar lack of affordability was noted in the other Florida AAs.

Additionally, as with other markets in Florida, investors continue to compete with potential homebuyers for affordable home inventories. For example, CoreLogic, Inc. noted that 52 percent of home sales in the Cape Coral- Fort Myers, FL MSA in the first quarter of 2016 were cash sales, most often real estate investors and international buyers. The West Palm Beach-Boca Raton-Delray Beach, FL MD had 54 percent of home sales in cash; with the Naples-Immokalee-Marco Island, FL MSA at an estimated 45 percent. In addition to housing affordability, banking competition for home mortgage lending in the Florida AAs from other, larger financial institutions and nonbank mortgage lenders also played a role in the performance context.

Small business lending was evaluated in the context of market competition from other banks and non-bank lenders as well as the capacity and creditworthiness of small businesses in the AAs. As discussed in the Description of the Institution's Operations in the State of Florida, there were 138 reporting bank lenders in the Cape Coral-Fort Myers FL MSA for small business loans. Further, the majority of small businesses in the Florida AAs were very small in scale, with four or fewer employees and less than \$500 thousand in revenues. For example, in the Cape Coral-Fort Myers FL MSA, economic data⁵ show that 78 percent of small businesses had four or fewer employees and 86 percent had revenues less than \$500 thousand. Similar data was noted for all of the AAs. The Florida Small Business Development Center noted only 53 percent of small businesses in the State were operating at a profit⁶. These factors were considered when arriving at our performance conclusions.

Cape Coral- Fort Myers, FL MSA

Home Mortgage Loans

Based on the bank's lending data shown in Table P and performance context considerations, we concluded the borrower distribution of the bank's home mortgage loans reflects reasonable penetration.

- For 2015-2016, the percent of home mortgage loans made by the bank to low-income borrowers was lower than the percent of low-income families in the AA, but substantially meets the aggregate distribution of home mortgage loans to low-income borrowers in the AA. The percent of home mortgage loans made by

3 National Association of Realtors

4 Mortgage interest rate equals 4 percent

5 Dun & Bradstreet, 2016

6 2016 Small Business Impact Report; <http://floridasbdc.org>

the bank to moderate-income borrowers was lower than the percent of moderate-income families in the AA as well as being lower than the aggregate distribution of home mortgage loans to those borrowers in the AA.

- For 2017, the percent of home mortgage loans made by the bank to low-income borrowers was lower than the percent of low-income families in the AA and somewhat lower than the aggregate distribution of home mortgage loans to low-income borrowers in the AA. The percent of home mortgage loans made by the bank to moderate-income borrowers was significantly lower than the percent of moderate-income families in the AA as well as being significantly lower than the aggregate distribution of home mortgage loans to those borrowers in the AA.
- Housing costs and affordability factors discussed herein pose challenges for home mortgage lending to LMI families. Market competition from large banks and non-bank lenders also impacted the bank's ability to provide home mortgage loans to LMI families.

Small Business Loans

Based on the bank's lending data shown in Table R and performance context considerations, we concluded the borrower distribution of the bank's lending to businesses of different sizes reflects reasonable penetration.

- For 2015-2016, the percent of loans made by the bank to small businesses in the AA (those with gross annual revenues of \$ 1 million or less) was somewhat lower than the percent of small businesses (gross annual revenues of \$ 1 million or less) that operate in the AA, but substantially meets the aggregate distribution of loans made to small businesses by all lenders reporting in the AA.
- For 2017, the percent of loans made by the bank in the AA to small businesses was lower than the percent of small businesses that operate in the AA, as well as being somewhat lower than aggregate distribution of loans made to small businesses by all lenders reporting in the AA
- Business lending is not the primary product for the bank. Furthermore, the bank is facing strong competition in the AA with over 138 small business lenders (does not include nonbank lenders) competing in the assessment area.

Naples-Immokalee-Marco Island, FL

Home Mortgage Loans

Based on the bank's lending data shown in Table P and performance context considerations, we concluded the borrower distribution of the bank's home mortgage loans reflect reasonable penetration.

- For 2015-2016, the percent of home mortgage loans made by the bank to low-income borrowers was somewhat lower than the percent of low-income families in the AA, but exceeds the aggregate distribution of home mortgage loans to low-income borrowers in the AA. The percent of home mortgage loans made by the bank to moderate-income borrowers was lower than the percent of moderate-income families in the assessment area and somewhat lower than the aggregate distribution of home mortgage loans to moderate-income borrowers in the AA.
- For 2017, there were no home mortgage loans made by the bank to low-income borrowers in 2017. The percent of home mortgage loans made by the bank to moderate-income borrowers was lower than the percent of moderate-income families in the assessment area and somewhat lower than the aggregate distribution of home mortgage loans to moderate-income borrowers in the AA.
- Housing affordability and market competition factors discussed herein were considered in determining the bank's reasonable penetration.

Small Business Loans

Based on the bank's lending data shown in Table R and performance context considerations, we concluded the borrower distribution of the bank's lending to businesses of different sizes reflects reasonable penetration.

- For 2015-2016, the percent of loans the bank made to small businesses in the AA (those with gross annual revenues of \$1 million or less) was lower than the percent of small businesses that operate in the AA; and is somewhat lower than the aggregate distribution of loans made to small businesses by all lenders reporting in the AA.
- For 2017, the percent of loans the bank made to small businesses in the AA was somewhat lower than the percent of small businesses that operate in the AA, but exceeds the aggregate distribution of loans made to small businesses by all lenders reporting in the AA.
- Small business lending is not the primary product for the bank. Furthermore, the bank is facing strong competition in the AA with over 127 small business bank lenders (does not include nonbank lenders) competing for business loans in the assessment area.

West Palm Beach-Boca Raton-Delray Beach, FL MD

The overall volume of loans in the LS AA was significantly lower than the FS Florida AAs with 26 home mortgage loans made during the evaluation. Home mortgage lending was weaker than lending in the FS AAs, with no home mortgage loans made in 2015-2016; but a reasonable percentage (though small volume) of home mortgage loans made to LMI borrowers in 2017.

Only five business loans were made in the AA during the evaluation period that could be sampled; this small volume of business loans was not sufficient to impact the performance conclusions. However, the percent of loans made to small businesses was somewhat lower than the percent of small businesses that operate in the AA, but exceeded the aggregate distribution of loans made to small businesses by all lenders reporting in the AA.

Geographic Distribution of Loans

Based on the bank's lending data and the performance context considerations discussed herein, we concluded that the bank's geographic distribution of loans is reasonable. Our analysis of 615 home mortgage loans and 89 business loans made in the Florida AAs during the evaluation period reflects reasonable geographic dispersion for the FS AAs Cape Coral-Fort Myers, FL and Naples-Immokalee-Marco Island, FL AAs.

Refer to Tables O and S in appendix D for the facts and data used to evaluate the geographic distribution of the bank's lending activity in the State of Florida.

Performance context factors impacting home mortgage lending in the Florida AAs include market competition for home mortgage loans; escalating home prices in the AAs that continue to reduce the affordable housing inventory; and as previously discussed, investors continue to compete with potential homebuyers for affordable home inventories. These factors made it more difficult for buyers to identify and finance affordable homes in LMI geographies and particularly impacted home mortgage lending opportunities in low-income geographies in the AAs. For example, median home sales prices in the Cape Coral-Fort Myers, FL MSA increased 16.0 percent from 2015 to 2017. Additionally, while 65 percent of housing units in the low-income areas of the Cape Coral-Fort Myers, FL MSA are single-family homes, only 27 percent of all housing units in the MSA's low-income areas are owner-occupied. Similar context factors were noted in the Naples-Immokalee-Marco Island, FL MSA. These circumstances were not as pronounced in moderate-income geographies. These factors were considered when arriving at our performance conclusions.

The primary factor considered in the evaluation of small business lending by geography was the strong level of market competition from other banks and non-bank lenders in the Florida AAs.

Cape Coral- Fort Myers, FL MSA

Home Mortgage Loans

Based on the bank's lending data shown in Table O and performance context considerations, we concluded the geographic distribution of the bank's home mortgage lending across geographies of different income levels reflect a reasonable dispersion.

- For 2015-2016, the percent of home mortgage loans made by the bank in low-income geographies is somewhat lower than the percent of owner-occupied housing units in low-income geographies; and is somewhat lower than the aggregate distribution of home mortgage loans in those geographies. The percent of home mortgage loans made by the bank in moderate-income geographies is somewhat lower than the percent of owner-occupied housing units in moderate-income geographies; and is also somewhat lower than the aggregate distribution of home mortgage loans in moderate-income geographies.
- For 2017, there were no home mortgage loans made by the bank in low-income geographies. The bank's home mortgage lending in moderate-income geographies was lower than the percent of owner-occupied housing in the AA; and also lower than the aggregate distribution of home mortgage loans in moderate-income geographies.
- The factors of housing affordability, availability and market competition discussed above were considered in determining the bank's reasonable dispersion.

Small Business Loans

Based on the bank's lending data shown in Table Q and performance context considerations, we concluded the geographic distribution of the bank's small loans to businesses reflect very poor dispersion.

- For 2015-2016, there were no small business loans made by the bank in low-income geographies. Small business loans made by the bank in moderate-income geographies were somewhat lower than the percent of small businesses in moderate-income geographies; and were also somewhat below the aggregate distribution of small business loans reported in moderate-income geographies.
- For 2017, there were no small business loans made by the bank in low-income geographies. Small business loans made by the bank in moderate-income geographies exceeded the percent of small businesses in those geographies; and also exceeded the aggregate distribution of small business loans reported in moderate-income geographies.
- Small business lending is not the primary product for the bank; and, the bank is facing strong competition in the AA with over 138 small business bank lenders (does not include nonbank lenders) competing for business loans in the AA.

Naples-Immokalee-Marco Island, FL

Home Mortgage Loans

Based on the bank's lending data shown in Table O and performance context considerations, we concluded the geographic distribution of the bank's home mortgage lending across geographies of different income levels reflect a reasonable dispersion.

- For 2015-2016, the percent home mortgage loans made by the bank in low-income geographies exceeded the percent of owner-occupied housing units in low-income geographies; and exceeded the aggregate distribution of home mortgage loans in those geographies. The percent home mortgage loans made by the bank in moderate-income geographies is somewhat lower than the percent of owner-occupied housing units in moderate-income geographies; and is also somewhat lower than the aggregate distribution of home mortgage loans in those geographies.
- For 2017, there were no home mortgage loans made by the bank in low-income geographies. The bank's home mortgage lending in moderate-income geographies was lower than the percent of owner-occupied housing in the AA; and was lower than the aggregate distribution of home mortgage loans in those geographies.
- The factors of housing affordability, availability and market competition discussed above were considered in determining the bank's reasonable dispersion.

Small Business Loans

Based on the bank's lending data shown in Table Q and performance context considerations, we concluded the geographic distribution of the bank's small loans to businesses reflect very poor dispersion.

- For 2015-2016, there were no small business loans made by the bank in low-income geographies. Small business loans made by the bank in moderate-income geographies were lower than the percent of small businesses in those geographies; and were lower than the aggregate distribution of small business loans reported in moderate-income geographies...
- For 2017, there were no business loans made in low-income geographies. Small business loans made by the bank in moderate-income geographies exceeded the percent of small businesses in those geographies; and also exceeded the aggregate distribution of small business loans reported in moderate-income geographies.

- Small business lending is not the primary product for the bank; and, the bank is facing strong competition in the AA with over 127 small business bank lenders (does not include nonbank lenders) competing for business loans in the AA.

West Palm Beach-Boca Raton-Delray Beach, FL MD

The overall volume of loans in the LS AA was significantly lower than the FS Florida AAs. Home mortgage lending was weaker than lending in the FS AAs, with no home mortgage loans made in 2015-2016; but a reasonable percentage (though small volume) of home mortgage loans made in LMI areas in 2017.

Only five business loans were made in the AA during the evaluation period that could be sampled; none were made in LMI geographies. This small volume of business loans was not sufficient to impact the performance conclusions.

Responses to Complaints

No complaints were received during the evaluation period.

COMMUNITY DEVELOPMENT TEST

The bank’s performance under the community development test in the State of Florida is rated Satisfactory.

The overall level of community development (CD) performance demonstrates good responsiveness to needs in its assessment area through community development loans, qualified investments (QI) and community development services, considering the bank’s size and capacity.

Number and Amount of Community Development Loans

CD lending in the full scope AAs demonstrates good responsiveness to the CD needs in the AA. During the evaluation, the bank extended CD loans in the FS AAs of Cape Coral- Fort Myers and Naples-Immokalee-Marco Island, FL MSAs as detailed below.

Community Development Loans		
Assessment Area	Number of CD Loans	Dollar Volume \$(000)
Cape Coral- Fort Myers, FL	12	3,885
Naples-Immokalee-Marco Island, FL	1	2,500
Total CD Loans	13	6,385

FNBT had a good level of community development loans in the Cape Coral- Fort Myers, FL MSA that showed excellent responsiveness to community needs. The bank made 12

CD loans totaling \$3.88 million in the AA that supported affordable housing and community services to LMI. Noteworthy CD loans include:

- A \$1 million line of credit for the construction needs of a nonprofit affordable housing developer.
- Five (5) loans totaling \$1.17 million to support the operating needs of not-for-profit organizations that provide community services to LMI, including homeownership counseling and homelessness services.

FNBT had a good level of community development loans in the Naples-Immokalee-Marco Island, FL MSA that showed excellent responsiveness to community needs. The bank made one (1) CD loan totaling \$2.5 million that financed the construction of a healthcare facility to a nonprofit organization that provides needed medical and dental services to the low-income workers in the AA.

CD lending in the LS AA demonstrated poor responsiveness to the CD needs in the West Palm Beach-Boca Raton-Delray Beach, FL MD, given that opportunities exist for CD lending in the AA. During the evaluation period, the bank made no CD loans in the West Palm Beach-Boca Raton-Delray Beach, FL MD.

Number and Amount of Qualified Investments

Qualified investments demonstrate adequate responsiveness to the community development needs in the FS AAs in the State of Florida, given the bank’s size and capacity to provide such investments. During the evaluation period, the bank made qualified investments in the FS AAs of Cape Coral- Fort Myers and Naples-Immokalee-Marco Island, FL MSAs as detailed below.

Community Development Loans		
Assessment Area	Number of Qualified Investments	Dollar Volume \$(000)
Cape Coral- Fort Myers, FL	53	5,678
Naples-Immokalee-Marco Island, FL	17	742
Total CD Loans	70	6,420

FNBT made 53 qualified investments in the Cape Coral- Fort Myers, FL MSA totaling \$5.6 million during the evaluation period.

- Investments primarily consisted of \$5 million in five (5) mortgage-backed securities, collateralized by mortgage loans to LMI borrowers in the AA.
- In addition to investment securities, FNBT made 48 grants totaling \$582 thousand to community organizations in the AA that supported youth education, workforce development, homeless services and affordable housing. Grants included \$307 thousand to the local Habitat for Humanity to support the

construction of eleven new homes along with critical home repairs on an additional 24 homes in the Harlem Heights Neighborhood of Fort Myers, FL.

FNBT made 17 qualified investments in the Naples-Immokalee-Marco Island, FL MSA totaling \$742 thousand during the evaluation period.

- Investments primarily consisted of \$622 thousand in one (1) mortgage-backed security, collateralized by mortgage loans to LMI borrowers in the AA.
- In addition to the investment security, FNBT made 16 grants totaling \$119.8 thousand to community organizations in the AA that supported early childhood development, youth development, domestic violence services, healthcare services, food assistance programs and disaster recovery.

Qualified investments in the LS AA were consistent with the FS AAs considering the bank's operations in the market and the opportunities that exist for qualified investments in the AA. During the evaluation period, the bank made five (5) qualified investments totaling \$542 thousand in the West Palm Beach-Boca Raton-Delray Beach, FL MD. Investments were primarily two (2) mortgage-backed securities totaling \$534 thousand; the remainder of investments were three (3) grants totaling \$7.5 thousand.

Extent to Which the Bank Provides Community Development Services

Based on the level of community development services and performance context considerations, we concluded that the bank's community development services demonstrated adequate responsiveness to the needs of the AA.

FNBT's community development services in the FS AAs were responsive in helping meet community needs. During the evaluation period staff members in the Cape Coral-Fort Myers, FL MSA provided a total of 2,160 hours of CD services to 36 community organizations. In the Naples-Immokalee-Marco Island, FL MSA, staff members provided 128 hours of CD service activities to two community organizations. CD services activities included financial education for LMI youth and homebuyers; supporting youth development programs; and serving on the Boards or committees of community organizations that serve LMI families. Several of the CD service activities were done with organizations where FNBT also provided CD loans and/or grants, supporting a holistic approach to meeting community needs.

FNBT's community development services in the LS AA, West Palm Beach-Boca Raton-Delray Beach, FL MD, were responsive in meeting community needs and consistent with the types of CD service activities in the FS AAs.

Responsiveness to Community Development Needs

The bank showed good responsiveness to the CD needs of the FS AAs of Cape Coral-Fort Myers and Naples-Immokalee-Marco Island, FL MSAs; and adequate responsiveness to the CD needs of the limited scope AAs. There are a large number of financial institutions in the AAs with greater capacity to provide CD investments and services. However, there are opportunities for FNBT to provide CD loans, investments and services within its capacity. The CD activities the bank supported were consistent with the needs identified by community contacts.

State of Arizona

CRA rating for Arizona: Needs to Improve

The lending test is rated: Needs to Improve

The community development test is rated: Satisfactory

Major factors supporting the state rating include:

- Based on the bank's lending data and performance context considerations, the borrower and geographic distribution of the bank's home mortgage and small business loans reflects poor penetration and dispersion, respectively.
- The bank's community development activities demonstrate adequate responsiveness to needs in assessment area.

Description of Institution's Operations in Arizona

The bank's assessment area in Arizona consists of Maricopa County, part of the Phoenix-Mesa-Scottsdale MSA (#38060). The assessment area is comprised of 916 census tracts. The bank operates two full-service branches in the assessment area, one opened during the evaluation period (April 2015). Both branches are located in Scottsdale, Maricopa County, AZ, and located in upper-income census tracts. Both branches have deposit taking ATMs on-site. There are no drive-up facilities. As of June 30, 2017, the bank's total deposits in the assessment area totaled \$127.4 million, or 10.6 percent of the bank's total deposits.

The bank operates full-service offices that offer a full array of private banking, wealth management products and services and commercial banking. Lending products are primarily used to complement its existing customer banking needs; however, the bank offers a few loan products and services geared towards low- and moderate-income persons and small businesses. Although home mortgage and small business lending were the primary lending products during the evaluation period, there was more emphasis on home mortgage lending.

Deposit Market Share

Banking competition in the assessment area is intense. FDIC deposit market share data dated June 30, 2017, the bank's assessment area shows 0.14 percent market share making it the 36th deposit holder out of 59 financial institutions. The top three financial institutions are Wells Fargo Bank, N.A., JPMorgan Chase Bank, N.A. and Bank of America, N.A. with a combined market share of 68.57 percent.

Loan Market Share

Based on 2016 peer home mortgage market share data the bank ranks 254th out of 820 home mortgage lenders in the assessment area with a market share of 0.02 percent. The top three home mortgage lenders include Wells Fargo Bank, N.A., US Bank, N.A., and JPMorgan Chase Bank with a combined market share of 19.86 percent. Based on 2016 peer small business data, there were 205 small business lenders in the assessment area. The top four market share competitors in 2016 (2017 market share data was not available during the CRA analysis period) in the assessment area are predominately small business credit card lenders with a combined market share of 66.94 percent and an average loan size of \$24,250.

Refer to the community profile in appendix C for Maricopa County and Phoenix-Mesa-Scottsdale MSA for detailed demographics and other performance context information.

Scope of Evaluation in Arizona

The Maricopa County AA was evaluated as a full-scope review. The evaluation period for the AA is July 13, 2015 through December 31, 2017. All qualified community development activities between those dates were included and described below. The bank's lending test covers the period January 1, 2015 through December 31, 2017. The bank's lending test performance for the years 2015 and 2016 were evaluated on a combined basis. Due to the changes in census data effective 2017, lending performance for 2017 was evaluated separately.

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.

Community Development Needs

Community credit needs in the AA were determined, in part, by conducting community contacts. During the evaluation period, we contacted community development organizations in the AA to discuss current economic trends, community development challenges and needs of low-to-moderate income persons and small businesses in the community. It was noted that low-and moderate-income persons have not benefitted fully from the economic recovery and areas continue to have a high rate of the working poor. Mortgages for low- and moderate-income persons present difficulties for various

reasons and housing prices and rents escalating resulting in pricing lower income persons out of the market. The overall housing market is underbuilt and there is increased pressure to supply the assessment area with more affordable housing units for low- and moderate-income persons, especially due to low inventory levels. It was also noted the State of Arizona is a haven for small businesses. Opportunities for local financial institutions include investing in affordable housing development; providing micro-loans (small dollar business loans) for start-ups and other small business loans less than \$250,000; and technical assistance for small businesses.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN ARIZONA

Based on a full-scope review, the bank's performance in the Maricopa County AA Needs to Improve.

LENDING TEST

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

Based on the bank's lending data and performance context considerations, we concluded the bank's record of lending to borrowers of different incomes and businesses of different sizes does not meet the standard for satisfactory performance. Our analysis of 84 home mortgage loans and 7 business loans made in the assessment area for 2015-2016 and 56 home mortgage loans and 2 business loans in 2017 reflect poor penetration among borrowers of different income and businesses of different sizes.

Refer to Tables P and R in appendix D for the facts and data used to evaluate the borrower distribution of the bank's lending activity in the State of Arizona.

Performance context factors impacting home mortgage lending in the AA include limited affordable housing inventory and high housing costs in the AA that limits homeownership affordability, especially to low- and moderate-income borrowers. The 2017 Phoenix-Mesa-Scottsdale MSA median sales price of a home in 2017 was \$246,700.⁷ Given the MSA median family income of \$66,200, a low-income family could afford a \$173,329 mortgage with a payment of \$828 per month, spending no more than 30 percent of their income on housing⁸.

⁷ National Association of Realtors

⁸ Mortgage interest rate equals 4 percent

Home Mortgage Loans

Based on the bank's lending data shown in Table P and performance context considerations, we concluded the borrower distribution of the bank's home mortgage loans reflect poor penetration.

- The distribution of home mortgage loans to low- and moderate-income borrowers in 2015 and 2016 reflect very poor distribution. The bank did not make any loans to moderate-income borrowers in the assessment area. The percent of loans to low-income borrowers was significantly lower than the percent of low-income families in the assessment area and significantly lower than the aggregate distribution of loans to those borrowers in the assessment area.
- The bank's home mortgage lending in 2017 is comparable to 2015 and 2016.
- Performance context factors of housing affordability and availability as well as market competition were considered in our conclusion and mitigated a more severe conclusion.

Small Business Loans

Based on the bank's lending data shown in Table R and performance context considerations, we concluded the borrower distribution of the bank's loans to businesses by revenue reflect poor penetration.

- Only nine business loans were made in the AA during the evaluation period that could be sampled. This small volume of business loans was not sufficient to impact the overall performance conclusions for the AA.
- For 2015-2016, the bank made seven business loans in the assessment area. The percent of loans the bank made was significantly lower than the percent of small businesses (gross annual revenues of \$ 1 million or less) in the assessment area and above the aggregate distribution of loans to those businesses.
- For 2017, the bank did not make any loans to small business in the assessment area.
- Small business lending is not the primary product for the bank; and, the bank is facing strong competition in the AA with over 205 bank lenders competing for small business loans in the assessment area.

Geographic Distribution of Loans

Based on the bank's lending data and performance context considerations, we concluded the geographic distribution of the bank's home mortgage and business

lending does not meet the standard for satisfactory performance. Lending among geographies of different income levels reflect poor dispersion. We used the same home mortgage loans and business loans noted above for our analysis.

Refer to Tables O and Q in appendix D for the facts and data used to evaluate the geographic distribution of the bank's lending activity in the State of Arizona.

Home Mortgage Loans

Based on the bank's lending data shown in Table O and performance context considerations, we concluded the geographic distribution of the bank's home mortgage loans across geographies of different income levels reflect poor dispersion.

- For 2015-2016, there no home mortgage loans made in low-income geographies. The distribution of the bank's home mortgage loans in moderate-income is significantly lower than the percent of owner-occupied housing units in moderate-income geographies and significantly lower than the aggregate distribution of loans in those geographies.
- For 2017, there were no home mortgage loans in low- and moderate-income geographies.
- Notable performance context factors include home lending opportunities are limited in low-income geographies. Based on demographic data, there are opportunities in moderate-income geographies; however, the short supply of affordable housing inventory hinders home mortgage lending. In addition, competition is intense with 820 bank and nonbank lenders competing for home mortgage loans in the assessment area.

Small Business Loans

Based on the bank's lending data shown in Table Q and performance context considerations, we concluded the geographic distribution of the bank's small business loans reflect poor dispersion.

- Only nine business loans were made in the AA during the evaluation period that could be sampled. This small volume of business loans was not sufficient to impact the overall performance conclusions for the AA.
- For 2015-2016, there were no business loans made in low-income geographies. The percent of small loans to businesses in moderate-income geographies is comparable to small loans to businesses in moderate-income geographies and exceeds the aggregate distribution of loans in moderate-income geographies.

- For 2017, there were no loans to small businesses in low- or moderate-income geographies.
- The bank is facing strong competition in the AA with over 205 bank lenders competing for small business loans in the assessment area.

Responses to Complaints

No complaints were received during the evaluation period.

COMMUNITY DEVELOPMENT TEST

The bank's performance under the community development test in Arizona is rated Satisfactory.

The overall level of community development (CD) performance demonstrates adequate responsiveness to needs in its assessment area through community development loans, qualified investments (QI) and community development services, considering the bank's size, capacity, and its performance context.

Number and Amount of Community Development Loans

CD lending in the full scope AA demonstrates poor responsiveness to the CD needs in the AA. During the evaluation, the bank extended no CD loans.

Number and Amount of Qualified Investments

Community Development Investments represent adequate responsiveness to the AA needs, given the bank's size and capacity to provide such investments. In total, Finemark made eight qualified investments totaling \$2,433,033 during the evaluation period which include:

- The largest investment consisted of a \$2,419,033 investment in a Freddie Mac mortgage-back security collateralized by a pool of mortgage loans to low- and moderate-income borrowers residing in the AA. Based on our community contacts, affordable housing has been identified as a critical credit need in the AA.
- During the evaluation period, Finemark made seven grants totaling \$14,000 to five CRA qualified organizations. A substantial majority of the donations were made to community-based nonprofit community service organizations. These organizations provide free meals, health and counseling services, basic housing needs to include the homeless, and at-risk families. Based on our discussion with local community groups, these services have been identified as a critical community credit need in the AA due to the high rate of working poor.

Extent to Which the Bank Provides Community Development Services

Based on the level of community development services and the performance context considerations, we concluded the provision of community development services is adequate.

FNBT's community development services were responsive in helping to address community needs. During the evaluation period two staff members provided a total of 124 hours of CD services to two community organizations by providing financial expertise and financial literacy training. One employee served 120 hours as a board member of a community development financial institution that serves low-and moderate-income persons and small businesses. One employee provided 4.0 hours of financial literacy training to low- and moderate-income students.

Responsiveness to Community Development Needs

The bank showed adequate responsiveness to the CD needs of the Maricopa County AA. There are a large number of financial institutions in the AA with greater capacity to provide CD investments and services. However, there are opportunities for FNBT to provide CD loans, investments and services within its capacity. The CD activities the bank supported were consistent with the needs identified by community contacts.

State of South Carolina

CRA rating for South Carolina: Satisfactory

The lending test is rated: Satisfactory

The community development test is rated: Satisfactory

Major factors supporting the state rating include:

- Based on the bank's lending data and performance context considerations, the borrower and geographic distribution of the bank's home mortgage and small business loans reflects reasonable penetration and dispersion, respectively.
- The bank's community development activities demonstrates adequate responsiveness to needs in the assessment area.

Description of Institution's Operations in South Carolina

The bank's assessment area in South Carolina (SC) consists of Berkeley and Charleston Counties, part of the Charleston-North Charleston MSA (#16700). The assessment area is comprised of 131 census tracts. The bank operates one full-service branch in the assessment area which commenced operations on October 11, 2016. The branch is located in Charleston, Berkeley County, S.C., and borders Charleston County.

The branch is located in an upper-income census tract and does not have a drive-up facility or ATM on-site. As of June 30, 2017, the bank's total deposits in the assessment area totaled \$14.2 million or 1.2 percent of the bank's total deposits.

As described in the bank's Description of the Institution section above, the bank operates full -service offices that offer a full array of private banking, wealth management products and services as well as commercial banking. Business strategy is to offer all bank products and services in the AA while establishing and maintaining banking relationships. Lending products are primarily used to complement its existing customer banking needs; however; the bank offers a few loan products and services geared towards low- and moderate-income persons and small businesses. Although home mortgage and small business lending were the primary lending products during the evaluation period, there was more emphasis on home mortgage lending.

Deposit Market Share

Banking is competitive in the AA. FDIC deposit market share data dated June 30, 2017 (the bank was not opened for reporting deposits as of June, 2016), the bank's assessment area shows 0.12 percent market share making it the 29th deposit holder out of 32 financial institutions. The top two financial institutions are Wells Fargo Bank. N.A. and Bank of America, N.A. with a combined market share of 41.08 percent.

Loan Market Share

Based on 2017 peer home mortgage market share data, the bank ranks 106th out of 539 home mortgage lenders in the assessment area with a market share of 0.13 percent. The top two home mortgage lenders include Wells Fargo Bank, N.A. and Quicken Loans with a combined market share of 12.46 percent. Based on 2016 peer small business data (2017 was not available), there were 108 small business lenders in the assessment area. The top four market share competitors in the assessment area are predominately small business credit card lenders with a combined market share of 40.09 percent and an average loan size of \$26,000.

Refer to the community profile in appendix C for the Berkeley-Charleston AA and the Charleston-North Charleston MSA for detailed demographics and other performance context information.

Scope of Evaluation in South Carolina

The Berkeley-Charleston AA was evaluated as a full-scope review. The evaluation period for the state is October 11, 2016 through December 31, 2017 for lending performance and community development activities. Due to changes in census data effective 2017, lending performance for 2017 was evaluated separately from 2016 lending test performance. However, due to insufficient data and limited activity for the 2.5 months the bank was opened in 2016, our focus and lending test conclusions will be on the bank's 2017 lending performance in the assessment area. Since the October

2016, the bank originated a total of 55 home mortgage loans (14 in 2016) and 16 business loans (7 in 2016) totaling \$53.8 million.

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.

Community Development Needs

During the evaluation period, we contacted community development organizations in the AA to discuss current economic trends, community development challenges and needs of low-to-moderate income persons and small businesses in the community. Based on the community contacts and demographic data, the need for affordable housing continues to be a critical need in the assessment area due to the limited supply of units for homeownership and rentals with the increasing housing costs. As the local economy continues to experience growth, the need for flexible small business loans and training financial education to support economic development and create new jobs in low- and moderate-income areas and benefit low-and moderate-income persons was noted as a crucial credit need in the assessment area. Lastly, because Berkeley County is more rural with more low-and moderate-income persons than Charleston County, health care, temporary shelter, food, financial literacy education and other basic services are also community development needs.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS in South Carolina

LENDING TEST

The bank's performance under the lending test in South Carolina is rated Satisfactory. Based on a full-scope review, the bank's performance in the Berkeley-Charleston AA is satisfactory.

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

Based on the bank's lending data and performance context considerations, we concluded the bank's record of lending to borrowers of different incomes and businesses of different sizes meets the standard for satisfactory performance given the time the bank was in operation in the assessment area and other performance context factors previously discussed. Our analysis of 41 home mortgage loans and 9 business loans made in the assessment area in 2017 reflect reasonable penetration among borrowers of different income and businesses of different sizes.

Refer to Tables P and R in appendix D for the facts and data used to evaluate the borrower distribution of the bank's lending activity in the State of South Carolina.

Performance context factors impacting home mortgage lending in the AA include high housing costs in the bank's MSA that limits homeownership affordability, especially to low- and moderate-income borrowers. The Charleston-North Charleston MSA median sales price of a home in 2017 was \$268,800.⁹ Given the 2017 MSA median family income of \$68,800, a low-income family could afford a \$180,137 mortgage with a payment of \$860 per month, spending no more than 30 percent of their income on housing¹⁰.

Home Mortgage Loans

Based on the bank's lending data shown in Table P and performance context considerations, we concluded the borrower distribution of the bank's home mortgage loans reflect reasonable penetration.

- The bank did not make any home mortgage loans to low-income borrowers. Based on the following performance context, the distribution of home mortgage loans to moderate-income borrowers reflect reasonable penetration. The percent of loans to moderate-income borrowers was lower than the percent of moderate-income families, and lower than the aggregate distribution of loans to those borrowers in the assessment area.
- Performance context factors of housing affordability and lack of affordable housing inventory were considered in the lending performance conclusion; as well as the short evaluation period (one year) for the AA.

Small Business Loans

Based on the bank's lending data shown in Table R and performance context considerations, we concluded the borrower distribution of the bank's small business loans by revenue reflect reasonable penetration.

- For 2017, the percent of loans the bank made was lower than the percent of small businesses (gross annual revenues of \$1 million or less) and slightly exceeds the aggregate distribution of loans to those businesses in the assessment area.
- The bank's lending performance in the Charleston-North Charleston MSA is based on a shorter evaluation period (one-year). In addition, the bank is facing

⁹ National Association of Realtors

¹⁰ Mortgage interest rate equals 4 percent

strong competition in the AA with 108 bank lenders competing for small business loans in the AA.

Geographic Distribution of Loans

Based on the bank's lending data and performance context considerations, we concluded the geographic distribution of the bank's home mortgage and business lending meets the standard for satisfactory performance given the time the bank has been operating in the assessment area and other performance context factors previously discussed. Lending reflects reasonable dispersion among geographies of different income levels based on the bank's home mortgage lending performance. We used the same home mortgage loans and business loans noted above for our analysis and noted 2017.

Refer to Tables O and Q in appendix D for the facts and data used to evaluate the geographic distribution of the bank's lending activity in the State of South Carolina.

Home Mortgage Loans

Based on the bank's lending data shown in Table O and performance context considerations, we concluded the geographic distribution of the bank's home mortgage loans across geographies reflects a reasonable dispersion.

- For 2017, the distribution of the bank's home mortgage loans in low-income geographies was somewhat lower than the percent of owner-occupied housing units in low-income geographies and exceeds the aggregate distribution of loans in those geographies. The distribution of the home mortgage loans in moderate-income geographies was significantly lower than the percent of owner-occupied housing units in moderate-income geographies and the aggregate distribution of loans in those geographies.
- Performance context factors include the shortage of affordable housing units, market competition from 539 bank and nonbank mortgage lenders in the AA; and the shorter period of time FNBT was operating in the AA during the evaluation period.

Small Business Loans

Based on the bank's lending data shown in Table Q and performance context considerations, we concluded the geographic distribution of the bank's small business loans reflects a reasonable dispersion.

- For 2017, the bank did not make any business loans in low-income geographies. The distribution of the bank's small loans to businesses in moderate-income geographies was somewhat lower than the percent of businesses in moderate-

income geographies; and also somewhat below the aggregate distribution of small business loans in the assessment area.

- Performance context factors included the shorter time period of the bank's operations in the AA as well as strong competition in the AA with 108 bank lenders competing for small business loans in the AA.

Responses to Complaints

No complaints were received during the evaluation period.

COMMUNITY DEVELOPMENT TEST

The bank's performance under the community development test in South Carolina is rated Satisfactory.

The overall level of community development (CD) performance demonstrates adequate responsiveness to needs in its assessment area through community development loans, qualified investments (QI) and community development services, considering the bank's size, capacity, and its performance context.

Number and Amount of Community Development Loans

CD lending in the full scope AA demonstrates poor responsiveness to the CD needs in the AA. During the evaluation, the bank extended no CD loans.

Number and Amount of Qualified Investments

Based on the performance context considerations, we concluded the bank's qualified investment performance is excellent.

- The bank made one \$6.4 million dollar qualified CD investment during the evaluation period. The CD investment is considered responsive and innovative in helping address the community credit needs of economic development, job creation and affordable utility sources that will directly benefit low- and moderate-income persons and small businesses. In 2017, the bank invested in twenty-one solar power generating facilities from twenty electric power cooperatives (co-ops) that serve the rural areas throughout South Carolina that include the bank's AA. These co-ops are nonprofit, member-owned entities that return savings to members to reduce energy costs. Upon completion of the project, it is estimated the \$1.6 million cost savings in electrical power will directly benefit low- and moderate- income persons and businesses located in the rural areas of the state that include Berkeley County. In addition, 21 to 42 total permanent jobs, 8 construction jobs and 10 to 21 indirect jobs will also be created as a result of this investment that will directly benefit low- and moderate-income persons. Based on the interviews with two local CD nonprofit

organizations, and demographics in the assessment area, basic services to low-income persons remain a crucial community need.

Extent to Which the Bank Provides Community Development Services

Based on the level of community development services and the performance context considerations, we concluded the provision of community development services is adequate.

Community development services are adequate given the bank's time opened in the assessment area and communities it serves. During the evaluation period one staff member provided a total of 24 hours to a community-based organization by mentoring low-income students. Financial literacy education for low-income persons was identified as a credit need in the community.

Responsiveness to Community Development Needs

The bank showed adequate responsiveness to the CD needs of the Berkeley-Charleston AA. There are a large number of financial institutions in the AA with greater capacity to provide CD investments and services. However, there are opportunities for FNBT to provide CD loans, investments and services within its capacity. The CD activities the bank supported were consistent with the needs identified by community contacts.

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 metropolitan and nonmetropolitan areas 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	Lending Test (excludes CD loans): 01/01/2015 to 12/31/2017 Community Development Test (loans, investments and services): 07/13/15 to 12/31/17	
Financial Institution	Products Reviewed	
Finemark National Bank & Trust Fort Myers, Florida	HMDA and Business loans	
Affiliate(s)	Affiliate Relationship	Products Reviewed
N/A		
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
State of Florida <ul style="list-style-type: none"> • Cape Coral- Fort Myers, FL MSA #15980 • Naples-Immokalee-Marco Island, FL MSA #34940 • West Palm Beach-Boca Raton- Delray Beach, FL MD #48424 State of Arizona <ul style="list-style-type: none"> • Maricopa County AA State of South Carolina <ul style="list-style-type: none"> • Berkeley-Charleston AA 	Full-Scope Full-Scope Limited-Scope Full-Scope Full-Scope	 Part of the Phoenix-Mesa-Scottsdale MSA #38060 Part of the Charleston-North Charleston MSA #16700

Appendix B: Summary of State Ratings

RATINGS		BANK NAME	
Overall Bank:	Lending Test Rating	Community Development Test Rating	Overall Bank/State/Multistate Rating
Finemark National Bank & Trust	Satisfactory	Satisfactory	Satisfactory
Multistate Metropolitan Area or State:			
State of Florida	Satisfactory	Satisfactory	Satisfactory
State of Arizona	Needs to Improve	Satisfactory	Needs to Improve
State of South Carolina	Satisfactory	Satisfactory	Satisfactory

Appendix C: Community Profiles for Full-Scope Areas

State of Florida

Cape Coral- Fort Myers, FL MSA 15980

Table A – Demographic Information of the Assessment Area 2010 Census						
Assessment Area: 15980 Cape Coral-Fort Myers FL MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	166	3.0	19.3	48.2	28.9	0.6
Population by Geography	618,754	3.5	19.3	53.0	24.3	0.0
Housing Units by Geography	363,892	3.0	16.8	51.1	29.2	0.0
Owner-Occupied Units by Geography	183,928	1.3	14.2	55.6	28.9	0.0
Occupied Rental Units by Geography	61,823	8.8	26.8	47.3	17.1	0.0
Vacant Units by Geography	118,141	2.4	15.5	46.1	35.9	0.0
Businesses by Geography	68,907	3.6	14.7	51.5	30.0	0.2
Farms by Geography	2,217	1.5	17.5	55.1	25.8	0.1
Family Distribution by Income Level	162,925	19.0	19.0	21.4	40.7	0.0
Household Distribution by Income Level	245,751	21.6	17.3	20.3	40.7	0.0
Median Family Income MSA - 15980 Cape Coral-Fort Myers, FL MSA		\$58,950	Median Housing Value			\$243,186
			Median Gross Rent			\$972
			Families Below Poverty Level			7.8%
<i>Source: 2010 U.S. Census and 2016 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 comprises Lee County, located in southwest Florida on the Gulf Coast and south of Tampa and west of Fort Lauderdale and northwest of Miami. The MSA meets the requirements of the CRA regulation and does not arbitrarily exclude low and moderate-income geographies.

FineMark NB&T opened its main office in 2008 in Fort Myers, Florida. The bank now operates four full service branches in the Cape Coral-Fort Myers AA. One office is located in Bonita Springs, one in Estero and two branches in Fort Myers. Only one branch is located in a middle income census tract, the Shell Point location, and the three branches located in upper income tracts, Bonita Bay, Coconut Point and Riverwalk.

Table A – Demographic Information of the Assessment Area | 2015 ACS**Assessment Area: 15980 Cape Coral-Fort Myers FL MSA**

Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	166	4.2	25.3	36.1	33.7	0.6
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	72,169	2.7	21.7	40.1	35.4	0.1
Farms by Geography	2,341	2.9	25.5	46.2	25.3	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%

Source: 2015 ACS Census and 2017 D&B Data

Due to rounding, totals may not equal 100.0

(*) The NA category consists of geographies that have not been assigned an income classification.

Based on the FDIC Deposit Market Share Report, there are 35 national, regional and community banks with 211 branches within the MSA as of June 30, 2017. FineMark ranked seventh with total deposits of \$700 million or 4.6 percent of the total deposit market share. Major banking competitors within the MSA include Wells Fargo Bank, NA, Bank of America, NA, Sun Trust Bank, Fifth Third Bank, Branch Banking and Trust Company and JPMorgan Chase Bank, NA.

Employment and Economic Data

According to the Bureau of Labor Statistics, the unemployment rate for the Cape Coral-Fort Myers MSA was 3.4 percent, which was below the National and State of Florida unemployment rates of 4.1 percent and 3.9 percent, respectively, as of December 31, 2017. The local government is the largest employer with 34,222 employees, Lee Memorial Health System with 13,257 employees, and Hope Hospice with 1,000 employees. Other top employers include the News Press Publishing, Publix Supermarkets, Walmart, colleges, home improvement stores (Lowe's and Home Depot), retail stores (Target, Robb & Stucky), communication companies, real estate management companies and retirement communities.

In 2017, Cape Coral-Fort Myers had a favorable population growth of 2.3 percent and is among the country's 15 fastest growing metro areas. The population boom is driven by the influx of retirees, who are on fixed incomes, to Cape Coral-Fort Myers for the warm climate, mild winters and affordable living costs. Retirees comprise almost 30 percent of the local population. The area also attracts tourists and is among the 20 most tourism-reliant metro areas in the nation. Tourism related job growth is expected to exceed national job growth in 2019. However, most of the jobs are in low and mid-wage industries, while high wage

industries represents 12 percent of jobs, compared to 20 percent in Florida, and 25 percent nationally. The area is also challenged to retain skilled college graduates who seek better paying job in more dynamic economies like Tampa. The 2019 outlook is favorable, as Cape Coral-Fort Myers recovers from Hurricane Irma, as the population and tourism-dependent industries capitalize on the influx of retirees and visitors and the lower cost of living which will fuel job growth.

Disaster Recovery

The Cape Coral-Fort Myers MSA was one of the Florida metro areas impacted significantly from Hurricane Irma in September 2017. The economy is still recovering, with a loss of 14,000 jobs, nearly half in construction and hospitality industry. Although construction has since recovered, the hospitality industry is still recovering.

Housing

According to the 2015 census, there are 374,333 housing units in the Cape Coral-Fort Myers AA, of which 46.5 percent are owner occupied, 20.9 percent are rentals, and 32.6 percent are vacant. According to Zillow, home values and sales prices will continue to rise over the next 12 months. The median list price per square foot in the Fort Myers is \$150, which is lower than the Cape Coral-Fort Myers metro area average of \$158. The median price of homes currently listed in Fort Myers is \$250,000 while the median price of homes that sold is \$205,900. The median rent price in the MSA \$1,600.

Credit Needs

During the evaluation period, we met community organizations in the AA to discuss the challenges and opportunities, their perceptions and current efforts for community development in the AA. Based on a study from Florida Gulf Coast University (FGCU), there were no or little mortgages in a part of the AA, which is an area with high poverty levels and high unemployment of 16-21 percent compared to 3.9 percent in the state of Florida. The community needs programs to attract economic development and revitalization projects, provide financial literacy, credit repair, mortgage access and job training opportunities for LMI or economically challenged local citizens, to meet the financial and banking of this community. There are opportunities to determine how to help low income citizens, by providing training, financial literacy, helping to repair their credit and to apply for a mortgage. There are economic development opportunities to attract businesses to this area, investments by banks, and to provide training to the local citizens which will in turn provide job opportunities for LMI citizens.

Naples-Immokalee-Marco Island, FL MSA 34940

Table A – Demographic Information of the Assessment Area 2010 Census						
Assessment Area: 34940 Naples-Immokalee-Marco Island FL MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	73	8.2	20.5	38.4	32.9	0.0
Population by Geography	321,520	9.1	20.3	43.4	27.3	0.0
Housing Units by Geography	194,529	4.2	17.0	43.3	35.5	0.0
Owner-Occupied Units by Geography	91,397	2.4	16.4	46.0	35.2	0.0
Occupied Rental Units by Geography	28,120	12.6	28.0	38.7	20.7	0.0
Vacant Units by Geography	75,012	3.2	13.7	41.6	41.5	0.0
Businesses by Geography	43,790	2.7	13.2	41.9	42.2	0.0
Farms by Geography	1,183	5.7	18.6	49.6	26.1	0.0
Family Distribution by Income Level	81,135	21.1	18.3	19.0	41.5	0.0
Household Distribution by Income Level	119,517	22.1	17.8	18.1	42.0	0.0
Median Family Income MSA - 34940 Naples-Immokalee-Marco Island, FL MSA		\$68,556	Median Housing Value			\$427,396
			Median Gross Rent			\$1,076
			Families Below Poverty Level			7.9%
<i>Source: 2010 U.S. Census and 2016 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-Immokalee-Marco Island MSA covers Collier County, located in southwest Florida on the Gulf Coast and south of Tampa and west of Fort Lauderdale and northwest of Miami. The MSA meets the requirements of the CRA regulation and does not arbitrarily exclude low and moderate-income geographies.

FineMark has four full service branches located in the AA, located in upper income tracts in Naples. Based on the FDIC Deposit Market Share Report, there are 35 national, regional and community banks with 211 branches within the MSA as of June 30, 2017. FineMark ranked seventh with total deposits of \$700 million or 4.6 percent of the total deposit market share. The top five banking competitors within the MSA are KeyBank NA, Fifth Third Bank, Wells Fargo Bank, NA, Bank of America, NA and First Florida Integrity Bank.

Table A – Demographic Information of the Assessment Area 2015 ACS						
Assessment Area: 34940 Naples-Immokalee-Marco Island FL MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	73	8.2	20.5	35.6	35.6	0.0
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	45,780	2.9	13.0	39.3	44.8	0.0
Farms by Geography	1,243	5.4	19.7	44.2	30.7	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-Immokalee-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 Census and 2017 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>						

Employment and Economic Data

Like the Cape Coral-Fort Myers MSA, the Naples MSA attracts tourism and has transformed the area into a major retirement destination. Retirees 65 years and older comprise 29 percent of out-of-state residents. According to the Bureau of Labor Statistics, the unemployment rate for the Naples-Immokalee-Marco Island MSA was 3.5 percent, which was below the National and State of Florida unemployment rates of 4.1 percent and 3.9 percent, respectively, as of December 31, 2017.

Benefitting the Naples AA, is a rapidly growing and aging population that will promote a thriving healthcare industry. Senior citizens and an expanding retiree community will keep medical care providers in high demand. From 2014 to mid-2017, prior to Hurricane Irma, the medical industry payroll in the Naples AA grew by 18 percent, compared to 12 percent for the state of Florida and 9 percent across the U.S. It is projected that residents age 65 and older will increase to 40 percent which will keep medical care providers gainfully employed. The Naples AA also ranks among the top 50 metro areas in the United States for population growth, and projected to continue to grow through 2020. The area continues to attract retirees who seek the warm climate and coastal amenities. The area had an influx of 21,147 ‘migrants’ from some of the wealthiest parts of New York City, Chicago, and New Jersey. Retirees are a reliable source of spending on personal services and real estate, but not a source of labor. More well-paying jobs to this affluent area will attract high skilled prime age workers and commuters. It is projected that jobs, income and output in the Naples AA will exceed that in Florida and the U.S, over the next year. By early 2019, employment will surpass its pre-

Hurricane Irma peak, due to the rapid growth in construction and consumer related industries. Healthcare will also benefit from the growing population.

The local government is the largest employer in the area with 12,219 employees. The top employers in the Naples AA, is Publix Supermarkets, with 8,533 employees, Naples Community Hospital with 4,200 employees, Walmart with 3,792 employees, Chicos retail with 2,900 employees, in addition to hotels (Marriott, Ritz-Carlton) Country Clubs (of Naples and Naples Grand Resort and Club), Florida Southwestern State College, and farms (Pacific Tomato Growers and Southwest Florida Farms) among other industries.

Disaster Recovery

The Naples-Immokalee-Marco Island MSA was one of the Florida metro areas that was impacted significantly from the Hurricane Irma in September 2017. Most of the county was closed for business and resulted in big declines in visitors to the area. Some residents who have lost their jobs still have not returned. Tourism, the critical economy of the area had more than 800 hotel rooms closed for restoration after the hurricane. Construction is benefitting the most due to efforts to rebuild the area. Moody's Analytics does not project full job recovery until the end of 2018.

Housing

The housing market in the Naples AA is stable, with a 3.2 percent vacancy rate compared to 5.7 percent in April 2010, when the housing market collapsed, and 16.8 percent of mortgage loans were delinquent for more than 90 days, in foreclosure, or repossessed. Multi-family construction increased since 2013 as rental demand increased, multifamily permits of 1000 units annually compared to 360 units permitted annually from 2008-2012. The average sales price for new homes was \$560,000. The average sales price for existing homes is \$489,900 compared to \$347,500 in 2010, when REO accounted for 30 percent of existing home sales. Single family residential (SFR) construction, measured by the SFR home permits also increased from 770 homes permitted in 2010 to 3,075 in 2015. Approximately 89 percent of single-family residential construction is in the unincorporated part of the AA, with one of the largest developments of a 4,000 acre master-planned community in Naples.

Credit Needs

During the evaluation period, we met with community organizations in the AA to discuss the challenges and opportunities, their perceptions and current efforts for community development in the AA. There is a need for funding for affordable housing. There has been a slowdown in home sales that should slow down the price escalation that has come back into the Naples market. However, there is still a decline in affordable housing inventory and rents are rising rapidly. Education initiatives and programs are needed to improve the employability of LMI in the community, including vocational skills training. Financial education programs are also needed. It was further noted that better communication by banks with community organizations regarding bank affordable housing products, would be very beneficial.

State of Arizona

Phoenix-Mesa-Scottsdale MSA 38060

Table A – Demographic Information of the Assessment Area 2010 Census						
Assessment Area: Maricopa County AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	916	9.4	23.9	32.0	33.6	1.1
Population by Geography	3,817,117	8.4	24.5	33.3	33.7	0.2
Housing Units by Geography	1,596,165	7.6	25.9	33.8	32.7	0.0
Owner-Occupied Units by Geography	916,515	3.6	20.7	35.8	39.9	0.0
Occupied Rental Units by Geography	465,487	14.1	34.0	31.4	20.3	0.0
Vacant Units by Geography	214,163	10.4	30.2	30.5	28.8	0.1
Businesses by Geography	313,943	6.5	15.4	29.4	48.1	0.6
Farms by Geography	5,938	5.5	15.5	32.0	46.6	0.4
Family Distribution by Income Level	913,798	20.9	17.4	20.1	41.5	0.0
Household Distribution by Income Level	1,382,002	22.5	17.1	18.3	42.2	0.0
Median Family Income MSA - 38060 Phoenix-Mesa-Scottsdale, AZ MSA		\$64,408	Median Housing Value			\$258,903
			Median Gross Rent			\$939
			Families Below Poverty Level			10.0%
<i>Source: 2010 U.S. Census and 2016 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 assessment area is part of the Phoenix-Mesa-Scottsdale Metropolitan Statistical Area (MSA) #38060, located in south central Arizona. There are a total of 991 census tracts in the MSA. The AA meets the legal requirements of the regulation and does not arbitrarily exclude low- and moderate- income (LMI) geographies.

FineMark has two full service branches located in the AA, located in Scottsdale, Arizona and are in the upper income tracts. One branch opened on May 9, 2012 and the other branch opened on April 20, 2015. Competition for financial services is strong in the Phoenix-Mesa-Scottsdale MSA. Based on the FDIC Deposit Market Share Report, there are 59 national, regional and community banks with 811 branches within the MSA as of June 30, 2017. FineMark ranked 36th with total deposits of \$127 million or only 0.14 percent, of the total deposit market share, and relatively unchanged from the prior year. The top five banking competitors within the MSA are KeyBank NA, Fifth Third Bank, Wells Fargo Bank, NA, Bank of America, NA and First Florida Integrity Bank.

Table A – Demographic Information of the Assessment Area 2015 ACS						
Assessment Area: Maricopa County AA						
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	331,732	6.6	16.2	28.2	48.5	0.6
Farms by Geography	6,323	5.8	18.9	29.2	45.7	0.4
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-Scottsdale, AZ MSA		\$63,686	Median Housing Value			\$203,811
			Median Gross Rent			\$993
			Families Below Poverty Level			12.6%
<i>Source: 2015 ACS Census and 2017 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>						

According to the Arizona Commerce Authority, Maricopa County is one of the largest counties in the country, with 100 miles in diameter and a total 9,222 square miles. Maricopa County encompasses the city of Phoenix, which is the county seat and the state’s capital, as well as residential communities including Mesa, Chandler, Gilbert, Glendale, Scottsdale, Tempe, Peoria and Gila Bend. In addition, several Native American communities are located in the county, including the Salt River Pima-Maricopa Indian Community Gila River Indian Community, Fort McDowell Yavapai Nation Tohono O’Odham and Pascua Yaqui Tribe...

Employment and Economic Data

The Phoenix-Mesa-Scottsdale economy is ‘firing on all cylinders’ according to Moody’s Analytics. The Phoenix AA is one of the fastest growing metro areas nationally where job growth is aligned with labor force growth, and far exceeds the regional and national peers. Companies in the area maintain a consistent pace of hiring compared to regional and national economies. The Phoenix labor force is expected to rapidly ascend due to a surge in population growth, of those seeking relatively reasonable living costs compared to neighboring states, as well as from the rest of the country. The growth in population is fueling a strong demand for residential homes, which is outpacing construction and driving up home prices which is hurting affordability in the Phoenix AA. The growth in population is also accelerating professional services, manufacturing, construction, education, healthcare and hospitality. It is also expected that given a large pool of available job seekers, competitive business costs, available land, and a friendly business climate, Phoenix will have an advantage to attract large scale relocations of corporate headquarters, factories, banks and insurance companies which are increasingly gravitating to Arizona.

According to Moody Analytics, the Phoenix AA population growth is “off the charts”, as new workers and retirees will enable the healthcare and hospitality to exceed the national peer in hiring. Construction jobs increased by 10 percent in the past year and the high demand for homes will necessitate a faster pace of home construction in 2018. The strong economy will give builders confidence to start new developments. The Phoenix-Mesa-Scottsdale MSA is expected to remain “on fire” in the second half of 2018.

According to the December 2017 U.S. Department of Labor, Bureau of Labor Statistics, the unemployment rate for the Maricopa MSA was 3.9 percent, which was below the National and State of Florida unemployment rates of 4.1 percent and 3.9 percent, respectively, as of December 31, 2017 and declined significantly from 10.4 percent in January 2010.

Housing

The Phoenix housing market could continue to appreciate into 2018 (source: zillow.com). Home values have stabilized in 2017 compared to 2016. As of February 2018, the median home price in Maricopa County was \$272 thousand, and the average sales price was \$342,588, up by 10.2 percent from the prior year, with approximately 98.5 percent of the list price is accepted and 41 days on the market. The Scottsdale real estate market has trended upwards since the end of 2011, when home prices were lowest. Phoenix home values increased by 9.4 percent over the past year and housing economists projected that the median home price would rise by 3.5 percent over the next 12 months. These above average price increases are not sustainable over the long term, especially when housing costs far exceed wage and income growth, and can lead to housing markets becoming unaffordable to an increasing number of residents. A February 2017 report by Fitch Ratings suggested the Phoenix real estate market was ‘overheated’ and ‘home price growth in parts of the western US is exceeding supporting economic fundamentals’.

Credit Needs

During the evaluation period, we met with community organizations in the AA to discuss the challenges and opportunities, their perceptions and current efforts for community development in the AA. LMI families have not benefitted fully from the economic recovery. The Mesa, AZ area, in particular has a high level of working poor. The economic recovery is stable, but the system is bifurcated for LMI the economy is flat and income has not increased.

Housing prices for single-family and rental units in the Phoenix MSA are escalating, which is pricing LMI families out of the market due to the lack of affordable housing. Additionally evictions are increasing and LMI neighborhoods are prime areas for speculation and gentrification. There will be increased pressure for affordable housing for LMI. Median prices up 6% over last year. Even with downpayment assistance, housing is priced out of reach for LMI families. More investment in affordable housing is needed.

Other concerns were noted for the rural communities in the MSA, including affordable housing, food insecurity and transportation. Access to banks was also noted as a concern as there are few bank branches in rural communities in the MSA.

Lastly, there is a need for access to capital for small businesses. In particular, business loans under \$250 thousand, technical assistance for small businesses and partnering with small business CDFIs.

State of South Carolina

Charleston-North Charleston MSA 16700

Table A – Demographic Information of the Assessment Area 2010 Census						
Assessment Area: Berkeley-Charleston AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	131	6.9	27.5	40.5	23.7	1.5
Population by Geography	528,052	5.0	24.7	44.3	26.0	0.0
Housing Units by Geography	237,283	5.4	23.5	43.6	27.6	0.0
Owner-Occupied Units by Geography	127,601	2.2	19.2	46.9	31.8	0.0
Occupied Rental Units by Geography	70,715	10.9	30.1	43.5	15.5	0.0
Vacant Units by Geography	38,967	5.7	25.5	32.9	36.0	0.0
Businesses by Geography	35,769	5.5	22.5	39.6	32.4	0.0
Farms by Geography	864	3.7	17.8	50.3	28.1	0.0
Family Distribution by Income Level	125,619	22.6	17.2	19.9	40.3	0.0
Household Distribution by Income Level	198,316	24.8	15.9	19.1	40.3	0.0
Median Family Income MSA - 16700 Charleston-North Charleston, SC MSA		\$60,579	Median Housing Value			\$262,008
		Median Gross Rent			\$898	
		Families Below Poverty Level			11.0%	
<i>Source: 2010 U.S. Census and 2016 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 Charleston-North Charleston Metropolitan Statistical Area (MSA) #16700, is along the Atlantic Coast and consists of Berkeley and Charleston Counties in South Carolina. The AA meets the legal requirements of the regulation and does not arbitrarily exclude low- and moderate- income (LMI) geographies.

Charleston is the oldest and largest city in the state of South Carolina and the county seat of Charleston County. FineMark opened one full service branch in the Charleston, South Carolina AA during the evaluation period in an upper income tract. Banking competition in the AA/MSA is strong. Based on the FDIC Deposit Market Share Report, there are 32 national, regional and community banks with 160 branches within the MSA as of June 30, 2017. FineMark ranked 29th with total deposits of \$14 thousand or only 0.12 percent, of the total deposit market share. The top five banking competitors within the MSA are Wells Fargo, NA, Bank of America, NA, South State Bank, Branch Banking and Trust Company and Synovus Bank.

Table A – Demographic Information of the Assessment Area | 2015 ACS**Assessment Area: Berkeley-Charleston AA**

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	37,658	9.1	17.5	31.6	39.9	1.9
Farms by Geography	907	4.0	16.6	44.1	34.7	0.6
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%

Source: 2015 ACS Census and 2017 D&B Data

Due to rounding, totals may not equal 100.0

(*) The NA category consists of geographies that have not been assigned an income classification.

Employment and Economic Data

The economy of the Charleston-North Charleston AA is slowly advancing, with positive trends in commercial aerospace, healthcare and the auto industry. According to the Bureau of Labor Statistics, the unemployment rate for the Berkeley and Charleston MSA was 3.3 percent, which was below the National and State of Florida unemployment rates of 4.1 percent and 3.9 percent, respectively, as of December 31, 2017. For the first time since 2013, hiring of workers is in a broad range of industries, with goods producers and healthcare leading the way. The Charleston-North Charleston economy is expected to expand faster than the nation. Strong demand for commercial aircraft and investments in autos will increase factory hiring, and low business cost will increase job and income growth. New jobs are being added in the mid to high wage industries and housing price appreciations outpacing the national average. Healthcare will be the primary source of job growth due to Charleston's growing population, and in particular for those age 65 and older than, more than twice as fast as the nation. Top employers include Joint Base Charleston, Medical University of South Carolina, Boeing Co. and Roper St Francis.

Housing

The housing market in the Charleston metropolitan area is stable, and has tightened significantly since 2010, when a large percentage of home sales were distressed (short sales and REO) and peaked in mid-2013. During the 12 months ended August 2017, 930 distressed existing homes were sold compared with 1,625 distressed existing home sales one year prior and 3,400 homes at the peak for the 12 months ending May 2013.

For the twelve months ending August 2017, existing homes sold at the highest levels since 2006. New home sales, measured by the number of permits, were at a slower pace, given the significant levels of existing distressed homes available for sale.

Population growth increased the demand for apartments in early 2010, which resulted in a surge of construction of multi-family units. The apartment market is stable, but vacancy rates of 5.9 percent has increased from 3.5 percent from one year prior 2016, because of the high supply of recently completed units. A concentration of luxury apartment construction in the urban areas has resulted in increased rental rates.

Credit Needs

During the evaluation period, we met with community organizations in the AA to discuss the challenges and opportunities, their perceptions and current efforts for community development in the AA. Contacts discussed credit needs that included growing the local economy by providing financing and technical assistance to small businesses for women, minorities, veterans and other small businesses in LMI areas. Affordable housing is also a pressing need in the AA. With home prices and values increasing, many people cannot afford homeownership, nor to live in their current homes. There are efforts to develop new units of affordable housing, but demand remains high. Financial education and credit counseling are also needed in the community.

Appendix D: Tables of Performance Data

Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan areas 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 as originations/purchases; (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/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. Tables are identified by both letters and numbers, which results from how they are generated in supervisory analytical systems. [Note: Do not renumber the tables.]

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 MA/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 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) throughout those geographies. Because 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 (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the

bank by loan size, regardless of the revenue size of the business. The table also presents aggregate peer data for the years the data is available.

Table O : Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography **2015-16**

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
15980 Cape Coral-Fort Myers FL MSA	251	92,679	46.7	28,289	1.3	0.8	1.3	14.2	7.2	12.3	55.6	33.1	55.5	28.9	59.0	30.9	0.0	0.0	0.0
34940 Naples-Immokalee-Marco Island FL MSA	177	110,249	33.0	14,107	2.4	6.8	1.8	16.4	8.5	13.6	46.0	31.6	54.8	35.2	53.1	29.8	0.0	0.0	0.0
48424 West Palm Beach-Boca Raton-Delray FL MSA	11	7,656	2.0	43,895	3.0	0.0	1.2	22.1	0.0	16.5	36.1	27.3	36.4	38.8	72.7	45.8	0.0	0.0	0.0
Maricopa County AZ AA	84	56,021	15.6	214,408	3.6	0.0	1.8	20.7	2.4	13.7	35.8	8.3	36.9	39.9	89.3	47.3	0.0	0.0	0.4
Berkeley and Charleston Counties AA	14	10,968	5.1	27,649	2.2	0.0	1.4	19.2	14.3	15.5	46.9	14.3	44.1	31.8	71.4	39.1	0.0	0.0	0.0
Total	537	277,573	100.0	328,348	3.0	2.6	1.6	20.0	6.9	14.1	39.4	28.1	39.8	37.6	62.4	44.2	0.0	0.0	0.3

Source: 2010 U.S. Census; 01/01/2015 - 12/31/2016 Bank Data, 2016 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0

Table O : Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography **2017**

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
15980 Cape Coral-Fort Myers FL MSA	110	46,504	36.8	27,858	2.1	0.0	1.6	18.6	6.4	20.4	44.2	28.2	46.2	35.1	65.5	31.7	0.0	0.0	0.1
34940 Naples-Immokalee-Marco Island FL MSA	77	73,713	25.8	13,428	2.3	0.0	1.2	16.3	7.8	16.9	41.3	28.6	42.6	40.1	63.6	39.3	0.0	0.0	0.0
48424 West Palm Beach-Boca Raton-Delray FL MSA	15	5,134	5.0	41,884	3.1	13.3	2.7	23.3	6.7	20.8	32.7	20.0	35.5	40.6	60.0	40.9	0.2	0.0	0.2
Maricopa County AZ AA	56	54,798	18.7	193,600	4.6	0.0	3.8	18.8	0.0	15.7	34.7	8.9	35.8	41.9	91.1	44.2	0.0	0.0	0.5
Berkeley and Charleston Counties AA	41	32,593	13.7	25,652	4.2	2.4	2.5	17.5	2.4	11.7	41.1	12.2	44.2	37.0	75.6	41.1	0.4	7.3	0.5
Total	299	212,742	100.0	302,422	3.8	1.0	3.2	19.6	5.0	16.6	36.2	22.1	37.8	40.4	70.9	42.1	0.1	1.0	0.4

Source: 2015 ACS Census; 01/01/2017 - 12/31/2017 Bank Data, 2017 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0

Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
15980 Cape Coral-Fort Myers FL MSA	251	92,679	46.7	28,289	19.0	3.2	3.3	19.0	5.2	13.7	21.4	2.4	19.1	40.7	67.7	48.9	0.0	21.5	15.0
34940 Naples-Immokalee-Marco Island FL MSA	177	110,249	33.0	14,107	21.1	12.4	1.9	18.3	4.5	10.4	19.0	2.8	16.3	41.5	69.5	57.0	0.0	10.7	14.4
48424 West Palm Beach-Boca Raton-Delray FL MSA	11	7,656	2.0	43,895	21.5	0.0	3.3	17.8	0.0	13.3	18.9	0.0	18.7	41.7	81.8	50.1	0.0	18.2	14.7
Maricopa County AZ AA	84	56,021	30.8	214,408	20.9	1.2	4.0	17.4	0.0	13.2	20.2	7.1	18.9	41.5	77.4	41.1	0.0	14.3	22.8
Berkeley and Charleston Counties AA	14	10,968	5.1	27,649	22.6	7.1	4.5	17.2	7.1	14.8	19.9	14.3	19.7	40.3	42.9	44.3	0.0	28.6	16.8
Total	537	277,573	100.0	328,348	21.0	6.0	3.8	17.7	4.1	13.3	20.0	3.5	18.8	41.4	69.5	43.9	0.0	16.9	20.1

*Source: 2010 U.S Census ; 01/01/2015 - 12/31/2016 Bank Data, 2016 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0*

Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
15980 Cape Coral-Fort Myers FL MSA	110	46,504	36.8	27,858	20.7	1.8	2.9	18.5	2.7	14.3	19.7	1.8	19.8	41.1	75.5	46.5	0.0	18.2	16.5
34940 Naples-Immokalee-Marco Island FL MSA	77	73,713	25.8	13,428	20.8	0.0	2.7	17.7	5.2	11.6	19.3	6.5	17.0	42.2	75.3	54.5	0.0	13.0	14.1
48424 West Palm Beach-Boca Raton-Delray FL MSA	15	5,134	5.0	41,884	22.8	40.0	3.8	17.3	6.7	14.3	17.8	6.7	19.8	42.1	40.0	47.3	0.0	6.7	14.8
Maricopa County AZ AA	56	54,798	18.7	193,600	21.8	0.0	5.0	16.9	3.6	14.6	19.2	3.6	21.2	42.2	82.1	40.1	0.0	10.7	19.2
Berkeley and Charleston Counties AA	41	32,593	13.7	25,652	22.9	0.0	4.6	16.8	7.3	16.1	19.2	0.0	21.1	41.1	63.4	43.0	0.0	29.3	15.3
Total	299	212,742	100.0	302,422	21.9	2.7	4.5	17.2	4.3	14.5	19.0	3.3	20.7	42.0	73.2	42.6	0.0	16.4	17.8

*Source: 2015 ACS Census ; 01/01/2017 - 12/31/2017 Bank Data, 2017 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 **2015-16**

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
15980 Cape Coral-Fort Myers FL MSA	27	13,654	38.0	21,105	3.6	0.0	3.0	14.7	7.41	12.3	51.5	40.7	47.7	30.0	51.6	36.9	0.1	0.0	0.0
34940 Naples-Immokalee-Marco Island FL MSA	25	12,446	35.2	15,934	2.7	0.0	1.7	13.1	4.0	11.0	41.9	32.0	42.3	42.2	64.0	45.0	0.0	0.0	0.0
48424 West Palm Beach-Boca Raton-Delray FL MSA	5	10,221	7.0	65,162	3.6	0.0	3.3	18.6	0.0	16.6	31.7	40.0	30.8	45.8	60.0	49.2	0.3	0.0	0.2
Maricopa County AZ AA	7	3,414	9.9	122,068	6.5	0.0	6.4	15.4	14.3	14.2	29.4	14.3	27.0	48.1	71.4	52.3	0.6	0.0	0.4
Berkeley and Charleston Counties AA	7	5,793	9.9	14,100	5.5	0.0	5.0	22.5	42.9	17.4	39.6	28.6	37.4	32.5	28.6	40.2	0.0	0.0	0.0
Total	71	45,528	100.0	238,369															

Source: 2016 D&B Data; 01/01/2015 - 12/31/2016 Bank Data; 2016 CRA 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 **2017**

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
15980 Cape Coral-Fort Myers FL MSA	22	8,465	45.8	20,877	2.7	0.0	3.0	21.7	22.7	12.3	40.1	9.1	47.7	35.4	68.1	36.9	0.1	0.0	0.0
34940 Naples-Immokalee-Marco Island FL MSA	15	8,483	31.3	15,717	2.9	0.0	1.7	12.9	20.0	11.0	39.3	20.0	42.3	44.8	60.0	45.0	0	0.0	0.0
48424 West Palm Beach-Boca Raton-Delray FL MSA	0	0	0.0	64,637	5.1	0.0	3.3	20.3	0.0	16.6	29.5	0.0	30.8	44.4	0.0	49.2	0.7	0.0	0.2
Maricopa County AZ AA	2	4,200	4.2	119,871	6.6	0.0	6.4	16.2	0.0	14.2	28.2	0.0	27.0	48.5	100.0	52.3	0.6	0.0	0.4
Berkeley and Charleston Counties AA	9	4,427	18.8	13,836	9.1	0.0	5.0	17.5	11.1	17.4	31.6	22.2	37.4	39.9	66.7	40.2	1.9	0.0	0.0
Total	48	25,575	100.0	234,938															

Source: 2017 D&B Data; 01/01/2017 - 12/31/2017 Bank Data; 2016 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											2015 - 2016	
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= IMM			Businesses with Revenues > IMM		Businesses with Revenues Not Available		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans	
15980 Cape Coral-Fort Myers FL MSA	27	13,654	38.0	21,105	89.8	40.7	44.2	3.5	59.2	6.7	0.0	
34940 Naples-Immokalee-Marco Island FL MSA	25	12,446	35.2	15,934	90.7	28.0	42.4	3.5	56.0	5.8	16.0	
48424 West Palm Beach-Boca Raton-Delray FL MSA	5	10,221	7.0	65,162	90.6	40.0	45.5	3.6	60.0	5.8	0.0	
Maricopa County AZ AA	7	3,414	9.9	87,739	87.3	28.6	41.4	4.5	28.6	8.2	42.9	
Berkeley and Charleston Counties AA	7	5,793	9.9	14,100	81.1	14.3	48.0	6.1	57.1	12.8	28.6	
Total	71	45,528	100.0	238,369								

Source: 2016 D&B Data; 01/01/2016 - 12/31/2016 Bank Data; 2016 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											2017
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= IMM			Businesses with Revenues > IMM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
15980 Cape Coral-Fort Myers FL MSA	22	8,465	45.8	20,877	90.0	18.2	44.2	3.5	68.2	6.4	13.6
34940 Naples-Immokalee-Marco Island FL MSA	15	8,483	31.3	15,717	90.9	66.7	42.4	3.6	26.7	5.5	6.7
48424 West Palm Beach-Boca Raton-Delray FL MSA	0	0	0.0	64,637	91.0	0.0	45.5	3.6	0.0	5.5	0.0
Maricopa County AZ AA	2	4,200	4.2	119,871	87.7	0.0	41.4	4.4	50.0	7.9	50.0
Berkeley and Charleston Counties AA	9	4,427	18.8	13,836	81.6	44.4	48.0	6.1	33.3	12.3	22.2
Total	48	25,575	100.0	234,938							

Source: 2017 D&B Data; 01/01/2017 - 12/31/2017 Bank Data; 2016 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0