



Comptroller of the Currency
Administrator of National Banks

LARGE BANK

Washington, DC 20219

Public Disclosure

July 8, 1999

Community Reinvestment Act Performance Evaluation

**Bank of Boston - Florida, N.A.
Charter Number 17277
95 South Federal Highway
Boca Raton, Florida 33432**

**The Office of the Comptroller of the Currency
Large Banks Division
250 E Street, NW
Washington, D.C. 20219-0001**

NOTE: This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the

**federal financial supervisory agency concerning the safety and soundness of
this financial institution.**

Tables of Contents

General Information.....1

Definitions and Common Abbreviations.....2

Overall CRA Rating.....4

Description of Institution.....5

Scope of the Examination.....7

Fair Lending Review.....8

Conclusions with Respect to Performance.....9

 Performance in Palm Beach MSA.....10

 Performance in Sarasota/Manatee MSA.....14

Appendix A:

Description - Palm Beach MSA.....A-1

Description - Sarasota/Manatee MSA..... A-3

General Information

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority when examining financial institutions subject to its supervision, to assess the 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. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

This document is an evaluation of the CRA performance of **Bank of Boston - Florida, N.A.** prepared by the **Office of the Comptroller of the Currency (OCC)**, the institution's supervisory agency, as of **July 8, 1999**. The agency evaluates performance in assessment area(s), as they are delineated by the institution, rather than individual branches. This assessment area evaluation may include the visits to some, but not necessarily all of the institution's branches. The agency rates the CRA performance of an institution consistent with the provisions set forth in appendix A to 12 CFR part 25.

Definitions and Common Abbreviations

The following terms and abbreviations are used throughout the Performance Evaluation. The definitions are intended to give the reader a general understanding of the terms, not a strict legal definition.

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

Census Tract (CT) - Small, locally defined statistical areas within metropolitan areas. These areas are determined by the United States Census Bureau in an attempt to group homogenous populations. A CT has defined boundaries per ten year census and an average population of 4,000.

Community Development (CD) - Affordable housing (including multifamily rental housing), for low-or moderate-income individuals; community services targeted to low-or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low-or moderate-income geographies.

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.

Geography - A census tract or a block numbering area delineated by the United States Bureau of the Census in the most recent decennial census.

Income Levels - These relate to families, households, or the census tracts in an MSA.

Low - An income level that is less than 50 percent of the median income.

Moderate - An income level that is at least 50 percent and less than 80 percent of the median income.

Middle - An income level that is at least 80 percent and less than 120 percent of median income.

Upper - An income level that is 120 percent or more of the median income.

Low-and moderate-income (LMI) - refers to families with income that is less than 80 percent of the area median income. In the case of geographies, the average median income for the geography is less than 80 percent of the area median income. Area median income refers to the median family

income for the MSA, if a person or geography is located in an MSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

Median Family Income (MFI) - The median income determined by the United States Census Bureau every ten years and used to determine the income level category of census tracts. Also, the median income determined by the Department of Housing and Urban Development (HUD) annually used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above and below it.

Metropolitan Statistical Area (MSA) - Area defined by the United States Office of Management and Budget (OMB). MSAs consist of one or more counties, including large population centers and nearby communities that have a high degree of interaction.

Tier I Capital - The total of common shareholder's equity, perpetual preferred shareholders equity with noncumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

Wholesale Institution - An institution that is not in the business of extending home mortgage, small business, small farm, or consumer loans to retail customers. An institution will not be considered in the business of extending loans to retail customers if it does not hold itself out to the retail public as providing such loans and the institution's revenues from extending such loans are insignificant when compared with its overall lending operations. Wholesale institutions may engage in very limited retail lending, if the activity is incidental and is done on an accommodation basis.

Overall CRA Rating

Institution's CRA Rating: This institution is rated **“Outstanding.”**

The major factors supporting this rating include the following points. These conclusions consider the performance context in which BankBoston - Florida, N.A. (BKBFL) operates.

- < BKBFL has a very high level of community development loans and investments totaling \$9.8 million (excluding \$5 million in letters of credit), demonstrating excellent performance. Further, this large dollar volume represents significant percentages of the bank's capital, income and assets.
- < The bank extensively used complex and innovative methods to structure community development loans and investments.
- < The bank has been very responsive to the credit and community economic development needs of its assessment area by providing loans and investing in or providing grants. Management has also given their services to a number of community development organizations by providing technical expertise.
- < We found compliance with fair lending laws and regulations. We did not detect any instances of discrimination.

Description of Institution

Bank of Boston - Florida, N.A. (BKBFL) is an intrastate commercial bank headquartered in Boca Raton, Florida. The bank was approved for a wholesale bank designation for CRA purposes on August 5, 1997. It is a wholly-owned subsidiary of BankBoston Corporation, a \$73.5 billion bank holding company headquartered in Boston, Massachusetts, the fifteenth largest bank holding company in the United States. The holding company's major banking subsidiary is BankBoston, N.A., which operates in Massachusetts, Connecticut, Rhode Island, and New Hampshire. The parent holding company provides additional community development loans, investments, and services that qualify as CRA in BKBFL's assessment area.

The Florida legal entity was originally chartered as Bank of Boston Trust Company of Southeast Florida, N.A. in 1982, with its banking activities limited to those of a trust company. In 1984 and again in 1985, the bank's charter was expanded to enable it to meet the periodic depository and borrowing needs of its customer base, but limiting the lending function to individuals for non-commercial purposes. In the fall of 1996, the charter was granted expansion to the status of a full commercial bank. Over the next nine months, private banking offices were opened in Boca Raton, Coral Gables, Stuart, and Naples, in addition to the then existing Palm Beach and Sarasota locations.

By July 1997, as part of a corporate-wide initiative to identify and focus on core businesses competencies, it was decided that BKBFL would focus exclusively on its core fiduciary services and investment business and would no longer extend home mortgage, small business, small farm or consumer loans to retail or commercial customers. BankBoston, N.A., established a loan production office in BKBFL's market to meet the general borrowing needs of its customer base. The bank may occasionally engage in limited retail lending on an incidental and accommodation basis, but such lending would be an insignificant portion of its business activity.

As a result of a new strategic initiative, in February of 1998, BKBFL closed four of its six offices, Stuart, Coral Gables, Naples, and Palm Beach (located in two middle and two upper income tracts), and relocated its headquarters to Boca Raton. The staffing levels went from a high of 77 employees to a full-time head count of 24. The Sarasota office, located in a moderate income tract, is the other remaining location. In addition, the BankBoston, N.A., Loan Production Office, with a staff of four, also helps support BKBFL's CRA activities and is also located in Boca Raton.

The bank's main business focus is limited to investment and private banking services provided to private bank customers. As of March 31, 1999, total assets were \$44 million, outstanding loans were \$23 million, and total deposits were \$28 million. Earnings from operations in 1998 resulted in net income of \$1.4 million. Presently, the bank has approximately \$855 million of assets under management.

Consistent with its size and resources, BKBFL has the ability to help meet the community development needs of its assessment area. There are no legal impediments or other restrictions that would prevent the bank from helping to meet the needs of its assessment area.

The following table represents:

- < Community development loans and qualified investments rounded to thousands made during the scope of this evaluation (excluding \$5 million in letters of credit).
- < Tier 1 capital, total income, and total asset averages rounded to thousands for calendar years 1997 and 1998.
- < Managed assets approximated as of March 31, 1999, rounded to thousands.

<i>Community Development Loans and Qualified Investments</i>	9,783
<i>Tier 1 Capital</i>	9,773
<i>Total Income</i>	861
<i>Total Assets</i>	51,767
<i>Managed Assets</i>	855,000

Source: Consolidated Report of Condition and Income and bank reported data.

Scope of the Examination

In evaluating the bank's performance under the CRA, we reviewed the level and nature of BKBFL's community development lending, qualified investments, and community development services. At the bank's option, we also considered community development activity provided by its affiliates. At the prior examination dated December 4, 1996, we rated the bank "satisfactory." The following table summarizes the scope of this evaluation.

Time period reviewed	January 1, 1997 to February 28, 1999		
Financial Institution			Products Reviewed
Bank of Boston - Florida, N.A. Boca Raton			Community development loans, investments, grants, donations and services
Affiliate(s)	Affiliate Relationship		Products Reviewed
BankBoston, N.A.	Holding Co. Affiliate		Qualified loans, investments, and services
List of Assessment Areas			
Florida, MSA 8960, Palm Beach			
Florida, MSA 7510, Sarasota/Manatee			

The CRA requires a financial institution to identify an assessment area in which its CRA performance will be evaluated. BKBFL has defined two assessment areas which consists of the entire 8960 and 7510 MSAs. The defined assessment areas meet regulatory requirements and do not arbitrarily exclude any LMI areas.

Fair Lending Review

Our findings are based on the results of a fair lending review recently conducted at the holding company's subsidiary, BankBoston, N.A. We tested for illegal discrimination on the basis of race in conventional and government residential mortgages. Our review of mortgage files and other information produced by BankBoston, N.A., did not reveal any instance of illegal discrimination. In addition to the files sampled, we reviewed the bank's internal compliance procedures, training information, and various committee minutes that pertain to fair lending. We also held various informational meetings with management to obtain any additional information. Internal compliance procedures, training and comparative file reviews provide a good framework to ensure fair lending.

Conclusions with Respect to Performance

BKBFL's overall record of community development lending, investments, and services is excellent. Although the bank is limited by its focus as a private bank, management has found alternative ways to serve the needs of LMI individuals residing within its two assessment areas.

Because of the lack of reliable performance data for similar banks, we focused on BKBFL's performance relative to its size, market, lending constraints, and ability. Please refer to the *Description of the Institution* and the *Description - MSAs in Appendix A* sections for a discussion of the performance context as it relates to the bank's size, market, and trust strategy.

- < During this evaluation period, BKBFL had a very high level of community development loans and qualified investments, combined they total \$9.8 million (not including \$5 million in letters of credit). We considered this performance excellent as, on an annualized basis, these dollars represent 50 percent of the bank's tier one capital, 5.7 times the bank's total income, 9 percent of total assets, and .57 percent of the bank's managed assets.
- < BKBFL, through its affiliate, made extensive use of innovative and complex projects in which the bank took the initiative to meet identified credit needs in their assessment area.
- < The bank has been very responsive to credit and community economic development needs of its assessment area by providing loans and investing in or providing grants.
- < Management has also devoted considerable time to community development service activities during the evaluation period. This is impressive when compared to the bank's small staff, few banking offices, and non-retail strategy.

In the following pages, we discuss the bank's performance in their two assessment areas.

Performance in Palm Beach MSA

BKBFL demonstrated excellent performance in helping to meet the community development needs of the Palm Beach assessment area, including the credit needs of small businesses and LMI individuals. The bank has been very responsive to credit and community economic development needs of its assessment area by providing loans and investing in or providing grants. BKBFL, through its affiliate, developed innovative and complex ways to participate in community development projects. Bank management has devoted considerable time to community development service activities that have had a significant positive impact in the assessment area. Refer to the *Description - Palm Beach MSA in Appendix A* section for detailed demographics and other performance context information.

Community Development Loans

In January of 1998, BKBFL made a \$9 million credit facility for a new for-profit managed care organization formed for the purpose of establishing and operating a prepaid health plan dedicated to serving the Florida Medicaid population. Four (\$4) million is a revolving line of credit to finance the start-up costs and working capital needs. The remaining \$5 million will be available to issue irrevocable letters of credit in favor of the State of Florida to support surplus reserve requirements and assure payment of subscriber claims. The organization is wholly owned by sixteen federally qualified community health centers in the state of Florida and includes one center located in a moderate income tract in Palm Beach County and one center in Manatee County. This commitment, made through BKBFL's affiliate, BankBoston, N.A., was the first of its kind.

The project is very innovative as it is the first demonstration project in the nation implementing expanded federal health care access legislation. To foster public and private partnering, the federal government provided a substantial limited guaranty, thus enabling these for-profit managed care centers, that did not have access to private capital, to own a stake in their own future and to profit from it. The centers are further innovative by providing indirect benefits to the communities they serve. Not only do they provide needed access to medical care and social services to LMI areas and people, but also these centers are situated in LMI areas or sections not previously served due to transportation, skill set, or cultural challenges. These centers often provide a safe anchor as they are sometimes the largest employers and stabilize both the real estate and employment bases.

BKBFL also made three loans totaling \$139 thousand which represents single family purchase mortgages to LMI borrowers in Palm Beach County. The volume of lending is low as these were the remaining loans in process when the bank's charter was changed to a wholesale designation. These loans were made through participation with an affordable housing consortium. This organization is a private, fifteen banks lending consortium whose purpose is to provide a venue for financing residential mortgages for LMI individuals in the Palm Beach County area. Since its inception, this group has expanded not only its membership but also its financing capability to include multi-family housing and the start-up/rehabilitation of entire affordable residential areas. Member banks finance these opportunities through their institution's lending area, and all sourcing and processing of the applicants comes through this organization. In five years of operation, it has made a significant impact, by financing more than \$84 million in mortgages, resulting in more than 850 units of affordable single family housing and more than 1450 affordable multifamily units.

Qualified Investments / Grants

In December of 1998, BKBFL, through its affiliate, BankBoston, N.A., made one qualified investment for \$5.5 million. The initial investment will fund construction of a new 100 percent affordable elderly housing development to be comprised of two four-story elevator serviced buildings containing a total of 160 units. This project addresses a critical need as there is a tremendous shortage of affordable housing in Palm Beach County, and there has been no new construction for tax credit properties in the senior market in four years. The only other low income tax credit property within the market area opened in 1995 and it is 100 percent occupied with elderly comprising only 5 percent of the project.

Further, this development involves Low Income Housing Tax Credits (LIHTC's) which assist in the development of affordable housing for LMI families and individuals. LIHTC's have been in existence since 1986, and therefore are not considered innovative. However, they can be designated as complex because of the specialized knowledge required to structure and maintain these projects through the required 15-year holding period. Also, these investments are not routinely offered by private investors due to the complex nature of their structure. In addition to the complexity LIHTC's present, this project offered further unique challenges as it blended the intricacies of tax exempt bonds, tax credits, and a special dedicated state loan program as a part of the financing package. It also demands a more detailed due diligence on underwriting issues to make a 100 percent affordable housing project viable.

During the evaluation period, BKBFL contributed \$125 thousand in qualified grants and donations to several organizations that support affordable housing, community service, economic development/small business, and the revitalization and stabilization of LMI areas and people. Included in this amount are in-kind donations of computers to various community service organizations.

The following grants (included in the dollar amount above) are detailed here for their responsiveness to the community. In 1998, BKBFL provided a total of \$28 thousand in grants to four local community development corporations (CDCs):

- < One grant is for the establishment of a business resource center for existing and new small and micro businesses, with special attention given to businesses located in or in close proximity to a moderate income area undergoing redevelopment.
- < The second grant is for a CDC is engaged in a community's revitalization of the main commercial thoroughfare and is in the planning/predevelopment phase of revitalizing one of the blocks. The proposed development is an office/retail complex, ultimately creating a minimum of fifty jobs and providing entrepreneurial opportunities for at least 10 micro/small businesses. The specific purpose of the grant will assist ten micro/small businesses that will be located in the development, enabling the CDC to recruit the businesses, provide business education and technical assistance, and establish mentoring and network linkages for these businesses.
- < The third grant will provide practical hands-on technical assistance and a business education program for small business building contractors with special emphasis on developing new and existing women business enterprises in the construction industry.
- < The fourth grant will utilize the funds to initiate an adult component to their already designed technology training center for inner city LMI youths.

Also, in 1998, the bank provided an \$8 thousand grant for a new and innovative high school program that provides community services to LMI youth. It aims to educate and inspire young people to value free enterprise and entrepreneurship, understand business and economics, and be workforce ready for companies moving to Palm Beach County and to increase entrepreneurship in low income areas to rebuild communities.

Community Development Services

The bank supports twenty organizations in their assessment area that are dedicated to affordable housing, providing services to LMI individuals and families, and promoting economic development and revitalization. This is particularly notable considering its limited banking staff.

In 1997, bank staff members provided support to an additional eight other organizations dedicated to affordable housing, providing services to LMI individuals and families, and promoting economic development and revitalization. These services benefitted the Stuart, Coral Gables, and Naples markets previously served by the bank. The bank closed these offices in February of 1998, as a result of a new strategic initiative (see *Description of Institution* section).

Through the participation of its officers and employees in community and civic activities, BKBFL demonstrates it is sensitive to community development needs. Officers of the bank are active participants on boards and provide advisory services to various community development organizations in the area. Throughout the assessment area, employees utilize their banking skills to assist community development organizations in a variety of capacities, such as affordable housing and neighborhood revitalization.

The following are some examples of community development services provided by bank officers and employees for organizations that have had a significant positive impact in the assessment area.

- < A bank senior manager serves as a member of the Board of Directors and a member for two board subcommittees for an affordable housing consortium, a private, fifteen bank lending group whose purpose is to provide a venue for financing residential mortgages for LMI individuals in the Palm Beach County area. Since its inception, this group has expanded not only its membership but also its financing capability to include multi-family housing and the start-up / rehabilitation of entire residential areas. In its five years of operation, it has closed financing on more than \$84 million in mortgages, resulting in more than 850 units of single family housing and more than 1450 multifamily units.

Member banks finance these opportunities through their institution's lending area, and all sourcing and processing of the applicants comes through this organization. A senior manager of the bank expends significant time providing financial expertise, as this agency's meetings occur frequently at bimonthly, monthly, and biweekly intervals. Much of the time is spent serving on a loan underwriting committee, and during the evaluation period, was involved in credit decisions for more than 115 mortgage applications.

- < A member of senior management serves as a member of the monthly executive board, and also on the bimonthly local advisory committee for a national organization. It invests in the revitalization of urban and rural communities, by channeling private resources from corporations and foundations to community organizations called Community Development Corporations (CDCs); which are engaged in the development of affordable housing, vital community facilities, and job-creating commercial and industrial projects.

This organization has greatly impacted Palm Beach County by providing a total investment of more than \$1.3 million to 10 nonprofits throughout the county. These funds have fueled a pipeline of 226 units of single-family homeownership, a child care center, an innovative pre-apprenticeship construction program for women coming off welfare, financial management training for first-time homebuyers, education reform initiatives, neighborhood collaborative planning, and economic development and job creation plans. Further, their training center presented 24 community development training sessions, delivering more than 144 hours of learning to nonprofits, government, builders, developers and lenders. The staff also increased individual technical assistance to the field by 70 percent, delivering more than 340 hours to CDCs and other nonprofits.

- < A BKBFL banker provided educational services to an organization that benefits LMI youth. This organization has worked with more than 1,100 classroom consultants and teachers who provide economic education and workforce readiness to more than 24,000 students in South Palm Beach and Broward counties. Another staff member taught an economics course to high school seniors in an LMI area for this same youth organization.

Performance in Sarasota/Manatee MSA

BKBFL demonstrated very good performance in helping to meet the community development needs in the Sarasota/Manatee MSA. The bank has been responsive to credit and community economic development needs of the assessment area by providing loans and grants. BKBFL, through its affiliate, made an innovative community development loan that provides health care services for LMI individuals. Bank management has provided community development services that have had a significant positive impact in the assessment area. Refer to the *Description - Sarasota/Manatee MSA in Appendix A* section for detailed demographics and other performance context information.

Community Development Loans

The \$9 million community development loan previously discussed in the Palm Beach MSA section also benefits this MSA as it includes one health care center in Manatee County.

Qualified Investments / Grants

During the evaluation period, BKBFL contributed \$16 thousand in qualified grants and donations to a number of organizations that support affordable housing, community service, economic development/small business, and the revitalization and stabilization of LMI areas and people.

In 1998, BKBFL provided a \$5 thousand grant to a community development corporation toward the establishment of a microenterprise lending fund designed to provide start-up and expansion funds for micro-entrepreneurs. It also includes business support features such as basic skills training, business planning, technical assistance, loans, and post-loan business consultation.

Community Development Services

The bank supports nine organizations in their assessment area that are dedicated to affordable housing, providing services to LMI individuals and families, and promoting economic development and revitalization. This is particularly notable considering its limited banking staff.

Through the participation of its officers and employees in community and civic activities, BKBFL demonstrates it is sensitive to community development needs. Throughout the assessment area, officers and employees utilize their banking skills to assist community development organizations in a variety of capacities.

An officer of the bank serves as chairman of an area's banker's group. In this capacity the officer chairs monthly meetings which include the presidents or top lenders for fourteen banks in the area. They serve as an educational resource for business education and facilitate lending for small business applicants not eligible for conventional financing.

Appendix A

Description - Palm Beach MSA

Demographic Information for Full-Scope Area: Palm Beach MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA % of #
Geographies (Census Tracts/BNAs)	211	4.7	21.3	41.2	30.9	1.9
Population by Geography	863,518	3.1	21.7	46.8	28.2	0.2
Owner-Occupied Housing by Geography	262,894	0.9	20.9	46.3	31.9	0
Businesses by Geography	44,418	2.5	19.2	44.5	32.9	0.9
Farms by Geography	1,599	2.6	16.4	53.8	27.0	0.2
Family Distribution by Income Level	244,633	18.9	19.0	22.6	39.5	0
Distribution of Low-and Moderate-Income Families throughout assessment area Geographies	92,666	5.0	32.6	46.7	15.7	0
Median Family Income HUD Adjusted Median Family Income for 1998 Households Below the Poverty Level	= \$38,539 = \$51,200 = 8.6%	Median Housing Value Unemployment Rate (April, 1999)			= \$135,973 = 4.8%	

Source: 1990 U.S. Census and 1998 HUD updated MFI.

BKBFL operates one branch, located in Boca Raton, within the Palm Beach MSA. Their assessment area includes all of the census tracts in the MSA. Competition is found in the larger full-service banks in the area, including First Union, NationsBank, and SunTrust Bank. All provide lending locally, have larger allocations for CRA lending, and have more staff to provide services.

Local economic conditions are strong. The MSA has experienced continued economic and population growth, with positive expectations. Primary industries, supporting a large population of retirees, include services, retail trade, real estate development, health care, and financial professional services. The service sector employs about 35 percent of total non-farm employment across the state. The sugar industry is the single largest industry in this county. Tourism is also a major industry. The major private employer is Pratt Whitney & Company. Other large sources of employment are public services including hospitals, government, and education. Businesses are predominantly small.

Palm Beach County is a contrast between extreme wealth and extreme poverty. Its economy includes many low-end jobs. A need exists for diversified industry that includes job training for the unemployed. Low-income pockets comprised of numerous immigrant populations have a need for permanent housing. These populations have often become long-term migrant workers who generally have steady employment.

The MSA's not seasonally adjusted unemployment rate was 4.8 percent as of April 1999, higher than the statewide Florida level of 4.0 percent, yet slightly lower than 5.2 percent one year ago.

Bank management and a community contact involved with community development identified credit needs as loans to and investments in community development corporations' (CDCs), and startup monies to the smaller CDCs. The same contact identified needs as affordable housing, rehabilitation, affordable elderly housing, construction lending, permanent take-out lending for low income housing, and small business micro lending. However, a community contact, involved with business and labor groups, feels that opportunities for community development lending are presently limited, but noted small business credit needs as working capital and loans for real estate. A community contact engaged in county government cited small business loans, micro-small business loans, and credit for newer businesses as identified needs for the business community.

Appendix A

Description - Sarasota/Manatee MSA

Demographic Information for Full-Scope Area: Sarasota/Manatee MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA % of #
Geographies (Census Tracts/BNAs)	87	1.2	19.5	54.0	23.0	2.3
Population by Geography	489,483	0.8	18.2	59.7	21.3	0
Owner-Occupied Housing by Geography	160,172	0.4	13.8	63.0	22.8	0
Businesses by Geography	21,863	0.6	22.2	55.0	22.1	0.1
Farms by Geography	632	0.3	11.1	64.4	24.2	0
Family Distribution by Income Level	146,968	16.0	20.6	24.7	38.7	0
Distribution of Low-and Moderate-Income Families throughout assessment area Geographies	53,850	1.5	25.7	60.2	12.6	0
Median Family Income	=	Median Housing Value				= \$96,009
HUD Adjusted Median Family Income for 1998	\$33,128	Unemployment Rate (APRIL, 1999)				= 2.3%
Households Below the Poverty Level	\$43,300 = 7.9%					

Source: 1990 U.S. Census and 1998 HUD updated MFI.

BKBFL operates one branch, located in Sarasota, within the Sarasota/Manatee MSA. Their assessment area includes all of the census tracts, 42, in Sarasota County, and all of the 45 census tracts in Manatee County. Competition is found in the larger full-service banks in the area, including First Union, NationsBank, and SunTrust Bank. All provide lending locally, have larger allocations for CRA lending, and have more staff to provide services.

Local economic conditions are good. The MSA has experienced continued economic and population growth, with positive expectations. Primary industries, supporting a large population of retirees, includes financial, medical, and leisure services. The service sector employs about 27 percent of the labor force. The major employers include Vinyl Tech, Key Plastic, and the local hospital.

The MSA's not seasonally adjusted unemployment rate was 2.3 percent as of April 1999, lower than the statewide Florida level of 4.0 percent, and comparable to 2.5 percent one year ago.

Bank management identified credit needs as loans to and investments in community development corporations' (CDCs), and start monies to the smaller CDCs. Also, two community contacts, engaged with business and labor groups and economic development, identified small business loans, credit for higher-risk start-ups, and venture capital for growing small businesses as credit needs.

