



PUBLIC DISCLOSURE

October 02, 2017

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Seaside National Bank & Trust
Charter Number 24649

201 South Orange Avenue, Suite 1350, Orlando, FL 32801

Office of the Comptroller of the Currency

4042 Park Oaks Blvd Suite 240, Tampa, FL 33610

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

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

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Outstanding

- Seaside National Bank and Trust's loan-to-deposit ratio (LTD) is more than reasonable.
- The bank has a substantial majority of loans that are made in its assessment areas.
- The bank's lending to borrowers of different incomes and businesses of different sizes reflects reasonable penetration within the AAs.
- The bank's geographic distribution of loans reflects good dispersion within the AAs.
- The bank's record of community development loans is excellent.
- The bank's qualified investments are adequate, given the capacity to provide investments.
- An adequate level of CD services was provided.

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

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

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

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

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

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

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

Seaside's main branch is located in Orlando, FL, with 14 other branch offices across 10 counties in the state of Florida. The bank also operates a Loan Production Office (LPO) in Jacksonville, FL. The bank offers a full-range of products and services focused on private banking, commercial banking and wealth management. There are no drive-up facilities nor automated teller machine (ATM) at any of the bank's branches. Seaside entered the Naples, Florida market with the opening of a branch in June 2015. The bank also expanded its presence in South Florida with the opening of a branch in Coral Gables in Miami-Dade County in December 2013.

As of December 31, 2016, Seaside had total assets of \$1.582 billion. Net loans totaled \$1.128 billion, which represents 71.3 percent of total assets. Business purpose loans (commercial and industrial, commercial real estate) represented 69.9 percent of the total number loans outstanding on the December 31, 2016 Consolidated Report of Condition and Income (Call Report). Tier one capital totaled \$116.9 million for the same time period.

SNBT is a qualified U.S. Small Business Administration (SBA) lender, offering 7(a) and 504 loan products. SNBT's residential mortgage division is primarily used to complement business customer needs. However, the bank does offer residential lending products that include Federal Housing Administration (FHA) and Veterans Administration (VA) guaranteed mortgage loans.

There are no legal, financial or other factors impeding the bank's ability to help meet the credit needs in its assessment areas. Seaside received a "Satisfactory" rating during its prior CRA evaluation, dated August 11, 2014.

Scope of the Evaluation

Evaluation Period/Products Evaluated

We evaluated the Bank's CRA performance using the interagency Intermediate Small Bank (ISB) Examination Procedures that includes a Lending Test and a Community Development (CD) Test. The Lending Test performance included small loans to businesses and home mortgage loans. The Community Development test included an evaluation of the bank's loans, investments and services that met the definition of "community development" under the CRA.

Based on our review of the bank's lending strategy and the volume of loan originations reported during the evaluation period, we determined SNBT's primary loan products are business and residential real estate lending. Therefore, in evaluating lending performance, we will focus on these products.

Loan Type	Total Number	% of Total Number	Total Dollar Volume (\$000)	% of Total Dollar Volume
Business Loans	745	45.3	\$247,904	40.5
Residential Mortgage Loans	476	29.0	\$228,960	37.4
Other Loans*	423	25.7	\$135,841	22.2
Total	1644	100.0	\$612,705	100.0

*Other Loans includes home equity lines of credit, automobile loans, and unsecured consumer loans.

The evaluation period for the Lending Test is January 1, 2014 through December 31, 2016. The evaluation period for the Community Development Test is August 11, 2014 (the date of the last CRA evaluation), through December 31, 2016.

Data Integrity

This evaluation is based on accurate data. For our analysis of lending performance analysis, we relied on residential real estate loans reported during the evaluation period under the HMDA. We also included optional loan data collected by Seaside for small loans to businesses (loan amounts equal to or less than \$1 million). We tested the accuracy of the HMDA and business loan data prior to the beginning of the CRA evaluation and determined that it was accurate and reliable.

We also verified that community development loans, investments, and services submitted by the Bank for CRA consideration, met the regulatory definition of community development. We excluded any activities submitted that did not meet the definition or primary purpose of community development.

Selection of Areas for Full-Scope Review

The Bank's assessment areas (AAs) include:

Metropolitan Statistical Area	Counties included in SNB AA
27260 Jacksonville, FL MSA	Duval County, St. Johns County
33100 Miami-Fort Lauderdale-West Palm Beach, FL MSA	Broward County, Miami-Dade County, Palm Beach County
34940 Naples-Immokalee-Marco Island MSA	Collier County
35840 North Port-Sarasota-Bradenton, FL MSA	Manatee County, Sarasota County
36740 Orlando-Kissimmee-Sanford, FL MSA	Orange County, Seminole County
38940 Port St. Lucie, FL MSA	Martin County
45300 Tampa-St. Petersburg-Clearwater, FL MSA	Hillsborough County, Pinellas County

The Orlando-Kissimmee-Sanford, FL MSA and Miami-Fort Lauderdale-West Palm Beach, FL MSA were selected for a full-scope review. The remaining AAs listed above received limited-scope reviews. The selection of full-scope AAs was based, in part, on the percentage of

Seaside deposits and loans within each AA. Consideration was also given to the tenure of the bank's operation in the AA. As discussed in the Description of the Institution, Seaside entered the Naples MSA in June 2015. All AAs are evaluated for quantitative lending and CD performance. Full scope AAs also include qualitative consideration of the Bank's responsiveness to community development needs in the AAs. For additional information on the assessment areas, refer to the Scope of Examination in Appendix A.

Total home mortgage loan volume and reported business loan volume during the evaluation period for each AA is detailed below.

Assessment Area	Home Mortgage		Small Loans to Businesses		Total Loans Reported & Evaluated	
	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)
Orlando-Kissimmee-Sanford, FL MSA	170	\$60,122	346	\$116,520	516	\$176,642
Miami-Fort Lauderdale-West Palm Beach, FL MSA	170	\$108,917	226	\$83,512	396	\$192,429
Jacksonville, FL MSA	49	\$29,644	35	\$12,737	84	\$42,381
Naples-Immokalee-Marco Island MSA	5	\$4,484	2	\$682	7	\$5,166
North Port-Sarasota-Bradenton, FL MSA	19	\$6,064	40	\$12,798	59	\$18,862
Port St. Lucie, FL MSA	26	\$7,699	26	\$4,392	52	\$12,091
Tampa-St. Petersburg-Clearwater, FL MSA	37	\$12,030	70	\$17,263	107	\$29,293
Total	476	\$228,960	745	\$247,904	1,221	\$476,864

Ratings

The bank's overall rating is based primarily on those areas that received full-scope reviews. The greatest consideration in the rating was given to performance in Orlando-Kissimmee-Sanford, FL MSA and Miami-Fort Lauderdale-West Palm Beach, FL MSA, which have the largest shares of Seaside deposit and loan activity. The Orlando-Kissimmee-Sanford, FL MSA is also the location of the Bank's main branch office. The Miami-Fort Lauderdale-West Palm Beach, FL MSA has the second largest share of Bank deposit and loan activity.

Ratings primarily consider the lending and CD performance in the Bank's AAs; however, CD activity outside the Bank's AAs, but in the broader statewide or regional area (BSRA) can also be considered. In completing the evaluation, we found that Seaside demonstrated satisfactory responsiveness within its AAs consistent with the Bank's capacity. Therefore, statewide and regional CD activities were considered in this evaluation.

Other

Community credit needs in the AAs were determined by reviewing economic and demographic information for the AAs and through community contacts conducted by the OCC and other bank regulatory agencies in connection with this and other CRA evaluations of Banks

operating in the AAs. 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. Critical credit needs identified from these contacts include flexible financing for small businesses, financing for affordable housing development and financing to maintain the quality of existing affordable housing units. Financial education for individuals and small business owners was also identified as an area of need. For additional information on community contacts, refer to the Community Profiles in Appendix B.

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 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.

Conclusions with Respect to Performance Tests

LENDING TEST

The lending test is Satisfactory. Seaside’s loan-to-deposit ratio (LTD) is more than reasonable. A substantial majority of loans are made in its assessment areas. The bank’s lending to borrowers of different incomes and businesses of different sizes reflects reasonable penetration within the AAs. The bank’s geographic distribution of loans reflects good dispersion within the AAs.

Loan-to-Deposit Ratio

Seaside’s loan-to-deposit ratio (LTD) is more than reasonable. We compared the quarterly average of the Bank’s LTD ratios over the evaluation period to peer banks over the same time period. Peer banks had similar asset size and branch locations in AAs also served by Seaside. This resulted in a peer group of eight banks. As shown in the table below, the bank’s average LTD ratio was consistent with the peer group average. The LTD ratio also demonstrates that the bank had adequate capacity to lend during the evaluation period.

Loan-to-Deposit Ratio Analysis	
Seaside National Bank & Trust Avg. LTD Ratio	85.26
Peer Banks - Avg. LTD Ratio	83.59
Seaside National Bank & Trust High Avg. LTD Ratio	87.77
Peer Banks - High Avg. LTD Ratio	123.36
Seaside National Bank & Trust Low Avg. LTD Ratio	80.97
Peer Banks - Low Avg. LTD Ratio	64.15

Lending in Assessment Area

The bank had a substantial majority of loans that were made in its assessment areas during the evaluation period. The table below shows that a majority of loans by number and dollar volume were made in the bank’s AAs, including the Bank’s primary loan product of business loans.

Table 1 - Lending in the Assessment Areas										
Loan Type	Number of Loans					Dollar Volume of Loans				
	Inside		Outside		Total #	Inside		Outside		Total \$
	#	%	#	%		\$	%	\$	%	
Residential Loans	476	88.5	62	11.5	538	228,960	91.4	21,484	8.6	250,444
Business Loans	745	88.2	100	11.8	845	21,484	87.5	35,520	12.5	283,174
Totals	1,221	88.3	162	11.7	1,383	250,444	89.3	57,004	10.7	533,618

Source: HMDA data, Seaside business loan data

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

The bank's lending to borrowers of different incomes and businesses of different sizes reflects reasonable penetration within the AAs.

The borrower distribution of loans in the full-scope AAs is reasonable. Greater consideration in the conclusion was given to the business loan performance as this was the bank's primary loan product during the evaluation period. Home mortgage loans to low- and moderate-income (LMI) borrowers were lower than the percentage of LMI families residing in the full-scope AAs. Loans to small businesses in the full-scope AAs were lower than the percentage of small businesses operating in the full-scope AAs. Consideration was given to Seaside's performance context, including the bank's primary lending strategy, strong competition in the AAs from other banks and lenders and housing affordability challenges during the evaluation period. Refer to the Community Profile in Appendix B for more detail on these performance context factors.

The borrower distribution of loans in the limited-scope AAs is reasonable. The volume of home mortgage and business loans originated by the Bank in the limited-scope AAs was lower than the volume of lending in the full-scope AAs. However, the Bank's deposit market share in the limited-scope AAs is also low, with a limited number of branches in each AA. Home mortgage lending to LMI borrowers in the limited-scope AAs was consistent with the performance in the full-scope AAs. Home refinance loans in the Jacksonville MSA was stronger, exceeding the percentage of LMI families in the AA; but there were a very low number of home refinance loans originated. Loans to small businesses was consistent with the performance in the full-scope AAs. Small business lending in the limited-scope AAs was generally lower than the percentage of small businesses operating in the AAs; however, the Jacksonville MSA and Port St. Lucie MSA showed somewhat better performance in lending to small businesses compared to the full-scope AAs.

Lending activity for the full scope AAs is detailed below.

Orlando-Kissimmee-Sanford, FL MSA

Home Mortgage Loans

Seaside had reasonable penetration for home mortgage loans to borrowers of different incomes, given the performance context factors. The lending performance reflects home mortgage lending to low- and moderate-income borrowers that is significantly lower than the percentage of LMI families in the AA. As discussed in the Description of the Institution, home mortgage lending is not the Bank's primary lending strategy and these loans are primarily offered as a complementary product to business loan customers. In addition, banking competition is strong in the AA. There are 40 banks operating 419 branch offices in the AA. Seaside is ranked 10th with a deposit market share of less than two percent. The top three banks in the AA comprise 61 percent of the deposit market share. Refer to the Community Profile in Appendix B for more detail on banking competition. Given the size of the bank, its lending strategy and the level of banking competition, the bank's home mortgage loan performance is adequate.

Table 2 - Borrower Distribution of Residential Real Estate Loans in the Orlando-Kissimmee-Sanford, FL MSA								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Home Purchase	19.31	0.00	17.54	0.95	19.98	10.48	43.17	88.57
Home Improvement	19.31	0.00	17.54	0.00	19.98	0.00	43.17	100.00
Home Refinance	19.31	1.82	17.54	5.45	19.98	9.09	43.17	83.64

Source: Data reported under 2014-2016 HMDA and U.S. 2010 Census Data. Income information was not reported for 3.01% of home purchase and 3.95% of refinancing originated loans.

Business Loans

The distribution of loans to businesses of different sizes is reasonable given the performance context factors. The lending performance reflects that the bank's percentage (by number) of small loans (those with loan amounts less than \$1 million) to small businesses (those with revenues less than \$1 million) is lower than the overall percentage of small businesses operating in the AA, 36.42 percent versus 88.63 percent, respectively. This reflects that the majority of small loans to businesses were made to larger businesses. As previously discussed, the level of banking competition and the bank's market share in the AA are performance context factors that were considered in the bank's business loan performance.

Table 2A - Borrower Distribution of Loans to Businesses in the Orlando-Kissimmee-Sanford, FL MSA				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Businesses	88.63	3.97	7.40	100%
% of Bank Loans in AA by #	36.42	60.40	3.18	100%
% of Bank Loans in AA by \$	33.75	63.82	2.43	100%

Source: Data reported under 2014-2016 CRA and 2016 Dunn and Bradstreet demographic data.

Miami-Fort Lauderdale-West Palm Beach, FL MSA

Home Mortgage Loans

Seaside had reasonable home mortgage lending penetration to borrowers of different incomes, given the performance context factors. The lending performance reflects a significantly lower level of home mortgage loans to LMI borrowers compared to the percentage of LMI families in the AA. Banking is very diverse and competition is strong in the AA. There are 101 banks operating 1,622 branch offices in the AA. Seaside is ranked 56th with a deposit market share of 0.13 percent. The top three banks in the AA comprise 42 percent of the deposit market share. In addition to the performance context factors of the Bank's primary lending strategy and banking competition in the AA, housing affordability is a significant challenge in the Miami MSA. Refer to the Community Profile in Appendix B for more detail on the impact of housing affordability to home mortgage lending in the AA. Given these factors, home mortgage loan performance is adequate.

Table 2 - Borrower Distribution of Residential Real Estate Loans in the Miami-Fort Lauderdale-West Palm Beach, FL MSA								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Purchase	22.42	0.00	17.35	5.61	18.93	3.74	41.30	90.65
Improvement	22.42	0.00	17.35	0.00	18.93	0.00	41.30	100.00
Refinance	22.42	1.79	17.35	1.79	18.93	3.57	41.30	92.86

Source: Data reported under 2014-2016 HMDA and U.S. 2010 Census Data. Income was not provided for 2.73% of home purchase and 5.08% of refinancing originated loans.

Business Loans

The distribution of loans to businesses of different sizes is reasonable given the performance context factors. The lending performance shows that the bank's percentage of small loans to small businesses (by number) is lower than the overall percentage of small businesses operating in the AA, 35.84 percent versus 90.71 percent, respectively. This reflects that the majority of small loans to businesses were made to larger businesses. As previously discussed, the level of banking competition and the bank's market share in the AA are performance context factors that were considered in the bank's business loan performance.

Table 2A - Borrower Distribution of Loans to Businesses in the Miami-Fort Lauderdale-West Palm Beach, FL MSA				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Businesses	90.71	3.83	5.46	100%
% of Bank Loans in AA by #	35.84	61.95	2.21	100%
% of Bank Loans in AA by \$	30.52	67.89	1.58	100%

Source: Data reported under 2014-2016 CRA and 2016 Dunn and Bradstreet demographic data.

Geographic Distribution of Loans

The geographic distribution of loans in the full-scope AAs is reasonable. As with the borrower distribution, greater consideration was given to the business loan performance as this was the bank's primary loan product during the evaluation period. Home mortgage loans in LMI geographies was lower than the percentage of owner-occupied housing units located in those geographies in the full-scope AAs. Loans to small businesses in LMI geographies was excellent for the full-scope AAs, with the percent of small business loans being exceeding, or near, the percentage of small businesses operating in the full-scope AAs.

The geographic distribution of loans in the limited-scope AAs is reasonable. The volume of home mortgage loans in the limited-scope AAs was poor. With the exception of the Port St Lucie MSA, there were no home mortgage loans made in the low-income geographies in the limited-scope AAs. Home mortgage loans in moderate-income geographies was somewhat

lower than the performance of the full-scope AAs. Small business lending LMI geographies in the limited-scope AAs was generally lower than the percentage of small businesses operating in the AAs. However, small business lending in low-income geographies in the Jacksonville MSA and Tampa MSA was stronger compared to performance in the full-scope AAs. Small business lending in the moderate-income geographies in the North Port MSA was also stronger compared to performance in the full-scope AAs. The remaining limited-scope AAs had weaker small business lending performance compared to the performance in the full-scope AAs.

Lending activity for the full scope AAs is detailed below.

Orlando-Kissimmee-Sanford, FL MSA

Home Mortgage Loans

Seaside had reasonable dispersion of home mortgage loans among geographies in the AA. There were no home mortgage loans made in low-income geographies in the AA. However it is noted that there are a very limited number of owner-occupied housing units in low-income geographies in the MSA. There was a low level of home mortgage loans made in moderate-income geographies in the AA, although home refinance lending was reasonable. Performance context factors discussed throughout this evaluation were considered in the conclusion of adequate geographic dispersion.

Table 3 - Geographic Distribution of Residential Real Estate Loans in the Orlando-Kissimmee-Sanford, FL MSA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan type	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans
Purchase	0.39	0.00	16.76	3.67	36.45	19.27	46.40	77.06
Improvement	0.39	0.00	16.76	0.00	36.45	0.00	46.40	100.00
Refinance	0.39	0.00	16.76	8.62	36.45	24.14	46.40	67.24

Source: Data reported under 2014-2016 HMDA and U.S. 2010 Census Data.

Business Loans

The Bank had a reasonable dispersion of small loans to businesses among the geographies in the AA. There were no loans made to businesses in low-income geographies. However, there are a very small number of businesses located in those geographies, as shown in the table below. Seaside’s small loans to businesses in moderate-income geographies exceeded the percent of businesses in the AA that are located in moderate-income geographies.

Table 3A - Geographic Distribution of Loans to Businesses in the Orlando-Kissimmee-Sanford, FL MSA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
Business Loans	0.65	0.00	21.06	33.53	33.57	26.59	44.72	39.88

Source: Data reported under 2014-2016 CRA and 2016 Dunn and Bradstreet demographic data.

Miami-Fort Lauderdale-West Palm Beach, FL MSA

Home Mortgage Loans

Seaside had reasonable dispersion of home mortgage loans among geographies in the AA. There was a very low level of home mortgage loans made in low-income geographies in the AA, and a low level of home mortgage loans made in moderate-income geographies in the AA. However, performance context factors—including AA banking competition, the Bank’s market share and MSA housing affordability—were considered in the conclusion of adequate geographic dispersion.

Table 3 - Geographic Distribution of Residential Real Estate Loans in the Miami-Fort Lauderdale-West Palm Beach, FL MSA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan type	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans
Purchase	2.06	0.92	23.11	6.42	36.26	18.35	38.56	74.31
Improvement	2.06	0.00	23.11	0.00	36.26	0.00	38.56	100.00
Refinance	2.06	0.00	23.11	5.08	36.26	16.95	38.56	77.97

Source: Data reported under 2014-2016 HMDA and U.S. 2010 Census Data.

Business Loans

The Bank had excellent dispersion of small loans to businesses among the geographies in the AA. Small loans to businesses in low-income geographies exceeded the percent of businesses located in low-income geographies. Small loans to businesses in moderate-income geographies was near the percent of businesses in the AA that are located in moderate-income geographies.

Table 3A - Geographic Distribution of Loans to Businesses in the Miami-Fort Lauderdale-West Palm Beach, FL MSA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
Business Loans	3.38	10.22	21.79	16.00	30.26	21.78	43.71	52.00

Source: Data reported under 2014-2016 CRA and 2016 Dunn and Bradstreet demographic data. 0.86% of businesses did not provide demographic data.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Lending Test in the limited-scope AAs is consistent with the Bank's performance under the Lending Test in the full-scope AAs. Lending performance in the limited-scope AAs was stronger than the full-scope AAs for some loan categories, but weaker in other loan categories, as detailed below. Consideration was given to the limited number of Seaside offices in the limited-scope AAs (one branch in each AA), the deposit market share in each AA and the low volume of overall lending activity at the branch locations. The performance in the limited-scope AAs had a neutral impact on the overall Lending Test conclusion.

The Bank's performance under the Lending Test in the Jacksonville MSA is consistent with the Bank's performance in the full-scope AAs. There were no home mortgage loans made to low-income borrowers; home mortgage loans to moderate-income borrowers was consistent with the performance in the full scope AAs. There were no home mortgage loans made in low-income geographies; home mortgage loans in moderate-income geographies was consistent with the performance in the full scope AAs. Small business lending performance—by income and in LMI geographies—was consistent with the full-scope AAs.

The Bank's performance under the Lending Test in the Naples MSA is weaker than the Bank's performance in the full-scope AAs. There were no home mortgage loans made to LMI borrowers nor in LMI geographies. There were only two small loans to businesses reported, both were made to small businesses. No small business loans were reported in LMI geographies. Consideration was given to the shorter time period in which the Bank operated in the Naples MSA, entering the AA for a portion of the evaluation period, in June 2015.

The Bank's performance under the Lending Test in the North Port MSA is generally consistent with the Bank's performance in the full-scope AAs. There were no home mortgage loans made to low-income borrowers nor in low-income geographies. Home mortgage loans made to moderate-income borrowers were consistent with the performance in the full-scope AAs. Small business lending performance—by income and in LMI geographies—was stronger than the performance in the full-scope AAs.

The Bank's performance under the Lending Test in the Port St. Lucie MSA is weaker than the Bank's performance in the full-scope AAs. With the exception of a small number of home refinance loans made to low-income borrowers, there were no other home mortgage loans

made to LMI borrowers nor in LMI geographies. Small business lending performance—by income and geography—was weaker than the performance in the full-scope AAs with fewer loans made to small businesses and no small business loans made in LMI geographies.

The Bank's performance under the Lending Test in the Tampa MSA is weaker than the Bank's performance in the full-scope AAs. There were no home mortgage loans made to low-income borrowers nor in low-income geographies. Home purchase loans to moderate income borrowers and in moderate income geographies, were consistent with the performance in the full-scope AAs. There were no other home mortgage loans made to moderate-income borrowers or in moderate-income geographies. Small business lending performance—by business income—was weaker than the performance in the full-scope AAs, while small business lending in LMI geographies was stronger than the performance in the full-scope AAs.

Responses to Complaints

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

COMMUNITY DEVELOPMENT TEST

The Bank's community development test is rated Outstanding. Seaside demonstrated excellent responsiveness to needs of the AAs through CD lending, investments, and services. The bank's record of CD loans is excellent. The bank's qualified investments are adequate given its capacity to provide investments. An adequate level of CD services was provided.

Number and Amount of Community Development Loans

Full Scope AAs

Assessment Area	Number of CD Loans	Dollar Volume of CD Loans (\$000)
Orlando-Kissimmee-Sanford, FL MSA	12	\$26,515
Miami-Fort Lauderdale-West Palm Beach, FL MSA	3	\$3,158
Total	15	\$29,673

The Bank's community development lending in the full-scope AAs is excellent. CD loans in the Orlando MSA include \$23.3 million for affordable housing and \$3.2 million to community organizations that provide services to LMI residents in the AA. Seaside participated in project financing that provided 200 new units of affordable housing in the Orlando MSA. Seaside also participated in financing the rehabilitation of existing affordable housing for LMI families and LMI elderly in the Orlando MSA.

CD loans in the Miami MSA include \$458 thousand for affordable housing and \$2.7 million to support small businesses that revitalized an LMI area and created jobs. Seaside participated in the financing to construct a new 144-unit affordable housing development in the AA.

Limited-Scope AAs

Assessment Area	Number of CD Loans	Dollar Volume of CD Loans (\$000)
Jacksonville, FL MSA	2	\$8,135
Naples-Immokalee-Marco Island MSA	0	\$0
North Port-Sarasota-Bradenton, FL MSA	7	\$11,383
Port St. Lucie, FL MSA	2	\$200
Tampa-St. Petersburg-Clearwater, FL MSA	1	\$70
Total	12	\$19,788

The Bank's community development lending in the limited scope AAs is excellent. CD loans in the North Port MSA supported charter schools for LMI youth and community organizations that provide services to LMI families. CD loans in the limited-scope AAs also included \$8 million in financing for a facility in the Jacksonville MSA and \$200 thousand for a facility in the Port St. Lucie MSA that bring health and wellness programs to LMI areas, and are part of the formal plans to revitalize the areas and bring services desired by area families. CD loans in the Tampa MSA included financing to construct a 120-unit affordable housing development made in participation with a CDFI.

Broader Statewide or Regional Area

The Bank’s CD loans in the broader statewide or regional area (BSRA) had a positive impact on the CD test conclusion. Seaside made four CD loans in the BSRA totaling \$1.2 million that provided financing for affordable housing units in Florida through partnerships with Community Development Financial Institutions (CDFIs) and an affordable housing organization. Three of the projects were outside the AAs, but in Osceola County (part of the broader Orlando MSA) and Brevard County, which is adjacent to the Orlando MSA.

Assessment Area	Number of CD Loans	Dollar Volume of CD Loans (\$000)
Broader Statewide or Regional Area	4	\$1,211

Number and Amount of Qualified Investments

Full Scope AAs

Assessment Area	Number of Investments	Dollar Volume of Investments (\$000)
Orlando-Kissimmee-Sanford, FL MSA	13	\$5,546
Miami-Fort Lauderdale-West Palm Beach, FL MSA	6	\$2,162
Total	19	\$7,708

The Bank’s qualified investments in the full-scope AAs are adequate given its capacity to provide investments. Qualified investments in the Orlando MSA include \$1.1 million in prior period investments and \$4.4 million in current period investments, all comprised of mortgage-backed securities where the underlying LMI single-family and multifamily units are in the AA. Investments also included \$23 thousand in grants to community organizations with a primary purpose of community development. Qualified investments in the Miami MSA were comprised of \$2.1 million in mortgage-backed securities and \$5 thousand in grants to community organizations.

Limited-Scope AAs

Assessment Area	Number of Investments	Dollar Volume of Investments (\$000)
Jacksonville, FL MSA	3	\$1,013
Naples-Immokalee-Marco Island MSA	0	\$0
North Port-Sarasota-Bradenton, FL MSA	2	\$5
Port St. Lucie, FL MSA	3	\$5
Tampa-St. Petersburg-Clearwater, FL MSA	1	\$1
Total	9	\$1,024

The Bank’s qualified investments in the limited-scope AAs are adequate. Qualified investments in the limited-scope AAs are comprised of mortgage-backed securities in the Jacksonville MSA and grants to community organizations in the North Port, Port St. Lucie and Tampa MSAs that serve LMI families in the AAs.

Broader Statewide or Regional Area

The Bank’s investments in the broader statewide or regional area had a positive impact on the CD test conclusion. Qualified investments in the BSRA included \$1.07 million in prior period investments in mortgage backed securities and a \$1.5 million equity-equivalent investment (EQ2) in a CDFI that serves the BSRA that includes the Bank’s AA. The EQ2 investment included \$500 thousand in prior period investments and \$1 million invested during the evaluation period. The CDFI finances the development of affordable housing, community facilities and neighborhood revitalization projects statewide.

Assessment Area	Number of Investments	Dollar Volume of Investments (\$000)
Broader Statewide/Regional Area	5	\$2,580

Extent to Which the Bank Provides Community Development Services

The Bank provided an adequate level of community development services through activities with local organizations that support community development.

The bank has two branches located in moderate-income census tracts in the Orlando MSA and one office located in a moderate-income census tract in the North Port MSA. These include the bank’s main office, the Winter Park office and the Sarasota office, all of which are located in moderate-income geographies, but these geographies are part of the overall central business district in AA. There was one branch opened during the evaluation period, in an upper income census tract in the Naples MSA. The Bank primarily offers banking products and services that meet the needs of its business customers and wealth management clients.

Full-Scope AAs

CD services in the full-scope AAs were adequate. There were 43 CD service activities totaling 2,306 hours in the Orlando MSA and 13 CD service activities totaling 490 hours in the Miami MSA during the evaluation period. CD service activity was primarily serving on the Board of Directors, or a Board Committee, for a community organization with a purpose, mandate or function of community development; or service within a specific CD program of a broader organization. Other CD service activities included financial education to LMI youth and volunteer tax preparation for LMI persons under the IRS VITA program.

Limited-Scope AAs

CD services in the limited-scope AAs were adequate. Service activities were consistent with the level and types of activities in the full-scope AAs, relative to the Bank’s market share and presence in the limited-scope AAs.

Responsiveness to Community Development Needs

Responsiveness to community development needs is evaluated for the full-scope AAs. Seaside demonstrated good responsiveness to the credit needs in the full-scope AAs through its CD loans, investments and services. The Bank's CD lending for the development of affordable housing and rehabilitation of existing LMI housing was very responsive to needs identified by community contacts. Other Bank CD activities that were responsive included financial education and financial support for CD organization operations. Refer to the Community Profile in Appendix B for more detail on community credit needs in the AAs.

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): 01/01/2014 to 12/31/2016 Investment and Service Tests and CD Loans: 08/11/2014 to 12/31/2016	
Financial Institution	Products Reviewed	
Seaside National Bank & Trust Orlando, Florida	Business and Residential Real Estate Loan.	
Affiliate(s)	Affiliate Relationship	Products Reviewed
<i>None</i>		
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Florida: 36740 Orlando-Kissimmee-Sanford, FL MSA	Full-Scope	Includes only the portion of the MSA that encompasses Orange and Seminole counties
33100 Miami-Fort Lauderdale-West Palm Beach, FL MSA	Full-Scope	
27260 Jacksonville, FL MSA	Limited-Scope	Includes only the portion of the MSA that encompasses St. Johns and Duval counties
34940 Naples-Immokalee-Marco Island MSA	Limited-Scope	
35840 North Port-Sarasota-Bradenton, FL MSA	Limited-Scope	
38940 Port St. Lucie, FL MSA	Limited-Scope	Includes only the portion of the MSA that encompasses Hillsborough and Pinellas counties
45300 Tampa-St. Petersburg-Clearwater, FL MSA	Limited-Scope	

Appendix B: Community Profiles for Full-Scope Areas

36740 Orlando-Kissimmee-Sanford, FL MSA

Demographic Information for Full Scope Area: 36740 Orlando-Kissimmee-Sanford, FL MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	292	2.05	26.03	33.90	38.01	0.00
Population by Geography	1,568,674	1.19	24.76	35.65	38.40	0.00
Owner-Occupied Housing by Geography	351,989	0.39	16.76	36.45	46.40	0.00
Business by Geography	182,378	0.65	21.06	33.57	44.72	0.00
Farms by Geography	3,809	0.60	18.33	37.39	43.69	0.00
Family Distribution by Income Level	369,225	19.31	17.54	19.98	43.17	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	136,049	2.06	38.34	36.88	22.72	0.00
Median Family Income		58,474	Median Housing Value		237,292	
FFIEC Adjusted Median Family Income for 2016		57,800	Unemployment Rate (2010 US Census)		4.66%	
Households Below Poverty Level		12%				

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

Source: 2010 US Census and 2016 FFIEC updated MFI

Seaside has four offices in the Orlando-Kissimmee-Sanford MSA. The AA encompasses Orange County and Seminole County. The Bank's AA excludes the MSA counties of Osceola County and Lake County. The AA meets the requirements of the CRA and does not arbitrarily exclude any LMI geographies.

The total population of the AA was 1,568,674 according to the 2010 US Census. Moody's Analytics noted that the overall MSA has rated among the five fastest growing metro areas for five consecutive years, particularly amongst adults aged 25-44 to which the MSA lead all metro areas in population growth for that demographic. The distribution of families by income level was 19.31 percent low income families, 17.54 percent moderate income families, 19.98 percent middle income families and 43.17 percent upper income families. The percentage of families living below the federal poverty income level (\$24,250) was 12 percent according to the most recent US Census Bureau American Community Survey (2015). The adjusted median family income was \$57,800, which was above the median family income for the state of Florida (\$48,400).

Banking Competition

There are 40 banks operating 419 offices in the AA. This compares to the overall four-county MSA where 45 banks operate 569 offices. Seaside ranked 10 out of 40 institutions based on the market share of deposits as of June 30, 2016, with 1.87 percent. The top three institutions in market hold 61.43 percent of the AA deposits.

Employment and Economic Factors

Unemployment in the AA has continued to decline as the unemployment rate as of December 31, 2016 was 4.2 percent compared to 7.6 percent as of December 31, 2012. The local unemployment rate is slightly below the state average of 4.3 percent.

The AA's economy is largely driven by the leisure/hospitality and retail industries. Walt Disney World Resort and Universal Orlando remain the top employers in the AA. Despite the saturated retail market in the AA, retailers are enticed by the fast growing population and 60 million annual visitors. As noted above, abundant jobs in leisure/hospitality and retail have made the area appealing to younger adults. The influx of young adults partially explains why wages and the share of homeowners in the region rank amongst the lowest in the US for metro areas with more than 1 million residents. Professional and business services represents the second largest sector in the AA, but is not adding jobs at the same rate as the leisure/hospitality sector to compensate for the wage compression. Relative to the rest of Florida, the AA's economy contracts during recessions to a greater degree, but it also expands more quickly during recoveries.

Housing

Per the 2010 US Census, 53.90 percent of the AA's housing units were owner occupied with 13.65 percent of housing units being rental occupied and 14.45 percent being vacant. Low income CTs were 17.73 percent owner occupied, 66.46 percent rental and 15.81 percent vacant. Moderate income CTs were 35.20 percent owner occupied, 47.92 percent renter, and 16.88 percent vacant. LMI CTs have the lowest owner occupied housing unit rates and highest rental rates in the AA.

According to the National Association of Realtors, the AA's median home price was \$230,000 for first quarter 2017, an increase of 10 percent year over. Average monthly gross rent is \$1,020, with median gross rents for low and moderate income tracts of \$762 and \$930, respectively. Families with housing costs exceeding 30 percent of income totaled 21.25 percent for home owners and 15.88 percent for renters. HUD notes that families who pay more than 30 percent of their income for housing are considered cost burdened and may have difficulty affording other necessities. Using the 2017 median family income of \$58,400, a low income family making \$29,200 (50 percent of the median family income) would be able to afford an annual housing cost of \$8,760, or \$730 monthly. Moderate income families making \$46,720 (80 percent of median family income) would be able to afford \$14,160 in annual housing costs, or \$1,168 monthly. Based on the median home price and assuming a 30 year mortgage, five percent interest and not including down payment, insurance, taxes, or other expenses, a monthly mortgage payment of \$1,269 is determined. HUD's Comprehensive Housing Market Analysis of the AA, conducted in 2014, projected that future housing demand for the area would be greatest in the \$200,000 to \$299,000 range. This shows that LMI families are challenged to afford homeownership and even rental housing poses a significant affordability challenge.

Community Contacts

We obtained information on the credit needs of the AA from community contacts conducted during the evaluation period. The contacts represented organizations focused on affordable housing and economic development for small businesses. There was a significant need

identified for the construction of new units of affordable housing and the rehabilitation of existing affordable housing to prevent deterioration. Other needs identified include flexible financing for small businesses, particularly start-up businesses. Grants and technical assistance to support the capacity and program delivery of community organizations is also a critical need in the AA. Lastly, financial education for youth, families and small business owners is needed in the AA.

33100 Miami-Fort Lauderdale-West Palm Beach, FL MSA

Demographic Information for Full Scope Area: 33100 Miami-Fort Lauderdale-West Palm Beach, FL MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	1,216	5.84	25.90	33.31	32.81	2.14
Population by Geography	5,564,635	4.72	27.31	34.60	33.06	0.31
Owner-Occupied Housing by Geography	1,329,038	2.06	23.11	36.26	38.56	0.00
Business by Geography	764,572	3.38	21.79	30.26	43.71	0.86
Farms by Geography	11,984	2.98	22.67	31.57	42.48	0.30
Family Distribution by Income Level	1,317,377	22.42	17.35	18.93	41.30	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	523,897	8.40	39.43	34.29	17.86	0.02
Median Family Income		57,777	Median Housing Value		284,593	
FFIEC Adjusted Median Family Income for 2016		56,694	Unemployment Rate (2010 US Census)		4.42%	
Households Below Poverty Level		14%				

(*) The NA category consists of geographies that have not been assigned an income classification.
 Source: 2010 US Census and 2016 FFIEC updated MFI

Seaside has three offices in the Miami-Fort Lauderdale-West Palm Beach, FL MSA. The AA encompasses all of the Miami-Fort Lauderdale-West Palm Beach, FL MSA and includes the Metropolitan Divisions (MDs) of Miami-Dade County, Broward County and Palm Beach County. The assessment area meets the requirements of the CRA regulation and does not arbitrarily exclude LMI geographies. Each MD is summarized below.

Banking Competition

Banking competition within the AA is to be very strong. Based on FDIC data as of June 30, 2016, there were 101 financial institutions operating 1,622 banking offices in the Miami-Dade County AA, including branches of the largest banks in the country. Wells Fargo Bank and Bank of America lead the market with 16.42 percent and 16.37 percent of the deposit market share, respectively. Seaside ranks 56th in deposit market share of 0.13 percent. Competition for mortgage loans is even more intense as numerous mortgage companies also operate in the AA, and national credit card lenders compete for small business loans.

Miami-Dade County

Miami-Dade County contains approximately half of the Miami MSA’s population and several of its largest cities. The greatest concentration of LMI geographies in the MSA are located in the City of Miami. The cost of living in the Miami-Dade MD remains high, even though there are indications of improvements in unemployment, real estate foreclosures, and other economic conditions during the evaluation period. Unemployment as of June 30, 2016, was 5.5 percent and has trended lower compared with 10.3 percent in 2011 and 13.6 percent in 2010. However,

the unemployment rate in Miami-Dade remains higher than both the state of Florida and the national unemployment rate of 4.7 percent and 5.1 percent, respectively, as of June 30, 2016.

Miami-Dade County was severely impacted by the housing crisis when home prices fell 50 percent or more from the highs of 2006, and condominium values declined 60 percent. Foreclosure rates have declined but remain high. According to Bankrate.com, Florida has consistently ranked in the top five states for the highest foreclosure rates. While home values continue to recover, Zillow.com reports that, as of the second quarter of 2016, 11.8 percent of homes with mortgages were in a negative equity position, which limits the owners' opportunity for mortgage refinancing.

As home values recover, home sales prices are rapidly increasing in the AA with the median sales price of a single-family home at \$280,000 for year-end 2015, increasing to \$315,000 as of third quarter 2016. The high sales prices make it difficult for LMI individuals to own a home in the AA without the help of loan subsidies. In addition, the high property taxes and the high cost of hazard and flood insurance in Florida add significant cost to owning a home. The decline in housing affordability isn't limited to home buyers. A 2016 study from the Federal Reserve Bank of Atlanta found that Miami was one of several large Southern metropolitan areas that experienced a significant decline in the availability of low-cost rental housing from 2010 to 2014. These factors contribute to Miami-Dade County having some of the highest levels of housing cost burden for families in the nation, spending greater than 30 percent of income on housing. The National Low Income Housing Coalition found that 26% of moderate income families and 71 percent of low income families in the Miami MSA are severely housing cost burdened.

Low and moderate-income families have other challenges accessing homeownership, as private investors contribute to the overall decline in housing inventory, including affordable housing. These investors often buy homes with cash, making it difficult for LMI individuals to take advantage of lower cost homes on the market. In 2014, as high as 58 percent of home sales in the Miami-Dade MD were cash transactions. By mid-2016, this level declined, though still high at 48 percent of home sales.

During the evaluation period, the level of homeowner occupancy declined from approximately 58 percent to 49 percent. In LMI geographies, the level of renter occupancy is high, representing 70 percent of housing units in low-income geographies and 51 percent of housing units in moderate-income geographies, based on 2010 Census data. These LMI geographies also represent high levels of households below the poverty level (44 percent and 27 percent, respectively), indicating an increasing demand for affordable rental housing.

Major industries include real estate development, trade business with Latin America, and tourism. According to Dunn and Bradstreet, there were 354,431 non-farm businesses in the Miami-Dade MD for 2015, of which 79.54 percent are considered to be small business. Small businesses are defined as having revenues of \$1 million or less. The majority (73.20 percent) of all non-farm businesses are concentrated in the County's middle- and upper-income geographies.

Broward County (MD 22744)

As with most metropolitan areas in Florida, the economy in this County has experienced a downturn due to the national and local recession. The entire State, and in particular Broward County, has experienced significant job losses, a volatile housing market with a record number of delinquencies, foreclosures and bankruptcies.

The unemployment rate in Broward County has fluctuated during the evaluation period with a high of 6.2 percent in January 2014, and trending lower at 4.4 percent as of December 2016, according to the Bureau of Labor Statistics. During the evaluation period, the Broward County unemployment rate remained below the state of Florida rate, which was 4.9 percent as of December 31, 2016. The Broward County unemployment rate was also lower than the 4.7 percent national rate. Major industries in the County include tourism, real estate development, trade business with Latin America, health care, financial services, and retail services.

Home values have shown an increasing trend based on data from Zillow.com. The median home value was \$222,000 in December 2016, compared with \$202,000 in December 2015, and \$174,000 in December 2014. The high median cost makes it difficult for LMI families to own a home in the County without the help of loan subsidies. The high cost of property taxes and insurance premiums also make the cost of homeownership more expensive. Additionally, competitive pressure from cash-paying investors who purchase lower priced homes limits the opportunities for low-income buyers.

During the evaluation period, the trend in foreclosures decreased but is still considered high; in Broward County one in every 690 homes, based on June 2016 RealtyTrac statistics. June 2016 foreclosure filings in Broward County declined by 39 percent when compared with the same time the year prior. The state of Florida ranked 3rd in the country for foreclosures with 1 in every 764 homes being foreclosed as of June 2016.

Palm Beach County (MD 48424)

The Palm Beach County population grew rapidly as 2010 U.S. Census data indicates the population totaled 1.3 million, an increase of nearly 17 percent since the 2000 U.S. Census. Palm Beach County has a combination of urban and rural LMI markets with differing economies. Clusters of LMI geographies can be found in cities such as West Palm Beach, Riviera Beach, Lake Worth, and Boynton Beach along the eastern boundaries of the county, as well as inland in rural areas around Lake Okeechobee such as Belle Glade and Pahokee.

Much of the data and economic conditions cited for the Broward County MD also cover the Palm Beach County MD. Palm Beach County was severely impacted by the housing crisis. Several years have passed, but Palm Beach County continues to recover from the crisis. Data from the Bureau of Labor Statistics shows that from January 2014 to December 2016, the unemployment rate for the Palm Beach MD decreased from 6.4 percent to 4.6 percent as the economy continues to recover from the housing crisis and recession. The December 2016 unemployment rate is slightly below the State unemployment rate of 4.9 percent and the national unemployment rate of 4.7 percent. Housing costs are high with the median list price of

a single-family home of \$425,000 in December 2016, and increase from \$365,000 in January 2014 according to an assessment by Zillow.com.

Retiree in-migration has surpassed expectations and is expected to continue to accelerate as increases in asset prices have rebuilt household wealth resulting in the ability to retire. Due to this increasing retiree population, the County's economy is largely based in the healthcare services, hospitality and retail sectors. Palm Beach County is home to two Fortune 500 companies and a wide range of corporate, regional and divisional headquarters. Major employers in the County include local governments, Publix Supermarkets, Tenet Healthcare, and Florida Power & Light. In addition, the Port of Palm Beach was the second fastest-growing port in the United States in 2015.

Community Contacts

We obtained information on the credit needs of the AA from community contacts conducted during the evaluation period. The contacts represented organizations focused on affordable housing. The most pressing credit need in the assessment area is the development and preservation of affordable housing for homeownership and rental. Other credit needs noted include access to capital for small businesses, particularly for start-up businesses.