



PUBLIC DISCLOSURE

July 25, 1996

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Seminole National Bank
Charter Number: 21061
P. O. Box 2057
Sanford, Florida 32771

Office of the Comptroller of the Currency
Tampa Duty Station
5650 Breckenridge Park Drive, Suite 202
Tampa, Florida 33610

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.

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 Community Reinvestment Act (CRA) performance of **Seminole National Bank** prepared by **Office of the Comptroller of the Currency**, the institution's supervisory agency, as of July 25, 1996. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.*

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

Seminole National Bank maintains a reasonable loan-to-deposit ratio; originates the majority of loans within its assessment area; has a reasonable distribution of loans to borrowers of different income and to businesses of different size; and has a reasonable distribution of loans throughout the assessment area. No violations of substantive provisions of anti-discrimination laws and regulations were found.

The following table indicates the performance level of Seminole National Bank with respect to each of the five performance criteria.

SMALL INSTITUTION ASSESSMENT CRITERIA	<u>Seminole National Bank</u> PERFORMANCE LEVELS		
	Exceeds Standards for Satisfactory Performance	Meets Standards for Satisfactory Performance	Does not meet Standards for Satisfactory Performance
Loan to Deposit Ratio		X	
Lending in Assessment Area		X	
Lending to Borrowers of Different Incomes and to Businesses of Different sizes		X	
Geographic Distribution of Loans	X		
Response to Complaints	No Complaints From the Public Regarding the Bank's CRA Performance Were Received.		

DESCRIPTION OF INSTITUTION

Seminole National Bank is an independent community bank with two offices located in Seminole County, Florida. Both the main office and branch are located in the city of Sanford. The bank also operated a loan production office in Orange County which opened in March of 1996 and was subsequently converted to a branch during July, 1996.

As of March 31, 1996, Seminole National Bank had \$27 million in total assets and a loan-to-deposit ratio of 62%. The bank's main lending focus is commercial and commercial real estate loans, as well as consumer loans. The bank has \$8.4 million in commercial and commercial real estate loans, \$3.9 million in residential real estate loans and \$4 million in consumer installment loans.

The bank's ability to meet the various credit needs is not hindered by its financial condition and size, product offerings, prior performance, legal impediments or any other factors. The previous CRA examination was conducted as of December 30, 1993.

DESCRIPTION OF THE ASSESSMENT AREA

Seminole National Bank's assessment area meets the requirements of the regulation and does not arbitrarily exclude low or moderate income geographies. The assessment area consists of Seminole County, Florida and the census tracts in the directly adjacent southwest corner of Volusia County. Seminole County is part of the Orlando, Metropolitan Statistical Area (MSA). There are sixty-eight census tracts in the assessment area. Three census tracts are defined as low income, nine are moderate, forty are medium and sixteen are upper income.

The population of Seminole County is 287,529 (1990 census) and is expected to increase to 384,313 by the year 2000. Demographic data indicates that 68% of the population is under 45 years of age. For making the determination about the bank's lending to borrowers of different income, we used the 1996 HUD MSA median family income of \$41,900. The primary industry in Seminole County is service. The two largest private employers are Siemens Stromberg - Carlson and the American Automobile Association.

We had previously contacted the two affordable housing organizations in the city of Sanford. They indicated a need for affordable home and apartment loans within the community. Within the assessment area, 57% of housing units are owner occupied and 31% are rental occupied. Six percent of the population in the area pay more than 30% of

their income in monthly rental costs and the median housing value is \$77,650.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA:

Our assessment of the bank’s CRA performance was based on an analysis of a sample of eighty-one loans of all major loan types originated since the previous CRA examination.

Loan-to-Deposit Analysis:

Seminole National Bank’s average loan-to-deposit ratio, since the previous CRA examination, is 53%. This is reasonable compared to other independent banks headquartered in the assessment area where the loan-to-deposit ratio ranged between a low of 47% and a high of 84%. In general, the bank’s loan-to-deposit ratio has steadily increased during the evaluation period.

Lending in the Assessment Area:

The bank’s origination of loans within the assessment area is reasonable. The bank made 70.2% of the loans originated since January, 1994 within the assessment area. The 29.8% of the loans made outside the assessment area were distributed mainly in neighboring Osceola and Orange Counties.

Geographic Distribution of Loans:

The geographic distribution of loans in the bank’s assessment area is excellent.

The bank’s lending distribution show loans have been made in all low and moderate income census tracts within the assessment area and in most other census tracts. The distribution lending reflects the census tract characteristics of the assessment area. See the table below:

Loans Originated within the Assessment Area

% of Census Tracts by Type	Loans Made in 1994 - 1995	Loans Made in 1996
Low 4%	10%	7%

Moderate 13%	21%	14%
Middle 59%	54%	69%
Upper 24%	15%	7%

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

Under this performance criterion, we assessed the bank’s lending to borrowers of different income levels and businesses of different sizes regardless of where the borrower lives. To accomplish this, we sampled forty residential loans, twenty-nine consumer loans and twelve commercial and commercial real estate loans.

Based on our sample, we concluded that the bank’s lending to borrowers of different income levels is reasonable. See the table below:

Bank’s Lending to Different Income Levels Compared to Percentage of Population within the Income Levels

Income Levels	Loans to Borrowers	% of Population by Income Levels
Low Income	9%	17%
Moderate Income	23%	19%
Middle Income	32%	24%
Upper Income	36%	40%

Our analysis also found that the bank lends to businesses of different sizes. The bank does not collate information on revenue for the businesses it lends to, so we used loan size as a proxy for business size. As displayed in the chart below, most of the loans made to businesses are less than \$100,000.

Business Loans By Size

Loan Size	Percentage of Loans By Number	Dollar Amount
\$0 - 100,000	67%	\$1.9 million
\$100,000 - 250,000	19%	\$3.2 million
\$250,000 - \$500,000	14%	\$4.0 million

Response to Complaints:

Seminole National Bank received no complaints from the public regarding the bank's CRA performance.

Compliance with Anti-discrimination Laws and Regulations:

During this review, we conducted an examination of the bank's fair lending performance. The objective of the fair lending examination was to determine if there was discrimination or disparate treatment in the bank's lending activities. Our fair lending examination found no violations of the substantive provisions of anti-discrimination laws and regulations.