



PUBLIC DISCLOSURE

May 01, 2017

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Florida Capital Bank, National Association
Charter Number 20214

10151 Deerwood Park Boulevard, Building 100, Suite 200
Jacksonville, FL 32256

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.

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

The Lending Test is rated: Satisfactory.

The Community Development Test is rated: Satisfactory.

The primary factors supporting the rating are summarized below:

- The bank's level of lending, as reflected in the bank's quarterly average net loan-to-deposit ratio (LTD), is more than reasonable given the bank's size, financial capacity and performance context factors.
- The bank's lending activities demonstrate reasonable penetration among borrowers of different income levels and businesses of different sizes given the performance context.
- The geographic distribution of home mortgage and business loans reflects a reasonable dispersion among the various income geographies given the performance context.
- The overall level of community development performance demonstrates a reasonable responsiveness to needs of its AAs through community development loans, qualified investments and community development services, considering the bank's size, its performance context and the need and availability of such opportunities for community development in the AAs.

Scope of Examination

This Performance Evaluation (PE) of Florida Capital Bank (FCB) assesses the bank's record of meeting the credit needs of the communities in which it operates. We evaluated FCB under the Intermediate Small Bank performance criteria, which include a Lending Test and a Community Development Test. The Lending Test evaluates a bank's record of helping to meet the credit needs of its AAs through its lending activities. The Community Development Test evaluates a bank's community development lending, qualified investments, and community development services. We placed higher reliance upon the Lending Test due to regulatory constraints that the bank operated under during the period being evaluated, which limited the bank's ability to engage in community development activities.

Lending Test conclusions are based upon the lending performance of the bank's primary loan products. We evaluated small business and residential mortgage lending from January 1, 2014 through December 31, 2016. Prior to conducting this evaluation, we tested the accuracy of the bank's Home Mortgage Disclosure Act (HMDA) and small business data. We found the data to be substantially accurate.

Conclusions regarding the Community Development Test are based on investments, services, and loans completed in FCB's combined AAs, which meet the definition of community development. The evaluation period for the Community Development Test begins October 8, 2013 and ends May 1, 2017.

Our analysis included a full scope evaluation for the Duval/St.Johns and Orange/Seminole AAs. Approximately 70.35 percent of the bank's loans made during the evaluation period are within these AAs. Also, approximately 69.94 percent of deposits are within these AAs. The Duval/St. Johns AA contains only the bank's main office (Duval County). The Orange/Seminole MSA also contains one bank office. We performed limited scope evaluations for the Alachua AA (one branch) and Pinellas/Hillsborough AA (one branch). Performance in limited scope AAs was considered in the overall rating relative to performance in the full-scope AAs.

The review period covered the 2010 U.S. Census period. Therefore, the analysis for the Lending Test used demographic data from the 2010 Census.

Description of Institution

Florida Capital Bank, N.A. is an intrastate, nationally chartered commercial bank headquartered in Jacksonville, Florida. The bank is wholly owned by Florida Capital Group, Inc., a one-bank holding company also headquartered in Jacksonville, Florida. The bank was initially chartered in 1985 in Tarpon Springs, Florida. The current ownership group purchased the bank in 2004, changed its name to its current name, and moved the headquarters to Jacksonville. After the move to Jacksonville, the bank expanded its presence into numerous Florida markets. When the economy slowed in 2008, the bank then began to reverse its expansionary activities. Since the last CRA examination in October 2013, the bank has continued to employ a strategy to consolidate banking offices and operate in fewer markets. Since October 2013, Florida Capital Bank obtained regulatory approval, when necessary, to consummate the following branch and office moves and closures:

- **2013:** Opened a branch adjacent to the Deerwood corporate headquarters in Jacksonville in November 2013. Opened a branch on East Church Street in downtown Orlando in November 2013. Closed a branch on San Jose Boulevard in Jacksonville in November 2013. Closed a branch in Winter Park in November 2013.
- **2014:** In January 2014, the following branches were closed: Beville Road in Daytona, 66th Street North in Pinellas Park, and East Tarpon Avenue in Tarpon Springs.
- **2015:** In July 2015, the A1A Beach Road branch in St. Augustine was closed. In August 2015, the Deerwood branch adjacent to the bank's headquarters was

moved into the headquarters office. In December 2015, the former Pinellas Park branch on 66th Street North was reopened as the Tampa Bay Area headquarters and the East Kennedy Blvd. branch in Tampa was closed.

- **2016:** In March 2016, the East Church Street branch in Orlando was closed and relocated to Legion Place in Orlando.
- **2017:** In March 2017, the bank closed a Small Business Administration (SBA) Loan Production Office (LPO) in Ft. Lauderdale.

Florida Capital Bank now operates four traditional banking offices, one in each of its four AAs. Through these offices, the bank offers a variety of loan and deposit products and services, which include the following: Personal Checking and Savings Accounts, Residential Mortgages, Personal Loans and Lines of Credit, Online Banking, Debit and Credit Cards, Bank by Mail, Remote Deposit Capture, Business Deposit Accounts and Loans, Account Analysis, Mobile Banking, Treasury and Cash Management services and Courier services. Lobby and drive-up teller hours are established for Monday through Friday. The bank does not operate any Automated Teller Machines (ATMs) or offer Safe Deposit Boxes. The bank is a member of the Presto network, which provides Florida Capital customers with free access to ATMs throughout the state of Florida via Publix supermarket locations. It does not sell Money Orders, but it does issue Cashiers Checks.

Beyond the scope of traditional banking activities, the bank operates a nationwide residential mortgage operation dba Florida Capital Bank Mortgage (FCBM). FCBM originates or purchases residential mortgages of all types. FCBM has two retail LPOs – one in the Jacksonville home office and one in Doylestown, PA (Approved Mortgage Group dba Florida Capital Bank Mortgage). In 2017, FCBM initiated a plan to expand its retail loan presence in other states and currently has LPOs in Colorado and California. Residential mortgage purchases are made through an extensive network of residential third party originators (TPOs). The majority of the residential mortgages originated or purchased by the bank are sold to secondary market participants. These loans are typically funded by wholesale deposits or other borrowings and not by traditional core deposits gathered in the four AAs.

The bank also provides financing to businesses through its government guaranteed lending program. The bank has a relationship with the SBA and the United States Department of Agriculture (USDA) and underwrites and services these loans in accordance with their respective guidelines.

Since 2014, the residential mortgage and government guaranteed loan operations have produced the following volumes:

	Residential Mortgages*		SBA		USDA	
Year	# of Loans	\$(in 000's)	# of Loans	\$(in 000's)	# of Loans	\$(in 000's)

2014	3,225	647,025	18	10,148	2	4,860
2015	3,702	796,918	19	14,996	2	4,050
2016	3,774	967,238	24	19,320	1	2,970

*Includes brokered loans that bank purchased.

Refer to the section below titled *Community Development Services* for more details regarding the bank’s products and services geared towards low- and moderate-income individuals, families, and small businesses.

As of December 31, 2016, the bank reported total assets of \$346 million and total deposits of \$228 million. Total loans (net of unearned income and allowance), which represent 79 percent of total assets, equaled \$273 million. The loan portfolio, as charted below, consists of 62.4 percent of commercial and commercial real estate secured loans, 37.4 percent residential real estate secured loans, and 0.2 percent in consumer purpose loans.

Composition of the Loan Portfolio as of 12/31/16		
Loan Type	Dollar Amount (000)	Percentage (%)
Commercial and Commercial RE	\$170,018	62.39%
Residential RE	\$101,999	37.43%
Consumer	\$512	0.18%
Total	\$272,529	100.00%

The bank had financial and legal impediments that restricted the bank’s ability to meet the credit needs of the communities it serves during the period covered in this Performance Evaluation. The bank’s ability to lend was impacted by the terms of an agreement with our agency. The preceding CRA evaluation dated October 7, 2013 (lending performance evaluation ended June 30, 2013) indicated the bank received a “Satisfactory” rating.

Description of Full Scope Assessment Areas

FCB currently has branches in four AAs, all of which consist of counties in MSAs. As previously stated, the Duval/St. Johns and Orange/Seminole AAs will receive full scope reviews as they contain the highest number of loans and deposits. The Duval/St. Johns AA includes the main office and accounts for the highest percentage of bank deposits and second most primary product lending activity. The Orange/Seminole AA comprises the largest amount of primary product lending and second highest percentage of bank deposits.

Description of the Duval and St. Johns Counties AA

This AA, which is part of the Jacksonville Metropolitan Statistical Area (MSA) #27260, is located in northeast Florida. According to the 2010 Census, the AA consists of 214 census tracts; all of Duval and St. Johns Counties. Jacksonville is the county seat for Duval County and St. Augustine for St. Johns County. The AA includes whole counties which consist of contiguous CTs and do not arbitrarily exclude any low- or moderate-income geographies. The AA meets the requirements of the regulation.

Florida Capital has one full service branch office located in the AA. The branch is located in an upper-income census tract in Duval County. In July 2015, the bank closed its St. Johns County branch located in St. Augustine. The office was located in a middle-income tract. Specific 2010 and 2016 demographic and economic data for the AA are detailed below.

Census 2010 and 2016 Demographic and Economic Characteristics of the Jacksonville MSA AA			
Population		Geographies	
Total Persons	1,054,302	Number of Census Tracts	214
Number of Households	400,600	% Low-Income Census Tracts (17)	7.94%
Median Family Income (MFI)	64,900	% Moderate-Income Census Tracts (55)	25.70%
<i>Based on 2016 MFI</i>		% Middle-Income Census Tracts (80)	37.38%
Low-Income earn	<\$32,450	% Upper-Income Census Tracts (60)	28.04%
Moderate-Income earn	\$32,500-	% NA Census Tracts (2)	0.93%
	\$51,920		
Income Distribution		Non-Farm Businesses	
Number of Families	256,497	Number of Businesses located in the AA	108,262
Families residing in the AA by income category		% of Small Businesses located in the AA	87.56%
% Low-Income Families	21.60%	% of Large Businesses	4.37%
% Moderate-Income Families	17.57%	% of Business with no revenues reported	8.70%
% Middle-Income Families	21.28%	% of Biz in Low-Income Census Tracts	4.13%
% Upper-Income Families	39.55%	% of Biz in Moderate-Income Census	21.56%
		% of Biz in Middle-Income Census Tracts	37.63%
		% of Biz in Upper-Income Census Tracts	36.69%
		% of Biz in NA census Tracts-0.08%	
<i>Source: 2010 Census, 2016 FFIEC Median Family Income Data and 2016 Dunn and Bradstreet Data</i>			

According to the 2010 U.S. Census Bureau economic data, the MSA has a total population of 1,054,302. Approximately 12 percent of all households in the AA live below the poverty level. Housing units in the AA total 400,600, with 340,629, or 72.44 percent, classified as 1-4 family units, of which 55.84 percent are owner-occupied. Multifamily housing represents 100,625, or 21.40 percent, and rental housing represents 161,268 or 34.30 percent, of total housing units in the AA. Close to 15 percent, or 69,633 housing units, are vacant. Based on 2016 Dunn and Bradstreet demographic data, there are 108,262 non-farm businesses that reported revenues throughout the AA, of which 94,797, or 87.56 percent, are small businesses.

The AA is located in the northeast corner of Florida in an area known as “Florida’s First Coast”. Jacksonville is the largest city in the State of Florida by population and the 12th largest in the United States. The AA has always enjoyed a diversified economy with major industry sectors to include manufacturing, aviation, finance and insurance services, information technology, medical products and services, logistics, and distribution. The AA is home to a professional sports team from the National Football League. Tourism is also an economic growth factor in the AA with its beaches along the Atlantic Coast, the historic city of St. Augustine, known as the “Nation’s Oldest City”, and golf, where the Professional Golf Association Tour is headquartered and The Players Championship is held every year. According to *Moody’s Analytics*, Jacksonville’s economy also benefits from competitive living costs and providing a low-cost center for financial services.

The military has the largest economic and stabilizing impact in the AA, as it is the largest employer in Jacksonville. Jacksonville is home to multiple military facilities and has the third largest naval presence in the country. Jacksonville also has the largest deep-water port in the South and is a leading port in the U.S. for automobile imports, as well as the leading transportation and distribution hub in the state. The AA is home to three Fortune 500 companies and a wide range of corporate, regional, and divisional headquarters. Major employers in the AA include Naval Air Station Jacksonville, Mayport Naval Station, Duval Public Schools, City of Jacksonville, Publix Supermarkets, Baptist Health System and Bank of America/Merrill Lynch. Leading industries include state and local government, restaurants, hospitals, military, and federal government.

The AA has experienced economic recovery during the evaluation period as evidenced by the declining trend in the unemployment rate. According to the U.S. Department of Labor, Bureau of Labor Statistics information, the March 2017 unemployment rate (not seasonally adjusted) for Duval and St. Johns Counties was 4.3 and 3.3 percent, respectively. This compares favorably to the state- and nation-wide rate of 4.3 and 4.6 percent respectively. In addition, current AA unemployment rates reflect improvement in comparison to the AA’s December 2013 unemployment rates of 6.5 and 4.8 percent respectively.

Similarly, the AA has experienced an improving housing market over the past few years as home values have begun to rise after rapid declines following the economic recession. According to data from the Florida Association of Realtors, as of the fourth quarter 2016, the median single family housing and condominium sales price in the Jacksonville metropolitan area was \$217,500 and \$149,250 respectively. This is an increase of 8.8 and 2.2 percent over the prior year. In addition, foreclosures, while elevated versus national levels, continue to decline. According to RealtyTrac, as of March 2017, Duval County reports one in every 902 units with a foreclosure action which is above the national rate, while St. Johns County reports one in every 1824 units, less than the national rate. Both counties are reporting significant declines from the same period last year. While positive overall, price increases make it more difficult for potential homeowners with low to moderate incomes to enter into the market.

There is significant banking competition for financial services in the AA, consisting primarily of large regional and national banks. According to the FDIC deposit market share data as of June 30, 2016, there were 33 financial institutions operating in 261 offices within the AA. Florida Capital is ranked 21st among banks with a 0.18 percent deposit market share. Major competitors include Bank of America, N.A., EverBank, Wells Fargo Bank, N.A. and Compass Bank, which combined represent an 85.85 percent deposit market share.

During a CRA evaluation, it is customary for examiners to contact various persons and organizations within the institution’s AA to gain insight regarding local and economic conditions and credit needs. During our examination, we spoke with a local organization to discuss the credit needs of the community and the responsiveness of financial institutions in the Jacksonville MSA. According to the contact, the area continues to need permanent financing for 1-4 single family and multi-family affordable housing. Affordable housing has been reduced in the MSA as large investor groups have purchased considerable amounts of lower priced single family residences for cash. The contact also mentioned the need for LMI housing rehabilitation, funding of LMI supportive services such as eviction intervention, emergency rental assistance, financial education and technical assistance in financial education or by serving on Boards of community and governmental organizations to provide a banker’s perspective on addressing affordable housing development.

Description of the Orange and Seminole Counties AAs

This AA, which is part of the Orlando-Kissimmee-Sanford Metropolitan Statistical Area (MSA) #36740, is located in Central Florida. The AA consists of 292 census tracts in Orange and Seminole Counties. The AA meets the requirements of the regulation and does not arbitrarily exclude low- or moderate-income geographies.

Florida Capital Bank has one branch office located in the AA. The branch is located in Orange County. The branch is located in an upper-income census tract. In March 2016, the bank relocated the Orlando main office to its current location. The former branch was located in a moderate-income census tract.

Specific 2010 and 2016 demographic and economic data for the AA are detailed below.

Census 2010 and 2016 Demographic and Economic Characteristics of the Orlando MSA AA			
Population		Geographies	
Total Persons	1,568,674	Number of Census Tracts	292
Number of Households	558,684	% Low-Income Census Tracts (6)	2.05%
Median Family Income (MFI)	57,800	% Moderate-Income Census Tracts (76)	26.03%
<i>Based on 2016 MFI</i>		% Middle-Income Census Tracts (99)	33.90%
Low-Income families	<\$28,900	% Upper-Income Census Tracts (111)	38.01%
Moderate-Income individuals earn	\$28,900-\$46,240		

Income Distribution		Non-Farm Businesses	
Number of Families	369,225	Number of Businesses located in the AA	182,378
Families residing in the AA by income category		% of Small Businesses located in the AA	88.63
% Low-Income Families	19.31%	% of Large Businesses	3.97%
% Moderate-Income Families	17.54%	% of Business with no revenues reported	7.40%
% Middle-Income Families	19.98%	% of Biz in Low-Income Census Tracts	0.65%
% Upper-Income Families	43.17%	% of Biz in Moderate-Income Census	21.06%
		% of Biz in Middle-Income Census Tracts	33.57%
		% of Biz in Upper-Income Census Tracts	44.72%
<i>Source: 2010 Census, 2016 FFIEC Median Family Income Data and 2016 Dunn and Bradstreet Data</i>			

According to the 2010 U.S. Census Bureau economic data, the AA has a total population of 1,568,674. Approximately 12 percent of all households in the AA live below the poverty level. Housing units in the AA total 558,684 with 457,180, or 70.00 percent, classified as 1-4 family units, of which 53.90 percent are owner-occupied. Multifamily housing represent 169,874, or 26.01 percent, and rental housing represents 239,823, or 36.72 percent of total housing units in the AA. Approximately 14 percent, or 93,299 housing units, are vacant. Based on 2016 Dunn and Bradstreet demographic data there are 182,378 non-farm businesses throughout the AA, of which 161,640, or 88.63 percent, are small businesses.

Seminole and Orange counties are contiguous counties located in Central Florida within the same MSA. Both counties share the Metro Orlando area, which is the 23rd largest metropolitan area in the United States and sees 66 million tourists annually, according to the Metro Orlando Economic Development Commission. The metro area’s economy benefits from a globally recognized tourism industry, the Orlando’s aerospace and defense sector, biotechnology industry, and digital media sector. Major employers in the AA include Walt Disney World, Adventist Health/Florida Hospital, and Publix Super Markets. The AA also serves as headquarters for several companies including Darden Restaurants, Tupperware Corporation, American Automobile Association (AAA) and Ruth’s Chris Steak House to name a few. Leading industries include state and local government, restaurants, amusement parks and health care.

According to the Orlando Sentinel, the Bureau of Labor Statistics ranked Orlando number 1 for job growth in 2015. However, job growth was concentrated in mainly lower-paying leisure and hospitality and moderate-paying construction payrolls. According to *Moody’s Analytics*, abundant jobs in leisure/hospitality and retail have made Orlando the state’s mecca for young adults and this partially explains why wages and the share of homeowners rank among the lowest in the U.S. for metro areas with more than one million residents. In addition, the Orlando Sentinel reports that the Orlando market had more cash buyers than the national average in 2015 and 2016. Approximately 36 percent of buyers paid with cash during 2016 compared to 44 percent of cash buyers in 2015. This reduces low and moderate income families ability to purchase affordable housing.

The AA’s economy improved significantly over the past few years. According to

Moody's Analytics, demographics and increases in population have helped shape the area's economy. The AA has been ranked among the five fastest growing metro areas for five consecutive years. This, along with aforementioned job growth, helped grow the economy during the evaluation period. Still, the area is more susceptible to national and international economic conditions due to the tourism industry. Other potential economic weaknesses include low employment diversity, high employee volatility, and higher than average foreclosures.

Unemployment rates in the AA have declined considerably during the assessment period. According to the U.S. Department of Labor, Bureau of Labor Statistics information, the March 2017 unemployment rate (not seasonally adjusted) for Orange and Seminole Counties were both 3.8 percent and compare favorably to the state- and nation-wide rates of 4.3 and 4.6 percent, respectively. This reflects a significant improvement in comparison to the AA's December 2013 unemployment rates of 5.8 and 5.7 percent, respectively.

The AA has experienced a recovering housing market over the past few years as home values have increased and foreclosures have declined. According to the Florida Association of Realtors, the median single family housing sales price in the Orlando metropolitan area, as of the fourth quarter 2016, was \$230,000, an 8.8 percent increase from the same period in the prior year. Similarly, townhomes and condos median sales price increased 14.2 percent to \$137,000. In addition, foreclosures, while elevated versus national levels, continue to decline. According to RealtyTrac, as of March 2017, Orange County reports one in every 1425 units with a foreclosure action, while Seminole County reports one in every 1173 units. Foreclosure filings showed an annual decrease of 46 percent and 27 percent, respectively.

There is significant banking competition for financial services in the AA consisting of larger regional and national banks. According to the FDIC deposit market share data as of June 30, 2016, there were 41 financial institutions operating in 420 offices within Orange and Seminole Counties. Florida Capital is ranked 29th among banks with a 0.19 percent deposit market share. Major competitors include SunTrust Bank, Bank of America, N.A., Wells Fargo Bank, N.A., JPMorgan Chase Bank, N.A., and Fifth Third, which combined represent a 73.75 percent deposit market share.

During a CRA evaluation, it is customary for examiners to contact various persons and organizations within the institution's AA to gain insight regarding local and economic conditions and credit needs. During our examination, we spoke with a local organization to discuss the credit needs of the community and the responsiveness of financial institutions in the Orlando MSA. According to the contact, the area needs permanent financing for 1-4 single family and multi-family affordable housing. Our contact mentioned that the Orlando MSA is third worst in the country for lack of affordable housing and that the area has a high amount of residents whose housing costs are at least 50 percent of income. The contact mentioned credit barriers as being a hindrance to low-income individuals having access to affordable housing.

The contact also mentioned the need for LMI housing rehabilitation, funding of LMI supportive services such as eviction intervention, emergency rental assistance, financial education and technical assistance in financial education or by serving on Boards of community and governmental organizations to provide a banker’s perspective on addressing affordable housing development.

Description of Limited Scope Assessment Areas

Description of the Pinellas and Hillsborough Counties AA

This AA is part of the Tampa-St. Petersburg-Clearwater Metropolitan Statistical Area (MSA). According to the 2010 Census, the AA consists of 565 census tracts, or all Pinellas and Hillsborough Counties. Within Pinellas County, the largest city is St Petersburg, while Clearwater serves as its county seat. Tampa is the county seat for Hillsborough County. The AA meets the requirements of the regulation and does not arbitrarily exclude low - or moderate-income geographies.

Florida Capital operates one full service branch office located in the AA. The branch is located in a middle-income census tract in Pinellas County. In December 2015, the bank closed its Hillsborough office branch located in Tampa and re-opened the current branch in Pinellas County. The Hillsborough branch was located in an upper-income tract. Specific 2010 and 2016 demographic and economic data for the AA are detailed below.

Census 2010 and 2016 Demographic and Economic Characteristics of the Tampa MSA AA			
Population		Geographies	
Total Persons	2,145,768	Number of Census Tracts	565
Number of Households	868,096	% Low-Income Census Tracts (30)	5.31%
Median Family Income (MFI)	59,200	% Moderate-Income Census Tracts (124)	21.95%
<i>Based on 2016 MFI</i>		% Middle-Income Census Tracts (230)	40.71%
Low-Income families	<\$29,600	% Upper-Income Census Tracts (172)	30.44%
Moderate-Income families earn	\$28,950- \$47,360	% N/A Census Tracts (2)	1.59%
Income Distribution		Non-Farm Businesses	
Number of Families	525,888	Number of Businesses located in the AA	230,545
Families residing in the AA by income category		% of Small Businesses located in the AA	88.78%
% Low-Income Families	20.13%	% of Large Businesses	4.11%
% Moderate-Income Families	17.76%	% of Business with no revenues reported	7.11%
% Middle-Income Families	19.51%	% of Biz in Low-Income Census Tracts	3.17%
% Upper-Income Families	42.60%	% of Biz in Moderate-Income Census	19.08%
% N/A	0.24%	% of Biz in Middle-Income Census Tracts	37.92%
		% of Biz in Upper-Income Census Tracts	39.66%
		% N/A Census Tracts	0.17%
<i>Source: 2010 Census, 2016 FFIEC Median Family Income Data and 2016 Dunn and Bradstreet Data</i>			

According to the 2010 U.S. Census Bureau economic data, the AA has a total

population of 2,145,768. Just over 12 percent of all households in the AA live below the poverty level. Housing units in the AA total 868,096, with 672,882, or 65.39 percent, classified as 1-4 family units, of which 56.19 percent are owner-occupied. Multifamily housing represents 265,383, or 25.79 percent, and rental housing represents 289,881, or 28.17 percent, of total housing units in the AA. Approximately 15 percent, or 160,998 housing units, are vacant. Based on 2016 Dunn and Bradstreet demographic data, there are 230,545 non-farm businesses that reported revenues throughout the AA, of which 204,670, or 88.78 percent, are small businesses.

Pinellas and Hillsborough counties are contiguous counties located on the west coast of Florida along the Gulf of Mexico and Tampa Bay, respectively. The AA is home to professional sports teams including teams from the National Football League and Major League Baseball. According to Moody's, Tampa Bay Port is one of the 10 busiest harbors for cruises in the United States. Major employers in the AA include MacDill Airforce Base, Verizon Communications, University of South Florida, Tampa Bay International Airport, and Tampa General Hospital. According to the Greater Tampa Area Chamber of Commerce, Tampa is home to 19 corporate headquarters, eight of which are Fortune 1000 companies. Leading industries include education, government, healthcare, leisure and hospitality, and telecommunications.

The AA has gradually recovered from the significant economic distress resulting from the nationwide recession. However, according to a recent report from Moody's analytics, the economy in the Tampa-St. Petersburg-Clearwater MSA is sending conflicting signals. After increasing at the fastest rate since the Great Recession, growth in leisure/hospitality will slow to a moderate pace as economic turmoil in Europe, political upheaval in Latin America, a strong dollar and warmer winters in the US and Canada represent threats to tourism. According to Smith Travel Research, hotel availability surged by more than 8 percent year over year in the MSA.

Yet, Moody's goes on to state, despite these factors, the area nonetheless will outperform the nation and growth in the AA will match the State of Florida's growth pace next year as the MSA reaches full employment and wage gains accelerate. The rising number of high-wage jobs in professional services will support retail and housing.

Unemployment rates in the AA have declined considerably during the assessment period. According to the U.S. Department of Labor, Bureau of Labor Statistics information, the March 2017 unemployment rate (not seasonally adjusted) for Pinellas and Hillsborough Counties were both 3.9 percent and compare favorably to the state- and nation-wide rates of 4.3 and 4.6 percent, respectively. This reflects a significant improvement in comparison to the AA's December 2013 when both counties had an unemployment rate of 5.8 percent.

The AA has experienced a recovering housing market over the past few years as home values have increased and foreclosures have declined. According to the Florida Association of Realtors, the median sales price of an existing single family residence in the Tampa metropolitan area, as of the fourth quarter 2016, was \$211,500, a 14.4

percent increase year over year. The average price of a townhouse/condo rose 17.1 percent to \$149,500. Foreclosures also continue to decline in the AA. According to RealtyTrac, as of March 2017, Pinellas County reports one in every 1841 units with a foreclosure action, while Hillsborough County reports one in every 1047 units. This represents a decline of 62 percent and 41 percent from the same period last year, respectively.

There is significant banking competition for financial services in the AA. According to the FDIC deposit market share data as of June 30, 2016, there were 60 financial institutions operating in 601 offices within Pinellas and Hillsborough Counties. Florida Capital is ranked 52nd among banks with a 0.05 percent deposit market share. Major competitors include Raymond James, N.A., Bank of America, N.A., Wells Fargo Bank, N.A., SunTrust, and Regions Bank, which combined represent a 68.26 percent deposit market share.

Description of the Alachua County AA

This AA, which is part of the Gainesville Metropolitan Statistical Area (MSA) #23540, is located in north central Florida. According to the 2010 Census, the AA consists of 56 census tracts or all of Alachua County. Gainesville is the county seat for Alachua County. The AA meets the requirements of the regulation and does not arbitrarily exclude low - or moderate-income geographies. Florida Capital has one full service branch office located in the AA. The branch is located in a middle-income census tract in Alachua County. Specific 2010 and 2016 demographic and economic data for the AA are detailed below.

Census 2010 and 2016 Demographic and Economic Characteristics of the Gainesville MSA AA			
Population		Geographies	
Total Persons	247,336	Number of Census Tracts	56
Number of Households	97,540	% Low-Income Census Tracts (12)	21.43%
Median Family Income (MFI)	59,700	% Moderate-Income Census Tracts (12)	21.43%
<i>Based on 2016 MFI</i>		% Middle-Income Census Tracts (14)	25.00%
Low-Income families	<\$29,850	% Upper-Income Census Tracts (18)	32.14%
Moderate-Income individuals earn	\$28,950-\$47,760		
Income Distribution		Non-Farm Businesses	
Number of Families	52,162	Number of Businesses located in the AA	20,862
Families residing in the AA by income category		% of Small Businesses located in the AA	85.97%
% Low-Income Families	22.83%	% of Large Businesses	4.22%
% Moderate-Income Families	17.10%	% of Business with no revenues reported	9.81%
% Middle-Income Families	18.04%	% of Biz in Low-Income Census Tracts	11.02%
% Upper-Income Families	42.03%	% of Biz in Moderate-Income Census	17.45%
		% of Biz in Middle-Income Census Tracts	29.02%
		% of Biz in Upper-Income Census Tracts	42.50%
<i>Source: 2010 Census, 2016 FFIEC Median Family Income Data and 2016 Dunn and Bradstreet Data</i>			

According to the 2010 U.S. Census Bureau economic data, the AA has a total population of 247,336. Approximately 22 percent of all households in the AA live below the poverty level. Housing units in the AA total 111,002, with 70,779, or 63.76 percent, classified as 1-4 family units, of which 48.22 percent are owner-occupied. Multifamily housing represents 30,514, or 27.49 percent, and rental housing represents 48,737, or 27.49 percent, of total housing units in the AA. Approximately 12 percent, or 13,462 housing units, are vacant. Based on 2016 Dunn and Bradstreet demographic data, there are 20,862 non-farm businesses that reported revenues throughout the AA, of which 17,780, or 85.97 percent, are small businesses.

The AA is home to the University of Florida (UF). UF serves as a primary economic growth factor in the AA as it contributes over \$8 billion to the state economy each year. According to the American Institute for Economic Research, Gainesville was ranked as the number 5 top college destination in 2017. The Business Insider ranked the University of Florida as the eighth best public college in the country in 2016. Gainesville has the highest concentration of 18-44 year olds with an advanced degree in the state according to the Gainesville Chamber of Commerce. *Moody's Analytics* states Gainesville's economy benefits from the stabilizing presence of UF, major healthcare and research hub, and improving migration patterns.

The University is the largest employer in the area. Gainesville is also home to UF Shands and the Veterans Affairs Medical facility, the second and third largest employers in the AA, respectively. Other major employers in the AA include the Alachua School Board, the City of Gainesville, and North Florida Medical Center. Major industry sectors in the AA include education, healthcare, construction, and state and local government.

The AA has exhibited continued economic recovery during the evaluation period as evidenced by the declining trend in the unemployment rate. According to the U.S. Department of Labor, Bureau of Labor Statistics information, the December 2016 unemployment rate (not seasonally adjusted) for Alachua County was 4.1 percent. This compared favorably to the state- and nation-wide rate of 4.3 and 4.6 percent, respectively. In addition, current AA unemployment rates reflect improvement in comparison to the AA's December 2013 unemployment rate of 5.2 percent.

The Gainesville AA has experienced an improving housing market over the past few years as home values have started to rebound. According to data from the Florida Association of Realtors, as of the fourth quarter 2016, the median single family housing sales price in the Gainesville AA was \$205,000, a 19.5 percent increase from the same period in the prior year. Similarly, townhouse and condo prices rose 19.2 percent to \$104,000 year over year. In addition, foreclosures in the area continue to decline. According to RealtyTrac, as of March 2017, Alachua County reports one in every 1848 units with a foreclosure action. Bank-owned properties show a nearly 24 percent decline year over year and are below the national rate of 1 in every 1502.

Banking competition for financial services in the AA consists primarily of large regional and national banks, and to a much lesser extent smaller local institutions. According to the FDIC deposit market share data as of June 30, 2016, there were 17 financial institutions operating in 64 offices within the AA. Florida Capital is ranked 15th among banks with a 1.02 percent deposit market share. Major competitors include Bank of America, N.A., Wells Fargo Bank, N.A., Compass Bank, Ameris, and SunTrust Bank, which combined represent a 73.92 percent deposit market share.

Conclusions with Respect to Performance Tests

The Lending Test analysis that follows evaluates the bank's lending activity as described earlier in the scope section. The factors considered are as follows: (1) Loan-to-Deposit Ratio; (2) Lending in the AA; (3) Lending to Borrowers of Different Income Levels; (4) Geographic Distribution of Loans; and (5) Response to CRA Complaints.

LENDING TEST

FCB's performance under the Lending Test is Satisfactory. The bank's lending among borrowers of different income levels and businesses of different sizes showed reasonable penetration. The geographic distribution of loans showed reasonable dispersion. In reaching our overall conclusion, primary consideration was given to the performance in the Duval/St. Johns and Orange/Seminole County AAs as the majority of the bank's lending activity and deposits are located in the two AAs. Limited consideration was given to performance in the Alachua County and Hillsborough/Pinellas County AAs. Given the performance context, FCB has a reasonable penetration among borrowers of different income levels and geographical dispersion of loans is reasonable. We considered performance context factors in our ratings, including the impact on lending as the result the high level of competition in the AAs, the bank's limited branch offices and market share, the number of low-income census tracts in the AA, delivery systems for products and services, and regulatory constraints.

Loan-to-Deposit Ratio

Loan-to-Deposit Ratio - Exceeds the Standard for Satisfactory Performance

- *The bank's level of lending, as reflected in the bank's quarterly average net loan-to-deposit ratio (LTD), is more than reasonable given the bank's size, capacity and performance context factors.*

The bank's quarterly average LTD ratio since the preceding CRA evaluation (14 quarters beginning with the third quarter of 2013) is 89.58 percent, ranging from a high of 118.39 percent in the fourth quarter of 2016 to a low of 67.07 percent in the third quarter of 2013. For the same period, Florida Capital's quarterly average ratio of 89.58

percent is higher than the 86.20 percent ratio of seven similarly situated banks (total assets below \$600 million conducting business throughout the 14 quarters) operating in the bank's AA. The quarterly average high LTD ratio for these seven banks was 101.96 percent and the low was 74.49 percent.

The quarterly average LTD ratio for each similarly situated bank located in the AA is depicted in the table below:

Loan-to-Deposit Ratios		
Institution	Total Assets \$ (000's) (As of 12/31/2016)	Average Loan- to-Deposit Ratio (in %)
Florida Capital Bank, N.A.	345,855	89.58
First Citrus Bank	312,437	95.67
FirstAtlantic Bank	436,951	85.53
Axiom Bank	579,518	101.96
First Colony Bank of Florida	198,456	74.57
Citizens Bank of Florida	258,918	74.49
Freedom Bank	197,476	87.86
Jefferson Bank of Florida	296,103	83.31

Source: Consolidated Reports of Condition and Income from September 2013 to December 2016.

Lending in AA

Lending in AA – Does not meet the Standard for Satisfactory Performance

- *A majority of Florida Capital's loans originated and purchased over the evaluation period were outside its AA.*

This conclusion is based on an analysis of all home mortgage loans (10,308) and business loans (170) originated and purchased during 2014, 2015, and 2016. As detailed in the table below, 4.36 percent in number, and 5.70 percent by dollar of originated and purchased loans were inside the AA. This lending pattern is expected and reflective of the large volume of mortgage loans generated from the bank's mortgage operation. The vast majority of mortgage loans are originated outside of the bank's AAs and subsequently sold in the secondary market. Although the bank's overall lending within the combined AAs does not meet the standard for satisfactory performance for this criteria, we noted approximately 73 percent by number and 56 percent by dollar, of FCB's business loans were originated inside the AA.

Lending in all AAs										
Loan Type	Number of Loans					Dollars of Loans				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Home Mortgage	331	3.21	9,977	96.79	10,308	72,878	3.15	2,240,197	96.85	2,313,075
Business Loans	126	72.94	46	27.06	170	65,590	55.84	51,870	44.16	117,460
Totals	457	4.36	10,023	95.64	10,478	138,468	5.70	2,292,067	94.30	2,430,535

Source: 2014-2016 HMDA data and bank prepared loan origination reports for the period of January 1, 2014 – December 31, 2016.

Lending to Borrowers of Different Incomes and to Businesses of Different Sizes - Meets the Standard for Satisfactory Performance

- *FCB's lending activities show reasonable penetration among borrowers of different incomes levels and businesses of different sizes given its performance context.*

Our analysis is based on all home mortgage loans (331) and business loans (126) originated in the AAs during the evaluation period. For home mortgage loans, we compared the income distribution of the bank's borrowers to the income distribution of the families within the AAs, using the FFIEC median family income levels. For business loans, we compared the bank's distribution of lending to small businesses in relation to small businesses within the AAs using business demographic data.

During the evaluation period, performance context issues made it more difficult to provide home mortgage loans to low- and moderate-income borrowers. As noted in the AA profiles, during the evaluation period, all of the bank's AAs experienced rapidly increasing prices as a result of the housing recovery. This was further exacerbated by cash buyers and large real estate investors purchasing a large number of lower priced homes that would typically be purchased by low- and moderate-income families. Also affecting performance is FCB's limited market share and branch and personnel network in combination with significant competition from larger financial institutions in each of the four AAs. Each of these factors had an impact on FCB's ability to lend to low-income and some moderate-income borrowers and businesses of different sizes.

Full-Scope AAs:

Duval and St. Johns AA:

Based on the performance context, FCB's record of lending to borrowers of different incomes and to businesses of different sizes within the Duval/St. Johns County AA is reasonable and meets the standards for satisfactory performance. Our conclusions are based on 96 HMDA and nine business loans originated during the evaluation period.

Home Mortgage Loans

Florida Capital's distribution of residential loans reflects reasonable penetration among individuals of different income levels. As depicted in the table below, the percentage of the bank's loans to low-income families is slightly below the percentage of low-income families residing in the AA. Similarly, lending to moderate-income families is considered satisfactory when compared with the demographic benchmark of moderate-income families living in the AA. Based on the 2016 updated median family income for the area of \$64,900, low-income families earn \$32,450 per year, while moderate-income families earn up to \$51,920. The weighted average median housing cost (according to Dunn and Bradstreet) has increased to \$212,061. This makes it more difficult for low- and moderate-income families to qualify for mortgage loans at median housing values due to insufficient income levels.

Borrower Distribution of Residential Real Estate Loans in Duval/St. Johns AA								
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 Mortgage Loans	21.60	16.67	17.57	14.58	21.28	27.08	39.55	41.67

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

Business Loans

FCB made only nine business loans in the AA during the evaluation period. The bank has only one office located in the AA and does not employ a full-time business lender in the AA. As indicated in the table below, 44.44 percent in number, and 25.02 percent in dollar amounts, were made to small businesses, which is well below the 87.56 percent of small businesses operating in the AA. However, the limited number of business loans made in the AA limits the reliability and meaningfulness of this analysis.

Borrower Distribution of Business Loans in Duval/St. Johns AA				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/Unknown	Total
% of AA Businesses	87.56	4.37	8.07	100%
% of Bank Loans in AA by #	44.44	55.66	0.00	100%
% of Bank Loans in AA by \$	25.02	74.98	0.00	100%

Source: Bank prepared loan origination reports for the period of January 1, 2014-December 31, 2016 and 2016 Dunn and Bradstreet demographic and geographic data.

Orange and Seminole AA:

Given the performance context, the bank's record of lending to borrowers of different incomes and businesses of different sizes reflects reasonable distribution. Our conclusions are based on 152 HMDA and 65 business loans originated during the evaluation period.

Home Mortgage Loans

Overall, based on the performance context, FCB’s home mortgage lending to borrowers of different income levels is reasonable. As noted in the table below, the percentage of home purchase loans to low-income borrowers is lower than the percentage of low-income families residing in the AA. However, the bank’s performance is reasonable due to the performance context factors noted in the *Description of the Institution* as well as rising home prices during the evaluation period that negatively impacted the ability of low-income families to purchase a home. The percentage of home purchase loans made to moderate-income families is similar to the percentage of moderate-income families residing in the AA.

Borrower Distribution of Residential Real Estate Loans in Orange/Seminole AA								
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 Mortgage Loans	19.31	1.32	17.54	16.44	19.98	19.74	43.17	62.50

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

Business Loans

Given the performance context, the distribution of loans to businesses of different sizes is reasonable. Although the percentages were below the demographic data in the AA, we considered the distribution reasonable based on the performance context. Context relates to the regulatory restrictions imposed on the bank during the evaluation period that resulted in lending constraints. In addition, the bank has only one office located in the AA and considerable competition. Based on the demographic data, there are 161,640 small businesses within the AA (gross annual revenues of \$1 million or less) and 40 different financial institutions operating in 419 offices competing to lend to these businesses. FCB made 65 business loans in the AA during the evaluation period. Of the 65 business loans, 47.69 percent in number and 56.04 percent in dollar amounts were made to small businesses. The following table depicts FCB’s lending performance to small businesses operating in the AA.

Borrower Distribution of Business Loans in Orange/Seminole AA				
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 #	47.69	52.31	0.00	100%
% of Bank Loans in AA by \$	56.04	43.96	0.00	100%

Source: Bank prepared loan origination reports for the period of January 1, 2014-December 31, 2016 and 2016 Dunn and Bradstreet demographic and geographic data.

Conclusions for Areas Receiving Limited-Scope Reviews:

Based on performance context and our limited-scope reviews, the bank’s performance for borrower distribution in the Pinellas/Hillsborough AA and Alachua County AA was not inconsistent with performance in the full scope AAs. Performance context consideration included the limited number of offices in the AAs (one each), the method products and services are delivered, and the low volume of lending and deposit activity in each of the AAs.

Hillsborough and Pinellas AA:

Home Mortgage

As shown in the table below, home mortgage lending to low- and moderate- income families in the Pinellas/Hillsborough AA was less than the percentage of low- and moderate- income families in the AA. However, the volume of home mortgage lending was significantly lower than both full scope AAs. In addition, the Pinellas/Hillsborough AA does not have a residential lender and most originations are referred through business contacts. The current AA branch is located in a middle-income tract that is not in close proximity to a low- or moderate-income census tract. In addition, the prior AA branch location was located in an upper-income tract that was not in close proximity to a low- or moderate-income geography.

Borrower Distribution of Residential Real Estate Loans in Pinellas/Hillsborough AA								
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 Mortgage Loans	20.13	5.00	17.76	5.00	19.51	35.00	42.60	55.00

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

Business Loans

Business lending in the Pinellas/Hillsborough AA was less than the number of small businesses in the AA. As indicated in the table below, 31.82 percent in number and 39.46 percent in dollar amounts were made to small businesses. However, there were a modest number of business loans (22) originated in the AA to only 12 different businesses. Of the 12 businesses, seven (58 percent) had revenues below \$1 million, while only five had revenues above \$1 million. This demonstrates FCB’s willingness to lend to small businesses in the AA.

Borrower Distribution of Business Loans in Pinellas/Hillsborough AA				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/Unknown	Total
% of AA Businesses	88.78	4.11	7.11	100%

% of Bank Loans in AA by #	31.82	68.18	0.00	100%
% of Bank Loans in AA by \$	39.46	60.54	0.00	100%

Source: Bank prepared loan origination reports for the period of January 1, 2014-December 31, 2016 and 2016 Dunn and Bradstreet demographic and geographic data.

Alachua County AA:

Home Mortgage

As shown in the table below, home purchase lending to low-income families was below the percentage of low-income borrowers, which is considered reasonable considering performance context, including limited lending opportunities and rapidly rising home prices. For moderate-income borrowers, the percentage is significantly greater than the percentage of moderate-income families residing in the AA.

Borrower Distribution of Residential Real Estate Loans in Alachua AA								
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 Mortgage Loans	22.83	2.33	17.10	51.16	18.04	18.60	42.03	27.91

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

Business Loans

As indicated in the table below, of the 30 business loans originated in the AA, 36.67 percent in number and 48.46 percent in dollar amounts were made to small businesses. Although the percentages were below the demographic data, we considered the distribution reasonable based on performance context factors discussed earlier. In addition, of the 30 business loans, 63.33 percent were originated in amounts of \$100 thousand or less and 66.67 percent were in amounts of \$250 thousand or less. This indicates the bank is willing to meet a variety of business credit needs in the AA. The following tables show the distribution of business loans among different sized businesses in the AA and total number of loans made by loan size.

Borrower Distribution of Business Loans in Alachua AA				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/Unknown	Total
% of AA Businesses	85.97	4.22	9.81	100%
% of Bank Loans in AA by #	36.67	63.33	0.00	100%
% of Bank Loans in AA by \$	48.46	51.54	0.00	100%

Source: Bank prepared loan origination reports for the period of January 1, 2014-December 31, 2016 and 2016 Dunn and Bradstreet demographic and geographic data.

Borrower Distribution of Loans to Businesses by Loan Size in Alachua AA				
Loan Size (000's)	Number of Loans	Percent of Number	Dollar Volume of Loans	Percent of Dollar Volume
\$0 - \$100,000	19	63.33%	\$1,732,000	14.19%
\$100,001 - \$250,000	1	3.33%	\$123,488	1.01%
\$250,001 - \$1,000,000	6	20.00%	\$2,021,500	16.56%
> \$1,000,000	4	13.33%	\$8,329,208	68.24
Total	30	100.00%	\$12,206,196	100.00%

Source: Bank prepared loan origination reports for the period January 1, 2014-December 31, 2016.

Geographic Distribution of Loans - Meets the Standard for Satisfactory Performance

- Overall, the geographic distribution of loans reflects a reasonable dispersion in comparison to various income geographies given the performance context.

This conclusion is based on the same home mortgage loans and business loans originated and purchased during the evaluation period. The following tables illustrate the geographic distribution of home mortgage loans originated and purchased within these income tracts in comparison to the percentage of owner-occupied units in each income geography. For business loans, the comparator is the number of businesses operating in the AA within each income tract. Although the bank did not lend in all geographies in the four AAs, we did not identify any conspicuous gaps that could not be explained by the performance context, including branch location, limited opportunities, delivery method of products and services, and the level of competition in the AAs. Additionally, there are limited number of low-income geographies in the AAs and very low levels of owner-occupied housing in low-income geographies. As such, for our analysis, more weight was placed on the distribution in moderate-income census tracts.

Full Scope AAs:

Duval and St. Johns:

The geographic distribution of loans in the AA reflects a reasonable dispersion of loans among various income geographies for residential and business lending. This conclusion is based on the same sample of 96 HMDA loans and 9 business loans originated in the AA.

Home Mortgage Loans

Overall, the geographic distribution of home mortgage loans in the AA reflects an excellent dispersion given the performance context. The bank did not make any loans in a low-income census tract. However, this is considered reasonable given the limited lending opportunities with less than eight percent of census tracts classified as low-income, considerable competition to lend, and number and location of branches in the AA. The percentage of all owner-occupied units in low-income geographies is only 3.77

percent in the AA. Therefore, more weight for our conclusion was placed on moderate-income tracts. The level of lending in moderate-income geographies exceeds the percentage of owner-occupied units located in moderate-income geographies.

The following table details the bank’s performance as compared to the percentage of owner-occupied housing units for each census tract income level.

Geographic Distribution of Residential Real Estate Loans in Duval/ St. Johns AA								
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
Home Mortgage Loans	3.77	0.00	18.43	28.13	40.95	34.38	36.85	37.50

Source: 2014-2016 HMDA and U.S. Census data.

Business Loans:

FCB made only nine business loans in the AA during the evaluation period. The bank has only one office located in the AA and does not employ a full time business lender in the AA. As indicated in the table below, FCB did not make any loans in low-income geographies located in the AA. The bank extended 11.11 percent of its business loans to businesses that are located in moderate-income geographies. By comparison, these census tracts account for 21.56 percent of all businesses within the AA. However, the limited number of business loans made in the AA limits the reliability and meaningfulness of this analysis.

The following table details the bank’s performance as compared to the percentage of businesses for each census tract income level.

Geographic Distribution of Loans to Businesses in Duval/St. Johns AA								
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	4.13	0.00	21.56	11.11	37.63	44.44	36.69	44.44

Source: Bank-prepared loan origination reports for the period of January 1, 2014-December 31, 2016 and 2016 Dunn and Bradstreet demographic and geographic data.

Orange and Seminole AA:

The geographic distribution of loans in the AA reflects a reasonable dispersion of loans among various income geographies for residential and business lending, given the performance context to include regulatory constraints, capacity, and minimal market share with one branch location. This conclusion is based on the same sample of 152 HMDA loans and 65 business loans originated in the AA. Although the bank did not

lend in all geographies in the AA, we did not identify any conspicuous gaps that could not be explained by the performance context.

Home Mortgage Loans

FCB’s home mortgage lending is reasonable given the performance context. We did not conduct an analysis of the geographic distribution of loans in low-income geographies due to the small number of low-income geographies (six, or 2% of total) in the AA. Therefore an analysis would not be meaningful. As indicated in the table below, lending in moderate-income geographies is lower than the percentage of owner-occupied housing units in moderate-income geographies. This is reasonable as there is only one branch located in an upper-income geography in the AA with a 0.19 percent deposit market share. Further, housing units in the moderate- income geographies are mainly rental units, as only 16.76 percent of housing units in moderate-income geographies are owner-occupied. There is also considerable competition with 40 different financial institutions operating 419 offices competing to lend to these borrowers.

Geographic Distribution of Residential Real Estate Loans in Orange/Seminole AA								
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
Home Mortgage Loans	0.39	0.00	16.76	5.92	36.45	32.24	46.40	61.84

Source: 2014-2016 HMDA and U.S. Census data.

Business Loans

FCB’s geographic distribution of business lending reflects excellent dispersion among geographies of different incomes. As shown in the table below, business lending in low-income geographies exceeds the percentage of businesses located in low-income geographies within the AAs. Likewise, business lending in moderate-income geographies exceeds the percentage of businesses located in moderate-income geographies within the AA.

Geographic Distribution of Loans to Businesses in Orlando/Seminole AA								
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	1.54	21.06	26.15	33.57	30.77	44.72	41.54

Source: Bank-prepared loan origination reports for the period of January 1, 2014-December 31, 2016 and 2016 Dunn and Bradstreet demographic and geographic data.

Conclusions for Areas Receiving Limited-Scope Reviews:

Overall, the bank’s performance for geographic distribution in the Pinellas/Hillsborough and Alachua County AA was not inconsistent with performance in the full-scope AAs Based on limited-scope reviews. However, we did note business lending was slightly weaker in the Pinellas/Hillsborough AA than in the full scope AAs, while business lending was stronger than the full scope AAs performance in the Alachua AA. Consideration was given to the performance context, the limited number of offices in the AAs (one each), the method, products and services that are delivered, and the low volume of lending and deposit activity in each of the AAs.

Hillsborough and Pinellas AA:

Home Mortgage

As shown in the table below, there was no home purchase or business lending in the Pinellas/Hillsborough AA in low-income geographies. Home purchase lending in moderate-income geographies is below the percentage of moderate-income tracts in the AA, which is reasonable given the performance context. There is only one branch located in a middle-income geography in the AA with a 0.05 percent deposit market share and limited delivery of HMDA loans in the AA. Further, there are 60 different financial institutions operating 601 offices competing to lend to these borrowers.

Geographic Distribution of Residential Real Estate Loans in Pinellas/Hillsborough AA								
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
Home Mortgage Loans	2.10	0.00	17.84	10.00	43.16	32.50	36.91	57.50

Source: 2014-2016 HMDA and U.S. Census data.

Business Loans

FCB’s performance in the Pinellas/Hillsborough AA is weaker than the bank’s performance under the lending test. While lending opportunities are limited based on demographics and competition, as shown in the table above, the bank’s performance was below the percentage of income tracts for low-income or moderate-income geographies. As noted in the *Scope of Examination*, performance in this AA was given less weight in the overall conclusions as the AA contains less than 14 percent of the bank’s total deposits and total loan originations.

Geographic Distribution of Loans to Businesses in Pinellas/Hillsborough AA								
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	3.17	0.00	19.08	4.55	37.92	36.36	39.66	59.09

Source: Bank loan origination reports for the period of January 1, 2014-December 31, 2016 and 2016 Dunn and Bradstreet demographic and geographic data. Census tract information N/A for 0.17 percent of businesses in AA.

Alachua County AA:

Home Mortgage Loans

As shown in the table below, the percentage of home lending to borrowers in low- and moderate-income geographies was less than the percentage of owner occupied housing units in low- and moderate-income geographies. However, this level of lending is reasonable given the performance context and is consistent with full scope AA performance.

Geographic Distribution of Residential Real Estate Loans in Alachua AA								
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
Home Mortgage Loans	5.13	2.33	15.00	6.98	30.76	41.86	49.11	48.84

Source: 2014-2016 HMDA and U.S. Census data.

Business Loans

Business lending in Alachua County was stronger than the performance in the full scope AAs. As shown in the table below, geographic distribution of lending in low- and moderate-income tracts was higher than the percentage of business located in low- and moderate-income geographies. As noted in the *Scope of Examination*, performance in this AA was given less weight in the overall conclusions as the AA contains approximately 17 percent of the bank’s total deposits and 16 percent of total loan originations.

Table 3A - Geographic Distribution of Loans to Businesses in AA								
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	11.02	13.33	17.45	20.00	29.02	16.67	42.50	50.00

Source: Bank loan origination reports for the period of January 1, 2014-December 31, 2016 and 2016 Dunn and Bradstreet demographic and geographic data.

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 performance under the Community Development Test is rated is **"Satisfactory"**.

Given the bank's performance context, community development (CD) performance demonstrates adequate responsiveness to the CD needs of its AAs through CD loans, qualified investments and CD services. Performance context factors include: regulatory restrictions limiting the bank's ability to meet the CD needs of the AAs; capacity; and, minimal branching and market share in each AA.

Our conclusion is based on the community development activities made during the evaluation period that met the definition of CD. CD investments and services addressed the affordable housing and community service credit needs of low- and moderate-income persons throughout the AAs. However, community development lending in the full-scope AAs reflects poor responsiveness to CD. Community development lending in the limited-scope AAs reflects adequate responsiveness to CD.

We reviewed information provided by FCB for community development activities within and outside the AAs during the evaluation period. The information was reviewed to validate that the activities supported community development and were responsive to community needs.

Community Development Loans

AA	Number of CD Loans	\$ Amount of CD Loans (000's)
Duval/St. Johns AA	0	\$0
Orange/Seminole AA	0	\$0
Hillsborough/Pinellas AA	0	\$0
Alachua County AA	6	\$1,200
Outside AA/Inside a contiguous county AA	1	\$9
Broader Statewide Area with no direct or indirect impact on AAs.	4	\$4,241
Total:	11	\$5,450

FCB's community development loan performance in the full-scope AAs demonstrates poor responsiveness to community needs. Community development lending in the limited-scope AAs reflects adequate responsiveness.

During the evaluation period, FCB originated eleven CD loans totaling \$5.5 million as indicated in the chart above. Six of the eleven CD loans totaling \$1.2 million originated in the Alachua County AA, one CD loan totaling \$9,000 in a contiguous county and four loans totaling \$4.2 million originated outside the bank's AAs.

Full-Scope AAs:

Duval and St. Johns AA:

Community development lending in the full-scope AA reflects poor responsiveness to credit needs. The bank did not make any qualified CD loans in the full scope AA during the evaluation period. However, the bank did make qualified grants and services in the AA as indicated below.

Orange and Seminole AA:

Community development lending in the full-scope AA reflects poor responsiveness to credit needs. The bank did not make any qualified CD loans in the full scope AA during the evaluation period. However, the bank did make qualified grants and services in the AA as indicated below.

Limited-Scope AAs:

Hillsborough and Pinellas AA:

Community development lending in the full scope AA reflects poor responsiveness to credit needs. The bank did not make any qualified CD loans in the limited scope AA during the evaluation period. However, the bank did make qualified grants and services in the AA as indicated below.

Alachua County AA:

The bank made six loans in the limited scope AA during the evaluation period totaling \$1.2 million. FCB provided much needed funds to a local non-profit. The organization provides affordable housing programs to low- and moderate-income first-time homebuyers. The bank also renewed two revolving lines of credit for three consecutive years to support day-to-day operations and continued construction of residential affording housing to low- and moderate-income persons, a critical credit need identified in the bank's AAs.

Outside AA/Inside in a Contiguous County

The bank renewed one loan totaling nine thousand to an affordable housing community development nonprofit organization. The purpose of the original loan was to provide affordable housing to low- and moderate-income persons in a moderate-income

geography. The subject multi-family apartment building is in a contiguous county to the Pinellas and Hillsborough AA.

Broader Statewide Area with no direct or indirect benefit to the bank’s AAs.

FCB originated four community development loans totaling \$4.2 million during the evaluation period to businesses located in South Florida and in close proximity to the bank’s Fort Lauderdale loan production office that was operating during the evaluation period. The CD loans helped meet economic and stabilization development efforts in several counties in South Florida, particularly in low- and moderate-income or middle-income distressed and underserved geographies that benefit low- and moderate-income persons. The three 7a SBA and one USDA-guaranteed business loans made to start-up companies financed existing preschool, daycare centers and a non-profit charter school. The loans will provide needed funds that will allow the centers to remain open and continue operating an essential need for low- and moderate-income families, as well as retaining the jobs of low- and moderate-income employees.

We gave consideration to the CD loans made outside the bank’s AAs, but within the broader statewide area, to organizations that do not have a purpose, mandate or function to serve the bank AAs. Nonetheless, because the bank has been adequately responsive to the needs and opportunities in its AAs based on the performance context, positive consideration was given when determining the overall CD rating.

Number and Amount of Qualified Investments

AA	Number of Investments	\$ Amount of Investments
Duval/St. Johns AA	3	\$10,190
Orange/Seminole AA		\$5,000
Hillsborough/Pinellas AA	1	\$5,500
Alachua AA		\$5,000
\$20,000 Donation earmarked for all AAs (\$10,000 donation with \$10,000 equal match from nonprofit org). Amounts reflected in AA totals.	1	
Total:	5	\$ 25,690

Community Development investments represent adequate responsiveness to AA needs, given the bank’s performance context as noted above and in the *Description of the Institution section*. In total, FCB donated \$25,690 (\$10,000 is a match donation from a nonprofit community development service organization) earmarked for all AAs. The donations were made to organizations whose primary focus meets one of the definitions of community development.

Full-Scope AAs:

Duval and St. Johns AA:

The bank donated \$10,190 to various non-profit community development service organizations whose primary focus is to provide services targeted to low- or moderate-income persons in the AA. Five thousand of the total \$10,190 was part of one \$20,000 donation that was earmarked in equal amounts for each AA.

Orange and Seminole AA:

The bank donated \$5,000 to a non-profit community development service organization as part of one \$20,000 donation that was earmarked in equal amounts for each AA. The non-profit community service organization provides services targeted to low- and moderate-income persons in the AA.

Limited-Scope AAs:

Hillsborough and Pinellas AA:

The bank donated \$5,500 to non-profit community development service organizations whose primary focus is to provide services targeted to low- or moderate-income persons in the AA. Five thousand of the total \$5,500 was part of a \$20,000 donation that was earmarked in equal amounts for each AA.

Alachua County AA:

The bank donated \$5,000 to a non-profit community development organization as part of a larger \$20,000 that was earmarked in equal amounts for each AA. The non-profit community service organization provides services targeted to low- and moderate-income persons in the AA.

Extent to Which the Bank Provides Community Development Services

The extent to which the bank provides banking services and community development services is adequate given its performance context, including size, capacity and regulatory constraints to provide such services.

Although there are no retail offices located in low- and moderate-income geographies, the bank does provide lower cost deposit accounts responsive to LMI individuals and small businesses. All offices offer the same products and services. Consumer deposit products include a lower cost checking account with no monthly maintenance fees with a monthly direct deposit. In addition, there are no surcharges to consumer and business customers for debit and ATM cards used at Presto ATMs located at Publix Super Markets. Alternative delivery systems include online, mobile and telephone banking. Customers earn a \$5 discount on monthly maintenance fees when enrolled in E-Statements.

FCB is an accredited SBA lender, which allows the bank to address the lending needs of small businesses throughout the AAs. In addition, the bank offers affordable housing programs to include VA, FHA and USDA loans. Further, to address the affordable housing needs in Duval County, the bank purchased 20 home mortgage loans originated by Habitat for Humanity, a non-profit community development affordable housing organization.

The provision of CD services is adequate. During the evaluation period, twenty-six employees provided community development services to five nonprofit organizations throughout the AAs. Community development services include providing financial expertise and literacy assistance to LMI individuals.

Full-Scope AAs:

Duval and St. Johns AA:

Twenty-two employees provided community development services by providing financial literacy education to low-income students. In addition, one employee provided financial technical assistance by serving on the Board of a non-profit community development service organization that serves LMI persons.

Orange and Seminole AA:

One employee provided financial technical assistance by serving on the Board of a nonprofit community development organization that serves small businesses in the AA.

Limited-Scope AAs:

Hillsborough and Pinellas AA:

One employee provided financial technical assistance by serving as a member of the local government CRA committee that primarily focuses on community needs regarding affordable housing, economic development and revitalization and stabilization in targeted areas throughout the city.

Alachua County AA:

One employee provided financial technical assistance by serving on the Board and as Finance Committee Chairman of a nonprofit community development affordable housing organization that provides affordable housing programs to first-time LMI homebuyers.

Responsiveness to Community Development Needs

Considering the bank's size, capacity and performance context factors to include regulatory constraints, FCB's community development performance demonstrates adequate responsiveness to the CD needs in the bank's AAs. Our conclusion is based on the bank's investments and services in the full scope and limited scope AAs and were mainly directed to nonprofit organizations that focus on affordable housing and community services to low- and moderate-income persons.

Fair Lending or Other Illegal Credit Practices Review

Pursuant to 12 C.F.R. 25.28(c), in determining a national bank's CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank. We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.