



INTERMEDIATE SMALL BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

PUBLIC DISCLOSURE

September 13, 2010

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Seaside National Bank and Trust
Charter Number: 24649

201 South Orange Avenue, Suite 1350
Orlando, Florida 32801

Office of the Comptroller of the Currency

North Florida Field Office
8375 Dix Ellis Trail, Suite 403
Jacksonville, Florida 32256

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 major factors supporting the institution's rating include:

- The loan-to-deposit ratio is reasonable compared to similarly situated institutions.
- The bank made a majority of its small loans to businesses within its assessment areas (AAs).
- The distribution of borrowers reflects reasonable penetration among businesses of different sizes.
- The geographic distribution of small loans to businesses reflects reasonable dispersion of loans within the AAs including low- and moderate-income geographies.
- The bank's community development performance demonstrates adequate responsiveness to community development needs in its AAs.

Scope of Examination

This Performance Evaluation assesses Seaside National Bank and Trust's (SNBT) record of meeting the credit needs of the communities in which it operates. We evaluated the bank as an Intermediate Small Bank (ISB) using Interagency Community Reinvestment Act procedures. The ISB examination includes a lending test and a community development test. The lending test covers the bank's performance from January 1, 2007 through July 31, 2010, excluding community development loans. The evaluation period for community development loans, investments, and services begins October 31, 2006 and runs through September 7, 2010.

We based our determination of primary products and evaluation of lending performance on residential mortgage loan data reported under the Home Mortgage Disclosure Act (HMDA) and data on small loans to businesses collected according to Community Reinvestment Act (CRA) data collection requirements for large banks. We conducted a data integrity review in April 2010 and found the HMDA and CRA data to be accurate and reliable for use in the CRA examination.

SNBT has one primary loan product. We considered the bank's business strategy, and that loans to businesses represented 77.9% of loans originated during the evaluation period and 57.3% of total outstanding loan balances as of June 30, 2010. Residential mortgage loans are offered as an accommodation for existing customers, but are not a primary product. SNBT entered into a warehousing arrangement in 2009 with two entities that subsequently failed. Loans under the agreement were repurchased to protect their financial interest and collateral position and represented 79.9% of residential mortgage loans outstanding as of June 30, 2010.

SNBT has seven assessment areas (AAs), all located in the State of Florida. We selected the Central Florida and Sarasota AAs as full scope areas based on their significance to the bank in terms of deposits. We also considered the volume of loans

originated during the evaluation period. Of total bank deposits, 72.5% are located in the Central Florida AA and 14.1% are located in the Sarasota AA. Of total loans originated during the evaluation period, 82.6% are in the full-scope AAs. Performance in the Central Florida AA was given more weight than performance in the Sarasota AA. A large majority of the bank's deposits and loans originated during the evaluation period are in the Central Florida AA. Performance in limited scope AAs was considered in the overall rating relative to performance in the full-scope AAs. Refer to the Description of Assessment Areas for more details.

Description of Institution

Seaside National Bank and Trust (SNBT) is an \$809 million intrastate bank wholly-owned by Three Shores Bancorporation, Inc., a one-bank holding company. Both the bank and holding company are headquartered in Orlando, FL. SNBT has one subsidiary, Seaside Insurance, Inc.

As of June 30, 2010, loans to businesses, including loans secured by nonfarm nonresidential real estate, represented 57.3%, and residential mortgages represented 33.8%, of total loans outstanding. Net loans of \$424.6 million comprised 52.5% of total assets, Tier 1 capital was \$64.9 million, Tier 1 risk-based capital to risk weighted assets equaled 13.6%, and Tier 1 leverage capital equaled 8.1%.

SNBT opened for business as a full service commercial bank on October 31, 2006. The bank offers a full suite of private banking, commercial banking, and wealth management products and services. SNBT's delivery system is limited to 13 branches and five automated teller machines (ATMs) located at branch sites across seven AAs. The bank has no drive-in facilities

SNBT bank has experienced significant financial difficulties that impeded their ability to help meet the credit needs in its AAs. SNBT entered into an agreement with OCC in early 2010 to address these issues. This is SNBT's first CRA examination.

Description of Assessment Areas (AAs)

The full-scope AAs of Central Florida and Sarasota are defined and described in detail below. The full-scope narratives include information on economic, demographic and competitive factors that may have impacted the bank's performance as well as comments on community credit needs. Unless otherwise indicated, demographic information is based on 2000 U.S. Census data.

The limited-scope AAs each comprise portions of separate metropolitan statistical areas (MSAs) or metropolitan divisions (MDs). The Hillsborough AA is comprised of portions of Hillsborough and Pinellas Counties, both of which are included in the Tampa-St. Petersburg-Clearwater, FL MSA 45300. The AA has one branch located in an upper-income census tract. The Broward AA is comprised of a portion of Broward County which makes up the Fort Lauderdale-Pompano Beach-Deerfield Beach, FL MD 22744. The AA has one branch located in a low-income census tract. The Martin AA is

comprised of a portion of Martin County which is part of the Port St. Lucie, FL MSA 38940. The AA has one branch located in a moderate-income census tract. The St. John's AA is comprised of a portion of St. Johns County which is part of the Jacksonville, FL MSA 27260. The AA has one branch and one ATM located in an upper-income census tract. The Palm Beach AA is comprised of a portion of Palm Beach County which makes up the West Palm Beach-Boca Raton-Boynton Beach, FL MD 48424. The AA has three branches, two of which are located in upper-income census tracts and one is located in a middle-income census tract.

We identified community needs through contacts with community organizations and a review of material documenting SNBT's outreach efforts. We reviewed one recent community contact conducted by the OCC in connection with another CRA examination of a bank operating in the Central Florida assessment area. We also conducted a community contact with a governmental entity whose primary mission is to work with the Sarasota community to manage redevelopment opportunities, and provide assistance with economic revitalization in an Enterprise Zone.

Critical needs identified during the contact call included programs to create micro and/or revolving loan programs, incubators for startup businesses, and financial literacy training with ongoing job training and small business training programs. Critical needs identified during the outreach events included housing construction for LMI persons, mortgage financing for LMI persons, financial support for ongoing projects, bank support for the local Neighborhood Stabilization Program (NSP) efforts, incubators for new business setup and job growth opportunities, financial literacy programs for small business owners, and rehabilitation loans for owner occupied and rental properties. Opportunities also exist to provide financial literacy training in cooperation with local community organizations and in schools that target low- and moderate-income students.

Full-Scope Areas

Central Florida

<i>2000 Census</i>				
Total population	939,324	Total housing units	394,143	
1-4 Family units	293,475	Owner-occupancy rate	56.71%	
Multifamily units	89,345	Weighted average of median housing	\$115,247	
Vacant units	23,933	Weighted average of median gross rent	\$702	
	<i>Low</i>	<i>Moderate</i>	<i>Middle</i>	<i>Upper</i>
Number of census tracts	8	42	81	77
% Census tracts	3.85	20.19	38.94	37.02
Weighted average of MSA median income			47,851	
Weighted average of HUD* updated MSA median family income			60,700	

**Department of Housing and Urban Development*

The Central Florida AA is part of the Orlando-Kissimmee-Sanford, FL MSA 36740 and consists of portions of Orange and Seminole counties. The bank operates four offices and two ATMs in Orange County. Two branches and one ATM are located in moderate-

income census tracts, one branch with one ATM is located in a middle-income census tract, and one branch is located in an upper-income census tract. The bank operates one branch with one ATM located in an upper-income census tract in Seminole County.

The Orlando-Kissimmee-Sanford MSA is the third most populated metropolitan region in the state of Florida, and contains the 27th-largest metro area in the United States. The MSA is also known as “Metro Orlando” as Orlando is the hub city of the MSA. The AA is a tourism hub, boasting more theme parks and entertainment attractions than anywhere else in the nation. Additionally, Seminole County is the location for several corporate headquarters including American Automobile Association (AAA), Ruth’s Chris Steak House, Mitsubishi Power Systems, Scholastic Book Fairs, and Sears Home Improvement Products. High technology companies such as Convergys, NCR, Symantec, and Faro Technologies are also major employers in the area. Although the tourism industry remains the largest employer in the AA, healthcare and professional and business services combined also constitute a large percentage of the area’s employment.

There is a considerable amount of banking competition in Orange and Seminole counties. The AA contains 45 banks operating 456 offices. According to the Federal Deposit Insurance Corporation (FDIC) deposit market share data as of June 30, 2009, major competitors include SunTrust Bank, Bank of America, N.A., and Wachovia Bank, N.A., a division of Wells Fargo Bank, N.A.

Orange and Seminole Counties’ economies have been negatively impacted by high unemployment rates. According to the U.S. Department of Labor, Bureau of Labor Statistics July 2010 report, the unemployment rates for Orange and Seminole Counties were 11.7.% and 11.1%, respectively, which are similar to the numbers reported for the same period last year. The unemployment rates for these two counties are similar to the state’s 12.0 % unemployment rate and higher than the national rate of 9.7%.

The AA has experienced a volatile housing market over the past several years. Home values escalated quickly then rapidly declined. According to Zillow, the estimated median home value as of July 2010 for Orange County was \$127,600, a 9.9% decline from the same period last year and over a 50% decline from the same period in 2006. The county reported 16,775 properties in foreclosure for August 2010. For Seminole County, the estimated median home value was \$144,900, a 16.0% decline from the same period last year and over a 46% decline from the same period in 2006. The county reported 5,310 properties in foreclosure for August 2010.

The construction of a high-speed passenger rail between Orlando and Tampa as well as a 61-mile commuter rail in the Orlando-Kissimmee MSA are expected to provide some economic relief in the near future.

Sarasota

<i>2000 Census</i>			
Total population	299,830	Total housing units	172,864
1-4 Family units	122,758	Owner-occupancy rate	53.45%
Multifamily units	29,113	Weighted average of median housing	\$98,861
Vacant units	20,642	Weighted average of median gross rent	\$667
	<i>Low</i>	<i>Moderate</i>	<i>Middle</i>
Number of census tracts	1	20	41
% Census tracts	1.39	27.78	56.94
			<i>Upper</i>
			10
			13.89
Weighted average of MSA median income			\$48,550
Weighted average of HUD* updated MSA median family income			\$62,300

**Department of Housing and Urban Development*

The Sarasota AA is part of the North Port-Bradenton-Sarasota, FL MSA 35840 and consists of portions of Sarasota and Manatee counties. In the AA, SNBT operates one branch with one ATM located in a moderate-income census tract.

Sarasota and Manatee Counties are known for their beautiful beaches along the Gulf Coast of Florida and attract tourists from all over the world. Siesta Key Beach in Sarasota consistently ranks as one of the top beaches in America every year. Along with tourism, the AA has a large business/professional service industry as well as several employment agencies to assist in staffing this industry. Top employers in the AA include Sarasota Memorial Hospital and Publix Supermarkets. Tropicana Products, one of the world's largest producers of orange juice, also has a major presence in the AA. Other top employers include Bealls Department store and Champs Sports, both headquartered in Manatee County.

There is a considerable amount of banking competition for financial services in the AA. According to the FDIC deposit market share data as of June 30, 2009, there were 53 financial institutions operating 329 offices within the AA. Major competitors include Bank of America, N.A., Wachovia Bank, N.A., a division of Wells Fargo Bank, N.A, and SunTrust Bank.

Sarasota and Manatee Counties' economies have been negatively impacted by high unemployment rates. According to the U.S. Department of Labor, Bureau of Labor Statistics July 2010 report, the unemployment rates for Sarasota and Manatee Counties were 11.8.% and 12.4%, respectively, which are similar to the numbers reported for the same period last year. The unemployment rates for these two counties are similar to the state's 12.0 % unemployment rate and higher than the national rate of 9.7%.

Like Central Florida, the AA has experienced a volatile housing market in the past several years. Home values escalated quickly then rapidly declined. According to Zillow, the estimated median home value as of July 2010 for Sarasota County was \$150,500, a 4.0% decline from the same period last year and a 48% decline from the same period in 2006. The county reported 5,320 properties in foreclosure for August 2010. For Manatee County, the estimated median home value was \$148,800, a 4.6% decline from

the same period last year and a 48% decline from the same period in 2006. The county reported 4,256 properties in foreclosure for August 2010.

Conclusions with Respect to Performance Tests

LENDING TEST

SNBT's performance under the Lending Test is rated **Satisfactory**. SNBT's performance in the State of Florida meets the standard for satisfactory performance.

In determining the overall and component lending test ratings, we considered the bank's financial condition, high level of competition in their AAs, the bank's business strategy, and delivery system for products and services. We also considered that SNBT is a de novo bank and has grown rapidly in the four years since they opened. The combination of fast growth and the impact of the economic downturn in Florida markets had a significant impact on the bank's lending capacity.

Loan-to-Deposit Ratio

SNBT's average loan-to-deposit (LTD) ratio, given the bank's business strategy and financial capacity, is reasonable compared to similarly situated competitors in the AAs. The bank's quarterly average loan-to-deposit ratio since the last CRA examination is 87.96% compared to an average of 92.98% for five similarly situated competitors.

Lending in Assessment Area

A majority of SNBT's loans originated during the evaluation period were inside the bank's AAs. For the evaluation period, 80.21% of the number of loans was made inside the bank's AAs, and 78.45% of the total dollar volume of loans was made inside the AA.

Loan Type	Number of Loans				Total	Dollars of Loans (000s)				Total
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Business	385	80.21	95	19.79	480	108,171	78.45	29,720	21.55	137,891

Source: Bank loan data

Lending to Businesses of Different Sizes

The distribution of borrowers reflects reasonable penetration among businesses of different sizes. The distribution of loans in full-scope AAs reflects reasonable penetration among businesses of different sizes. The distribution of loans in the Broward, Palm Beach, and Martin limited-scope AAs is not inconsistent with the bank's performance in full-scope AAs. The distribution of loans in the Hillsborough & Pinellas and St. Johns AAs is inconsistent with performance in the full-scope AAs. SNBT originated more loans in AAs where performance was not inconsistent with performance

in full-scope AAs than in AAs where performance was inconsistent with performance in full-scope AAs. The performance in limited-scope AAs had a neutral impact on the overall conclusion for performance by distribution of loans among businesses of different sizes.

Full Scope Areas

Central Florida AA

The distribution of borrowers reflects reasonable penetration among businesses of different sizes. We considered mitigating factors discussed above. SNBT made 301 small loans to businesses in the Central Florida AA during the evaluation period. Competition is significant. SNBT has a 1.68% deposit market share in the AA.

Table 2A - Borrower Distribution of Loans to Businesses/Farms in Central Florida AA				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Businesses	75.39	3.01	21.60	100%
% of Bank Loans in AA by #	58.48	36.54	4.98	100%
% of Bank Loans in AA by \$	50.69	44.10	5.21	100%

Source: Bank loan data; 2009 Dun and Bradstreet business geodemographic data

Sarasota AA

The distribution of borrowers reflects reasonable penetration among businesses of different sizes considering the level of competition and mitigating factors discussed above. SNBT has only one branch and a 0.40% deposit market share in the AA.

Table 2A - Borrower Distribution of Loans to Businesses/Farms in Sarasota AA				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Businesses	76.50	2.97	20.53	100%
% of Bank Loans in AA by #	50.00	50.00	0	100%
% of Bank Loans in AA by \$	33.79	66.21	0	100%

Source: Bank loan data; 2009 Dun and Bradstreet business geodemographic data

Limited Scope Areas

Broward

The borrower distribution in the Broward AA is not inconsistent with the full-scope AAs. SNBT made a higher percentage of their loans to small businesses in the Broward AA, by number and dollar volume, than they did in full-scope AAs.

Table 2A - Borrower Distribution of Loans to Businesses in Broward AA				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Businesses	71.30	3.64	25.06	100%
% of Bank Loans in AA by #	100	0	0	100%
% of Bank Loans in AA by \$	100	0	0	100%

Source: Bank loan data; 2009 Dun & Bradstreet business geodemographic data

Hillsboro & Pinellas AA

The borrower distribution in the Hillsboro & Pinellas AA is inconsistent with the bank’s performance in full-scope areas. SNBT originated a slightly lower percentage of loans by number and dollar volume to small businesses in the Hillsborough & Pinellas AA than in full-scope AAs.

Table 2A - Borrower Distribution of Loans to Businesses in Hillsboro and Pinellas AA				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Businesses	73.85	3.71	22.44	100%
% of Bank Loans in AA by #	45.83	54.17	0	100%
% of Bank Loans in AA by \$	48.77	51.23	0	100%

Source: Bank loan data; 2009 Dun & Bradstreet business geodemographic data

Martin AA

The borrower distribution in the Martin AA is not inconsistent with performance in the full-scope AAs. In the Martin AA, SNBT originated a higher percentage of its loans to small businesses by number and a similar percentage of loans by dollar volume compared to originations in the full-scope areas.

Table 2A - Borrower Distribution of Loans to Businesses in Martin AA				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Businesses	76.50	3.12	20.38	100%
% of Bank Loans in AA by #	77.78	22.22	0	100%
% of Bank Loans in AA by \$	58.16	41.84	0	100%

Source: Bank loan data; 2009 Dun & Bradstreet business geodemographic data

Palm Beach AA

The borrower distribution of loans in the Palm Beach AA is not inconsistent with performance in the full-scope AAs. SNBT originated a similar percentage of loans by number and dollar volume in the Palm Beach AA as they did in the full-scope AAs.

Table 2A - Borrower Distribution of Loans to Businesses in Palm Beach AA				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Businesses	75.36	3.13	21.51	100%
% of Bank Loans in AA by #	56.25	43.75	0	100%
% of Bank Loans in AA by \$	53.79	46.21	0	100%

Source: Bank loan data; 2009 Dun & Bradstreet business geodemographic data

St. Johns AA

Performance in the St. Johns AA is inconsistent with performance in the full-scope areas. SNBT made no loans to businesses in the St. Johns AA during the evaluation period.

Table 2A - Borrower Distribution of Loans to Businesses in St. Johns AA				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Businesses	76.90	2.78	20.32	100%
% of Bank Loans in AA by #	0	0	0	100%
% of Bank Loans in AA by \$	0	0	0	100%

Source: Bank loan data; 2009 Dun & Bradstreet business geodemographic data

Geographic Distribution of Loans

The geographic distribution of loans reflects reasonable dispersion of loans to businesses in geographies of different incomes. The distribution of loans in full-scope AAs is reasonable. The distribution of loans in the Hillsboro & Pinellas, Palm Beach, and Martin limited-scope AAs is not inconsistent with their performance in full-scope AAs. The distribution of loans in the Broward limited scope AA is inconsistent with performance in the full-scope areas. We did not conduct an analysis of the geographic distribution of loans in the St. Johns AA because the analysis would not be meaningful. There are no low- or moderate-income census tracts in the AA. Additionally, SNBT made no loans to businesses in the AA during the evaluation period.

SNBT originated significantly more loans in areas considered not inconsistent with performance than in areas considered inconsistent with performance. The performance in limited scope AAs had a neutral impact on the overall conclusion for performance by geographic distribution of loans to businesses.

Full Scope Areas

Central Florida AA

The geographic distribution of loans in the Central Florida AA reflects excellent dispersion among geographies of different incomes. The percent of loans originated in low- and moderate-income geographies exceeded the percent of businesses located in low- and moderate-income geographies.

Table 3A - Geographic Distribution of Loans to Businesses in Central Florida AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses/ Farms	% of Number of Loans	% of AA Businesses/ Farms	% of Number of Loans	% of AA Businesses/ Farms	% of Number of Loans	% of AA Businesses/ Farms	% of Number of Loans
Business	1.75	3.65	18.87	24.25	40.70	29.24	38.68	42.86

Source: Bank loan data; 2009 Dun and Bradstreet business geodemographic data

Sarasota

The geographic distribution of loans in the Sarasota AA reflects, considering factors described above, poor penetration among geographies of different income levels. SNBT originated no loans to businesses located in low- or moderate-income geographies. SNBT has a 0.40% deposit market share and one branch in the AA. The bank

originated 18 loans to businesses in the AA during the evaluation period.

Table 3A - Geographic Distribution of Loans to Businesses in Sarasota AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses/ Farms	% of Number of Loans	% of AA Businesses/ Farms	% of Number of Loans	% of AA Businesses/ Farms	% of Number of Loans	% of AA Businesses/ Farms	% of Number of Loans
Business	0.53	0.00	21.35	0.00	52.05	94.44	26.08	5.56

Source: Bank loan data; 2009 Dun and Bradstreet business geodemographic data

Limited Scope Areas

Broward

The geographic distribution of loans in the Broward AA is inconsistent with performance in the full-scope areas. SNBT originated no loans in low- or moderate-income geographies and only two loans in total in the Broward AA during the evaluation period.

Table 3A - Geographic Distribution of Loans to Businesses in Broward AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses/ Farms	% of Number of Loans	% of AA Businesses/ Farms	% of Number of Loans	% of AA Businesses/ Farms	% of Number of Loans	% of AA Businesses/ Farms	% of Number of Loans
Business	22.31	0.00	9.02	0.00	42.98	100.00	25.69	0.00

Source: Bank loan data; 2009 Dun and Bradstreet business geodemographic data

Hillsborough & Pinellas

The geographic distribution of loans in the Hillsborough & Pinellas AA is not inconsistent with performance in the full-scope AAs. Although there were no loans originated in the low-income geographies, SNBT originated a larger percentage of loans in the moderate-income geographies than the percent of businesses located in low- and moderate-income geographies combined.

Table 3A - Geographic Distribution of Loans to Businesses in Hillsborough & Pinellas AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses/ Farms	% of Number of Loans	% of AA Businesses/ Farms	% of Number of Loans	% of AA Businesses/ Farms	% of Number of Loans	% of AA Businesses/ Farms	% of Number of Loans
Business	2.52	0.00	21.93	33.33	40.52	25.00	35.03	41.67

Source: Bank loan data; 2009 Dun and Bradstreet business geodemographic data

Martin

The geographic distribution of loans in the Martin AA is not inconsistent with performance in the full-scope AA. SNBT originated a higher percent of loans to businesses in moderate-income geographies in the Martin AA than in the full-scope AAs.

Table 3A - Geographic Distribution of Loans to Businesses in Martin AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses/ Farms	% of Number of Loans	% of AA Businesses/ Farms	% of Number of Loans	% of AA Businesses/ Farms	% of Number of Loans	% of AA Businesses/ Farms	% of Number of Loans
Business	0.00	0.00	25.39	44.44	43.16	33.33	31.45	22.22

Source: Bank loan data; 2009 Dun and Bradstreet business geodemographic data

Palm Beach

The geographic distribution of loans in the Palm Beach AA is not inconsistent with performance in the full-scope AAs. While SNBT made a lower percentage of loans in moderate-income geographies, they made a significantly larger percentage of loans in low-income geographies compared to full-scope AAs.

Table 3A - Geographic Distribution of Loans to Businesses in Palm Beach AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses/ Farms	% of Number of Loans	% of AA Businesses/ Farms	% of Number of Loans	% of AA Businesses/ Farms	% of Number of Loans	% of AA Businesses/ Farms	% of Number of Loans
Business	3.41	12.50	25.08	9.38	35.91	25.00	35.32	53.13

Source: Bank loan data; 2009 Dun and Bradstreet business geodemographic data

Responses to Complaints

There were no complaints during the evaluation period regarding SNBT's CRA performance.

COMMUNITY DEVELOPMENT TEST

SNBT's performance under the Community Development (CD) Test is rated **Satisfactory**. SNBT showed adequate responsiveness to community development needs in its AAs through community development loans, qualified investments, and community development services.

In evaluating performance under the Community Development Test, we considered the bank's capacity to lend and invest in its community, the availability of investment and community development lending opportunities, and the bank's responsiveness in providing services to the communities in which it does business.

Number and Amount of Community Development Loans

During this evaluation period, SNBT made 14 loans totaling \$9.68 million and an additional \$2.56 million in commitments to lend for CD purposes. Projects related to identified needs for affordable housing and job creation and training.

SNBT originated six loans totaling \$2.21 million to support three nonprofit organizations whose purpose is to provide affordable housing for low- and moderate-income families. The loan proceeds were used to fund new construction of affordable homes, and acquisition and rehabilitation of homes to provide affordable housing for low- and moderate-income families. The bank committed \$1.70 million to these nonprofit organizations for subsequent affordable housing mortgage loans. Additionally, SNBT originated three loans totaling \$6.05 million to two for-profit organizations to finance the construction of eight single-family homes and to acquire a 248-unit multi-family apartment complex. Both projects will provide affordable housing for low- and moderate-income individuals and families. Most of these projects were done in conjunction with affordable housing programs through state, municipal and community organizations.

SNBT originated five loans totaling \$1.4 million to a nonprofit organization whose purpose is to provide jobs and vocational training to people with barriers to employment. Proceeds were used to fund equipment purchases.

Number and Amount of Qualified Investments

SNBT made qualified donations totaling \$7,150 to six community organizations within their AAs. Three of these organizations provide affordable housing options, or alternatives, for low- or moderate-income individuals in the Central Florida and Palm Beach AAs. Three other organizations provide qualified community services targeted to low- or moderate-income individuals in the Central Florida, and Martin County AAs. Community services include education for LMI students and high quality child care for low-income working families

Opportunities exist to contribute to the numerous qualified non-profit organizations whose missions are focused on providing affordable housing, small business development and community services for low- and moderate-income persons.

Community Development Services

Bank employees are involved in numerous volunteer services and activities. Thirteen of these volunteer services and activities met the qualifications for community development services. Bank employees provided technical assistance to organizations that provide assistance to low- and moderate-income individuals, entities that support affordable housing, organizations that address the economic and social needs of the homeless, and entities that provide financial literacy in areas including moderate-income geographies.

SNBT's primary product lines are targeted to affluent individuals and commercial

customers, but we found they offer affordable products that include a checking account that requires no minimum balance, includes a Debit MasterCard® and the monthly maintenance fee is waived with direct deposit.

SNBT also participated in several first time home buyer workshops, of which two were in collaboration with nonprofit organizations that focus on providing affordable housing for low- and moderate-income persons.

Responsiveness to Community Development Needs

SNBT demonstrated adequate responsiveness to identified community development needs. The delivery systems of the bank are reasonably accessible to geographies and individuals of different income levels in its assessment areas. Of 13 branches, five are located in low- or moderate-income geographies. CD services, loans, and contributions supported organizations that provide services consistent with identified needs. The bank extended a \$1.5 million guidance line of credit, of which \$43 thousand has been loaned, to a consortium of nonprofit and governmental entities to help leverage funds awarded under the Neighborhood Stabilization Program (NSP2). NSP2 was authorized under the American Reinvestment and Recovery Act of 2009. Funds were awarded on a competitive basis to localities hardest hit by foreclosures. Funds may be used to acquire and rehabilitate or demolish foreclosed vacant or abandoned properties. As of August 2010, RealtyTrac.com lists Florida as second only to California in foreclosure activity.

SNBT implemented an outreach initiative in all geographic areas where the bank does business. The initiative includes periodic and consistent contact with organizations and municipalities that target predominately low- to moderate-income areas and individuals as it relates to lending, investment and service opportunities within their respective CRA districts. SNBT hosted and/or sponsored six outreach events to ascertain community credit needs in the following geographic areas: Central Florida, Duval County, Palm Beach, St. Johns, Sarasota and Tampa Bay. The invitees represented local governmental entities and organizations involved in affordable housing and small business development and micro-loan type programs.

Fair Lending or Other Illegal Credit Practices Review

We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.