



**SMALL BANK**

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Comptroller of the Currency  
Administrator of National Banks

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Washington, DC 20219

## **PUBLIC DISCLOSURE**

July 6, 2009

### **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Old Florida National Bank  
Charter Number 17553

502 North Highway 17-92  
Longwood, FL 32750

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**

- Old Florida National Bank's (OFNB) average loan-to-deposit ratio is reasonable and comparable to peer group averages.
- A majority of business lending occurs in the assessment area.
- OFNB's lending activities show reasonable penetration among businesses of different sizes.
- The geographic distribution of business lending in the assessment area is excellent.

## **DESCRIPTION OF INSTITUTION**

Old Florida National Bank (OFNB) was established as Liberty National Bank in 1982. In January 2005, the bank changed its name to Orlando National Bank. In May 2009, the bank again changed its name to Old Florida National Bank as a result of planned expansion into other Florida markets outside of Orlando. The bank is wholly-owned by their holding company, Old Florida Bancshares, which was previously named Liberty Bancorporation prior to the most recent name change. The bank's main office is located in Longwood, Florida, and has five other full service offices located in Winter Park, Altamonte Springs, Apopka and two offices in Orlando. The bank also has a loan production office located in Inverness, Florida. Two of the bank's branches are located in moderate-income census tracts, three are located in middle-income census tracts and the other branch is located in an upper-income tract. The bank closed two branches and opened an additional five branches since the prior CRA examination in September 2003. One of the closed branches was located in a moderate-income tract, and two of the new branches are also located in moderate-income census tracts.

The bank offers many services to its customers, including drive-up facilities at three of the six branches, debit card services, remote deposit capture, and 24-hour internet, telephone and mobile banking. In addition, OFNB provides low- to no-cost checking accounts. The bank does not have automated teller machines (ATMs) at any of their six branches. However, the bank has contracted with Presto and NYCE to allow for free ATM withdrawals from their machines. Customers are also allowed six free withdrawals per statement cycle at any ATM outside of the Presto or NYCE network. While the bank does offer some limited home mortgage and consumer lending products, its primary focus is on commercial lending which represents \$84 million, or 88.5%, of the loan portfolio. OFNB is also a qualified U.S. Small Business Administration (SBA) lender which allows the bank to address the credit needs of small businesses in the assessment area.

As of March 31, 2009, the bank had total assets of \$116 million, with net loans comprising 80% of total assets. There are no financial, legal or other impediments that would prevent the bank from meeting the credit needs of the community. OFNB's last CRA evaluation was in September 2003, where they were given a "Satisfactory" rating for meeting community credit needs.

## **SCOPE OF EXAMINATION**

OFNB's primary focus is business lending in the assessment area (AA). As of March 31, 2009, business lending represents nearly 90% of the total loan portfolio. This conclusion was based on an analysis of a random sample of sixty business loans originated during January 1, 2007 through June 30, 2009.

## **DESCRIPTION OF ASSESSMENT AREA**

The AA for this review consists of 268 census tracts that include all of Orange and Seminole counties, both of which are part of the Orlando-Kissimmee Florida metropolitan statistical area (MSA #36740). The Orlando-Kissimmee 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 largest city in the AA is Orlando. Orlando is in the middle of central Florida and is a tourism hub, boasting more theme parks and entertainment attractions than anywhere else in the nation. Orlando is accessible by major Florida highways, including Interstate 4 and the Florida Turnpike. The tourism industry remains the largest employer in the AA, though healthcare and professional and business services also constitute a large percentage of the area's employment.

The Greater Orlando economy has been substantially weakened as the current recession becomes increasingly widespread. Job losses continued to increase during 2008 and year-to-date 2009. According to Bureau of Labor Statistics, the unemployment rates for Orange and Seminole counties, as of May 2009, were 10.2% and 9.6%, respectively. Orlando has been impacted by the national economic deterioration, as a decline in discretionary spending has reduced the numbers of tourists flowing into the area. The Orlando housing market has also been detrimentally affected as foreclosures increased and home prices fell sharply over the last two years. This has impacted the total economy, although job losses were more highly concentrated in construction, with a 15.8% decline in employment through 2008. Other industries have also experienced substantial declines, such as professional and business services, transportation and utilities, and trade. However, the MSA showed job growth in education, health services, and government sectors. The area's largest employers are Walt Disney Company, Darden Restaurants, Wal-Mart Stores, Inc. and Florida Hospital.

The AA contains 8 low-income tracts, 56 moderate-income tracts, 114 middle-income tracts, and 90 upper-income tracts. The census tract designations are based on the 2000 U.S. Census median family income of \$47,851 for the Orlando-Kissimmee MSA. The Department of Housing and Urban Development (HUD) estimates the 2009 median family income at \$60,700 for the MSA. The AA has a total population of 1,251,540 based on the 2000 U.S. Census. The AA meets the legal requirements of the Act and does not arbitrarily exclude low- or moderate-income census tracts.

There is a considerable amount of banking competition in Orange and Seminole counties. The AA contains 45 banks, operating in 445 offices. According to the FDIC deposit market share data as of June 30, 2008, major competitors in the county include SunTrust Bank, Bank of America, N.A., Wachovia Bank, N.A., Colonial Bank, and Regions Bank.

In a community contact meeting with the Office of the Comptroller of the Currency, the leader of a local not-for-profit organization indicated that the credit needs of the community include loans to small businesses, including businesses engaged in the construction of 1-4 family and multi-family affordable housing. It was also noted that the community has a need for bridge loans to provide interim financing for affordable housing development.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

- **Loan-to-Deposit Ratio - Meets the Standard for Satisfactory Performance**

OFNB's average loan-to-deposit ratio (LTD) is reasonable at 82% and is comparable to peer averages. The average loan-to-deposit ratio was calculated and averaged for each quarter since the last CRA examination in September 2003. We compared the bank's average LTD to other banks with total assets under \$250M and located in the counties where OFNB has offices (Orange/Seminole counties). The bank's average LTD ratio for the last 17 quarters was 82%, which is nearly identical to the four peer banks' average LTD of 84% for the same time period.

- **Lending in Assessment Area- Meets the Standard for Satisfactory Performance**

A majority of business lending occurs in the assessment area. This conclusion is based on a random sample of 60 business loans originated between January 1, 2007 and June 30, 2009. The table below shows that 73% by number and 59 % by dollar amount of sampled loans made during our evaluation period were within OFNB's assessment area.

<b>Lending in Orange and Seminole Counties</b>										
Type of Loan	Number of Loans					Dollars of Loans (000's)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Commercial Loans	44	73.33%	16	26.67%	60	\$12,812	59.49%	\$8,726	40.51%	\$21,538
Totals	44	73.33%	16	26.67%	60	\$12,812	59.49%	\$8,726	40.51%	\$21,538

- **Lending to Businesses of Different Sizes- Meets the Standard for Satisfactory Performance.**

OFNB's lending activities show reasonable penetration among businesses of different sizes. Our sample, as noted above, was based on 44 business loans made in the assessment area during the evaluation period. The following charts show a breakdown of those loans according to business and loan size for the assessment area.

<b>Borrower Distribution to Businesses in Orange and Seminole Counties</b>				
Business Revenues (or Sales)	<= \$1,000,000	> \$1,000,000	Unavailable	Total
% of AA Businesses	63.79%	3.49%	32.72%	100.00%
% of Bank Loans in AA by #	72.73%	27.27%	0.00%	100.00%
% of Bank Loans in AA by \$	64.88%	35.12%	0.00%	100.00%

<b>Borrower Distribution of Loans to Businesses in Orange and Seminole Counties</b>				
Loan Size	Number of loans	Percent of #	Dollar Volume of Loans	% of \$'s
\$0-\$100,000	14	32%	867,000	7%
\$100,001-\$250,000	15	34%	2,970,000	23%
\$250,001-\$500,000	8	18%	2,805,000	22%
\$500,001-\$1,000,000	5	11%	3,148,000	24%
\$1,000,001-\$2,500,000	2	5%	3,022,000	24%
Total	44	100%	12,812,000	100%

As shown in the above tables, the percentage of loans to small businesses exceeds the percentage of such businesses operating in the assessment area. Based on our sample, OFNB originated 72.73% of total number of loans and 64.88% of total dollar volume of loans to small businesses (those with total revenues of \$1 million or less). In comparison, businesses in the assessment area that reported revenues (32.72% did not report revenues), 63.79% are considered small businesses. Additionally, the analysis noted 29 loans, or 66% of all AA business loans sampled, had original amounts of \$250,000 or less. Likewise, 37 loans, or 84% of all AA business loans sampled, had original amounts of \$500,000 or less.

- **Geographic Distribution of Business Loans- Exceeds the Standard for Satisfactory Performance**

*The geographic distribution of lending is excellent.* Our analysis was based on the same sample of business loans originated during the evaluation period. The following table reflects the distribution of sampled loans within the bank's assessment area by income designation of census tract.

<b>Geographic Distribution of Business Loans in Orange and Seminole Counties</b>								
Census Tract Income Level	Low		Moderate		Middle		Upper	
	% 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
% of Total	1.89%	2.27%	19.17%	43.19%	40.92%	27.27%	38.02%	27.27%

As shown in the tables above, the percentage of loans made in low- and moderate-income tracts exceeds the percent of businesses located in these areas. The business loan sample shows that the bank extends 2.27% and 43.19% of its business loans to businesses that report revenues and are located in low-income and moderate-income census tracts, respectively. By comparison, low-income and moderate-income census tracts account for 1.89% and 19.71% of all businesses within the assessment area. Likewise, lending to middle- and upper-income census tracts shows a reasonable pattern of distribution.

- **Responses to Complaints** - There were no CRA related complaints received by the bank or our office during the period of review.

## **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.