

PUBLIC DISCLOSURE

December 9, 2024

**COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION**

**Commerce Bank & Trust
1201 South Orlando Avenue, Suite 100
Orlando, Florida 32789**

RSSD ID NUMBER: 3148613

**FEDERAL RESERVE BANK OF ATLANTA
1000 Peachtree Street, N.E.
Atlanta, Georgia 30309-4470**

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 the institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

TABLE OF CONTENTS

INSTITUTION RATING

Institution’s CRA Rating1

Summary of Major Factors Supporting Rating.....1

INSTITUTION

Description of Institution2

Scope of Examination3

Description of Institution’s Operations in Orlando AA.....4

Conclusions with Respect to Performance Tests10

Fair Lending or Other Illegal Credit Practices Review15

APPENDICES

Appendix A – Scope of Examination16

Appendix B – Definitions and General Information.....17

Appendix C – Glossary18

INSTITUTION'S CRA RATING

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

Major factors contributing to this rating include:

- A majority of loans are originated inside the bank's assessment area (AA).
- The bank's LTD ratio is reasonable given its asset size, financial condition, and AA credit needs.
- The geographic distribution of loans reflects reasonable dispersion throughout the bank's AA.
- The distribution of loans reflects reasonable penetration among borrowers of different income levels and businesses of different sizes.

INSTITUTION

DESCRIPTION OF INSTITUTION

Commerce Bank & Trust (CB&T) is a community bank headquartered in Winter Park, FL. The bank, formally known as Commerce National Bank & Trust, Inc. (CNB&T), commenced operations on February 3, 2003 as a national bank serving the Orlando/Central Florida market through its single location in Winter Park. On December 30, 2021, the bank converted to a state-chartered bank and changed its name to Commerce Bank & Trust (CB&T). The bank is a wholly-owned subsidiary of Commerce National Bankshares of Florida, Inc. (CNBSF). The holding company owns 100 percent of Commerce Bank & Trust; Trivergent Trust Company, LLC (Trivergent); CNB&T, Inc.; and CNB Insurance, Inc.

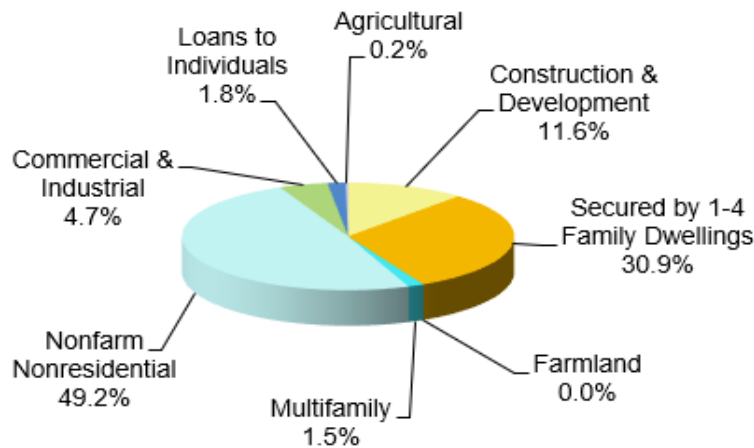
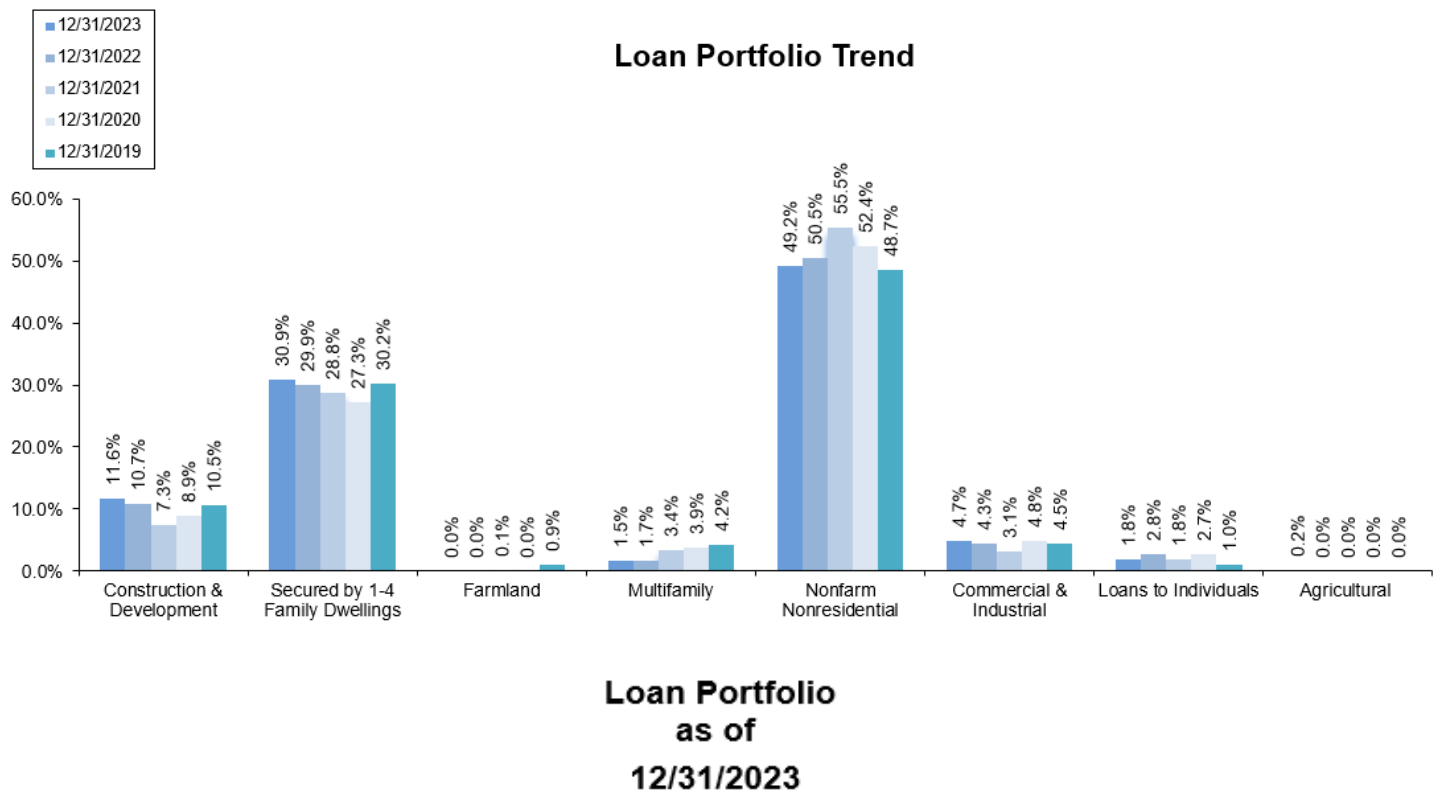
CB&T assets totaled \$172.4 million as of September 30, 2024, reflecting an annualized asset growth rate of 3.12 percent. The bank has one AA, Orlando, which includes all of Orange and Seminole counties (two of the four counties in the Orlando MSA). The bank operates one branch in its AA, which is located in a middle-income census tract. This branch has one ATM and no stand-alone ATMs in the AA. All operations are centralized. The bank's 2024-2026 strategic plan focuses on succession planning, growing the loan portfolio, cross-selling and marketing. The bank offers traditional, non-complex products and services.

Loan Portfolio

The following table and graphs show the composition of the loan portfolio according to the Consolidated Report of Condition and Income (Call Report). The bank's loan portfolio as of December 31, 2023 consisted primarily of nonfarm nonresidential (49.2 percent) followed by loans secured by one-to-four family dwellings (30.9 percent). Over the review period, loans to individuals had the highest percentage increase at 120.5 percent.

COMPOSITION OF LOAN PORTFOLIO											
Loan Type	12/31/2023		12/31/2022		12/31/2021		12/31/2020		12/31/2019		% Change
	\$ (000s)	%	\$ (000s)	%	\$ (000s)	%	\$ (000s)	%	\$ (000s)	%	
Construction and Development	13,385	11.6%	11,890	10.7%	6,696	7.3%	7,940	8.9%	9,361	10.5%	43.0%
Secured by One- to Four- Family Dwellings	35,744	30.9%	33,167	29.9%	26,421	28.8%	24,344	27.3%	26,846	30.2%	33.1%
Other Real Estate: Farmland	0	0.0%	0	0.0%	63	0.1%	0	0.0%	800	0.9%	-100.0%
Multifamily	1,787	1.5%	1,912	1.7%	3,114	3.4%	3,439	3.9%	3,731	4.2%	-52.1%
Nonfarm nonresidential	56,859	49.2%	56,024	50.5%	50,892	55.5%	46,835	52.4%	43,268	48.7%	31.4%
Commercial and Industrial	5,482	4.7%	4,807	4.3%	2,866	3.1%	4,295	4.8%	4,008	4.5%	36.8%
Loans to Individuals	2,024	1.8%	3,075	2.8%	1,638	1.8%	2,446	2.7%	918	1.0%	120.5%
Agricultural Loans	281	0.2%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0.0%
Total	\$115,562	100.00%	\$110,875	100.00%	\$91,690	100.00%	\$89,299	100.00%	\$88,932	99.59%	29.9%

*This table does not include the entire loan portfolio. Specifically, it excludes loans to depository institutions, bankers acceptances, lease financing receivables, obligations of state and political subdivisions, and other loans that do not meet any other category. Contra assets are also not included in this table.



CRA Compliance

CB&T complies with the requirements of the CRA. No known legal impediments exist that would restrict the bank from meeting the credit needs of its AAs. The bank received a “Satisfactory” rating at its previous evaluation conducted by the Office of the Comptroller of the Currency (OCC) dated October 21, 2019 under the Interagency Small Institution Examination Procedures.

SCOPE OF EXAMINATION

The CRA performance evaluation assesses the bank’s record of meeting the credit needs of its community, including LMI neighborhoods, within the context of information such as asset size and financial condition of the institution, competitive factors, as well as the economic and demographic characteristics of its defined AA. This

CRA performance evaluation was based on CRA activities within its AA using the Small Institution Examination Procedures. The rating was assessed using the following core criteria developed for evaluating CRA lending performance for small banks:

- LTD Ratio
- AA Concentration
- Geographic Distribution of Loans
- Loan Distribution by Borrower's Profile
- Response to Substantiated Complaints

The evaluation involved analyzing samples of residential real estate loans and small business loans that originated between January 1, 2019 and December 31, 2023. The bank primarily focuses on lending to small businesses, which led to this loan product receiving greater weight in the evaluation of the bank's lending performance, followed by loans for residential real estate. A small business loan is defined as a business loan with an original amount of \$1 million or less and typically is either secured by nonfarm or nonresidential real estate or classified as a commercial loan. Residential real estate loans include home purchase and home improvement loans. This definition also includes multi-family (five or more families) dwelling loans, loans for the purchase of manufactured homes, and refinancings of home improvement and home purchase loans.

Analyses entail comparisons of bank performance each year to applicable AA demographics. Comparisons to AA demographics for the 2019-2021 years are based on 2011-2015 American Community Survey (ACS) data, while demographics for the 2022 and 2023 years are based on 2016-2020 ACS data. Certain business demographics are based on Dun & Bradstreet (D&B) data applicable to the year of bank lending activity being considered. Key demographic data used for analysis is discussed in the *Description of Institution's Operations* section of the AA.

As part of the CRA evaluation, two community contacts were made with local community representatives familiar with the economic and demographic characteristics as well as community development (CD) opportunities in the AA. Information obtained from the contacts was used to establish a context for the communities in which the bank operates and to gather information on the bank's performance. Specific information obtained from the community contacts is included in the applicable section of the evaluation for the AA. The contacts did not identify any unmet credit needs.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN ORLANDO AA

Overview

CB&T offers traditional lending and deposit services. Business products include commercial loans to small/medium size business customers with the core business being commercial loans, followed by residential real estate, and consumer lending. The bank offers several consumer closed-end products and a variety of deposit accounts, including checking accounts, NOW accounts, savings accounts, and CDs.

Population

According to 2023 FFIEC Census Data, the AA population was 1,900,764. This represents an increase 2021, when the population was 1,666,385; growth of 13.14 percent. The AA contains 356 census tracts: 14 low-income tracts (3.9 percent), 93 moderate-income tracts (26.1 percent), 111 middle-income tracts (31.2 percent), 132 upper-income tracts (37.1 percent), and 6 unknown-income tracts (1.7 percent).

Income Characteristics

For purposes of classifying borrower income, this evaluation uses the FFIEC estimated median family income (MFI) for the relevant area. As the following table shows, the median family income increased from \$65,100 in 2019 to \$85,700 in 2023, reflecting an increase of 31.6 percent.

Borrower Income Levels **Orlando-Kissimmee-Sanford, FL MSA**

FFIEC Estimated Median Family Income		Low 0 - 49.99%		Moderate 50% - 79.99%		Middle 80% - 119.99%		Upper 120% - & above	
2019	\$65,100	0	- \$32,549	\$32,550	- \$52,079	\$52,080	- \$78,119	\$78,120	- & above
2020	\$68,100	0	- \$34,049	\$34,050	- \$54,479	\$54,480	- \$81,719	\$81,720	- & above
2021	\$70,800	0	- \$35,399	\$35,400	- \$56,639	\$56,640	- \$84,959	\$84,960	- & above
2022	\$80,100	0	- \$40,049	\$40,050	- \$64,079	\$64,080	- \$96,119	\$96,120	- & above
2023	\$85,700	0	- \$42,849	\$42,850	- \$68,559	\$68,560	- \$102,839	\$102,840	- & above

According to 2022 FFIEC census data, there were 429,393 families in the AA. Of those families, 20.4 percent were low-income, 17.1 percent were moderate-income, 18.5 percent were middle-income, and 44.1 percent were upper-income. Of the total families, 9.7 percent had incomes below the poverty level.

Economic Conditions and Employment Statistics

Orlando offers a mix of affordability, accessibility, and a dynamic business environment, making it a hub for entrepreneurs and established businesses.² The city is home to several sectors such as tourism, advanced manufacturing, aviation, aerospace, innovative technologies, life sciences, healthcare, and professional and business services. Each of these sectors contributes to Orlando's robust economy, providing an environment for businesses to grow and prosper.³

The Orlando AA is one of the premier tourist destinations in the nation particularly for families. Before the impact of COVID-19, tourism in the AA generated an estimated \$75.2 billion in annual economic impact.⁴ Furthermore, tourism supported more than 400,000 jobs in the AA, including 59,000 at the Walt Disney World Resort and 21,000 at Universal Studios Florida.⁵ However, with COVID-19 on the rise, tourism began to decline in 2020, and the AA experienced significant job loss in the leisure and hospitality sector.⁶ The Orlando AA has since recovered and is experiencing exponential job growth. Orlando added 42,200 jobs in the twelve-month period ending in December 2023, an increase from the 27,100 jobs reported by the Florida Department of Commerce. The following five sectors have grown their share of regional employment over the period by

² Why Orlando is Good for Doing Business. Accessed January 2, 2025. Available at <http://www.ourbusinessladder.com/why-orlando-is-good-for-doing-business/>

³ Why Orlando is Good for Doing Business. Accessed January 2, 2025. Available at <http://www.ourbusinessladder.com/why-orlando-is-good-for-doing-business/>

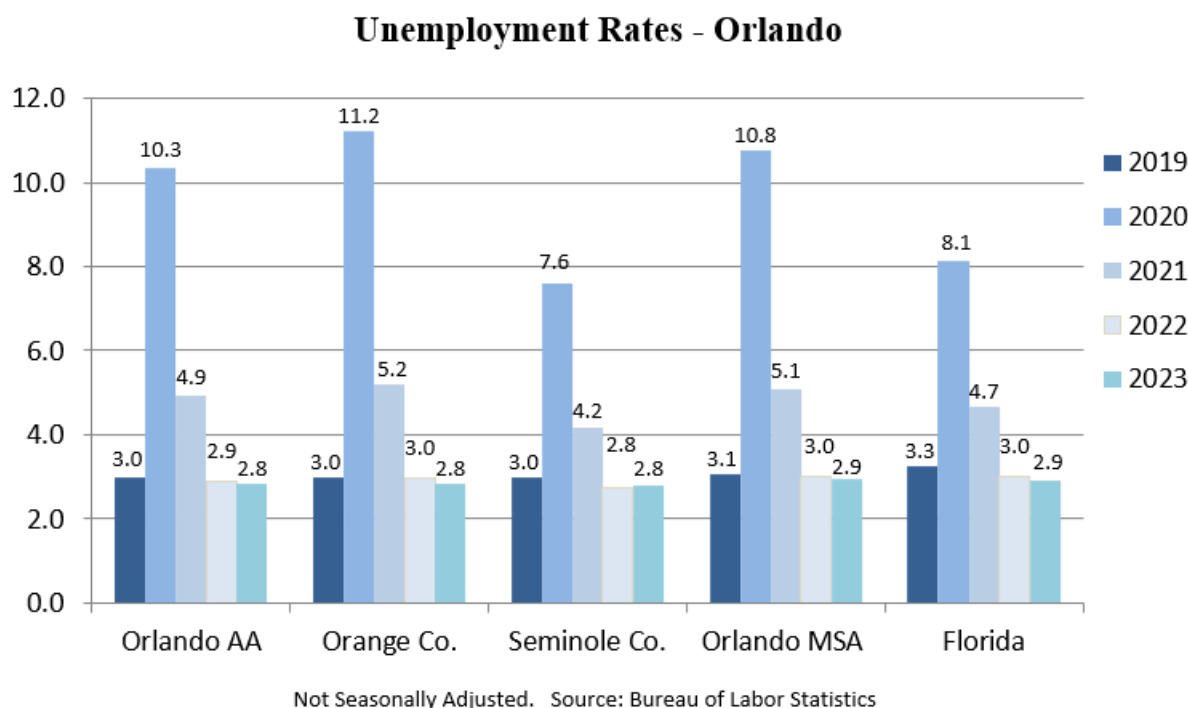
⁴ Comprehensive Housing Market Analysis: Orlando-Kissimmee-Sanford, Florida. Accessed January 2, 2025. Available at <https://www.huduser.gov/portal/publications/pdf/OrlandoKissimmeeSanfordFL-CHMA-21.pdf>

⁵ Comprehensive Housing Market Analysis: Orlando-Kissimmee-Sanford, Florida. Accessed January 2, 2025. Available at <https://www.huduser.gov/portal/publications/pdf/OrlandoKissimmeeSanfordFL-CHMA-21.pdf>

⁶ Comprehensive Housing Market Analysis: Orlando-Kissimmee-Sanford, Florida. Accessed January 2, 2025. Available at <https://www.huduser.gov/portal/publications/pdf/OrlandoKissimmeeSanfordFL-CHMA-21.pdf>

contributing more to the net job growth than their starting share of employment: professional and business services, education and health, financial activities, transportation, warehousing and utilities, and wholesale trade. These sectors generated more than 80 percent of all net new jobs in the AA over the period; additionally, they all offer wages above the regional average.⁷

The following table shows the unemployment rate percentages for Orange County, Seminole County, the AA as a whole, the entire Orlando MSA, and the state of Florida. The table indicates that the unemployment rate in the AA rose from 3.0 percent in 2019 to 10.3 percent in 2020 due to the pandemic. However, it then decreased to 4.9 percent in 2021 and continued to decline to 2.8 percent by 2023. During the review period, the unemployment rate for the state mirrored the AA, but it reached a higher peak in 2020 at 11.2 percent. The effects of the COVID-19 pandemic lessened in 2021 and 2022, as employment in both the healthcare and tourism sectors in Orange County increased, leading to a decline in the unemployment rate within the AA.



Housing Characteristics

There were 738,047 total housing units in the AA, of which 51.4 percent were owner-occupied, 36.1 percent were rental units, and 12.4 percent were vacant. Rental and vacant units were more concentrated in LMI census tracts compared to middle and upper income census tracts, indicating fewer opportunities for mortgage origination in LMI areas. The median age of housing stock across the AA is 37 years, compared to a median age of 34 years in the state of Florida. The median housing value is \$259,822 compared to the median housing value in the state of

⁷ Orlando Adds 100+ Jobs Per Day in 2023. Accessed December 30, 2024. Available at <http://news.orlando.org/blog/orlandos-job-growth-in-2023-revised-up-100-jobs-added-per-day/>

Florida at \$232,000. The AA housing affordability ratio⁸ is 24.4 compared to the state of Florida at 24.9, which means housing is as affordable in the AA as it is statewide.

Competition

Orlando is a highly competitive banking market with local, regional, and national banks. According to the June 30, 2023 FDIC Deposit Market Share Report, 43 financial institutions operated 350 branches in the AA. Commerce Bank ranked 27th in deposit market share with \$153,026 million, or 0.26 percent of total deposits. Truist Bank held the largest deposit market share with 21.1 percent, followed by Bank of America with 18.5 percent, Wells Fargo Bank with 15.0 percent, and JP Morgan Chase Bank with 13.2 percent.

Credit and CD Needs

To better understand the credit and CD needs of the market, local CD organizations were contacted. Individuals from these organizations discussed the various opportunities and challenges across the region as well as how financial institutions can be responsive to local CD needs through lending, investment, and/or service activities.

One contact engaged in neighborhood housing revitalization that serves the West Lake area of Orlando was interviewed. The contact stated that the pandemic exposed the wage levels and wage gaps in the area. However, since 2020, the economy has started to rebound since Orlando is dominated by service-industry/entertainment jobs. Concerning the needs of the area, the contact stated that there is a need for more philanthropic dollars and unrestricted dollars, a need for more think tanks for the local community, and the need from banks to better serve those who are seeking to establish capital for start-up businesses that lack a guarantor or acceptable collateral.

Two contacts from an organization engaged in providing community social services were also interviewed. They stated that the cost of housing compared to average wages has worsened since the pandemic, and the gap between the two has become a challenge for people looking for affordable housing. Additionally, the contacts mentioned that the Orlo Vista neighborhood is a specific LMI community within the area that is in most need of assistance due to the impacts of Hurricane Ian and Hurricane Irma. As it relates to the credit needs, the contacts stated that access to traditional banking for the LMI community is very limited. The contacts explained that they would like to see banks lower the cost of banking by offering accounts with no minimum balance requirements, free debit cards, access to check cashing, and little to no transaction fees.

AA Demographics

The following tables provide demographic characteristics of the AA used to analyze the bank's performance. The first table uses the 2021 FFIEC census data and 2021 D&B information to analyze CRA performance from 2019 to 2021. The second table utilizes the 2023 FFIEC census data and 2023 D&B information for the analysis of CRA performance from 2022 to 2023.

As shown in the tables, the Orlando AA had 12 low-income tracts and 80 moderate-income tracts in 2021. In 2022-2023, the AA had 14 low-income tracts and 93 moderate-income tracts.

⁸ The housing affordability ratio is calculated by dividing the median household income by the median housing value. It represents the amount of single family, owner-occupied housing that a dollar of income can purchase for the median household in the census tract. Values closer to 100 percent indicate greater affordability.

Combined Demographics Report

Assessment Area: Orlando

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	12	4.1%	9,464	2.5%	3,689	39.0%	80,377	21.1%
Moderate-income	80	27.3%	91,761	24.1%	19,509	21.3%	64,646	17.0%
Middle-income	95	32.4%	125,793	33.0%	15,289	12.2%	70,989	18.6%
Upper-income	105	35.8%	154,115	40.4%	7,998	5.2%	165,121	43.3%
Unknown-income	1	0.3%	0	0.0%	0	0.0%	0	0.0%
Total Assessment Area	293	100.0%	381,133	100.0%	46,485	12.2%	381,133	100.0%
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	20,664	3,662	1.1%	17.7%	13,403	64.9%	3,599	17.4%
Moderate-income	177,968	62,496	18.3%	35.1%	87,170	49.0%	28,302	15.9%
Middle-income	233,324	115,006	33.6%	49.3%	83,451	35.8%	34,867	14.9%
Upper-income	253,931	160,648	47.0%	63.3%	60,743	23.9%	32,540	12.8%
Unknown-income	0	0	0.0%	0.0%	0	0.0%	0	0.0%
Total Assessment Area	685,887	341,812	100.0%	49.8%	244,767	35.7%	99,308	14.5%
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low-income	2,111	1.5%	1,996	1.5%	99	1.4%	16	1.2%
Moderate-income	32,733	23.4%	30,291	23.1%	2,189	31.2%	253	19.4%
Middle-income	44,805	32.1%	42,184	32.1%	2,284	32.6%	337	25.9%
Upper-income	60,043	43.0%	56,911	43.3%	2,437	34.8%	695	53.4%
Unknown-income	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total Assessment Area	139,692	100.0%	131,382	100.0%	7,009	100.0%	1,301	100.0%
Percentage of Total Businesses:			94.1%		5.0%		0.9%	
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low-income	1	0.2%	1	0.2%	0	0.0%	0	0.0%
Moderate-income	106	16.5%	100	16.6%	6	15.0%	0	0.0%
Middle-income	230	35.8%	215	35.7%	15	37.5%	0	0.0%
Upper-income	305	47.5%	286	47.5%	19	47.5%	0	0.0%
Unknown-income	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total Assessment Area	642	100.0%	602	100.0%	40	100.0%	0	0.0%
Percentage of Total Farms:			93.8%		6.2%		0.0%	

Based on 2021 FFIEC Census Data and 2021 D&B Information

Combined Demographics Report 2022-2023

Assessment Area: Orlando

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	14	3.9%	11,526	2.7%	3,399	29.5%	87,618	20.4%
Moderate-income	93	26.1%	103,332	24.1%	16,875	16.3%	73,284	17.1%
Middle-income	111	31.2%	131,173	30.5%	11,921	9.1%	79,271	18.5%
Upper-income	132	37.1%	179,509	41.8%	8,397	4.7%	189,220	44.1%
Unknown-income	6	1.7%	3,853	0.9%	1,172	30.4%	0	0.0%
Total Assessment Area	356	100.0%	429,393	100.0%	41,764	9.7%	429,393	100.0%
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	26,082	5,318	1.4%	20.4%	14,736	56.5%	6,028	23.1%
Moderate-income	188,776	72,276	19.0%	38.3%	89,793	47.6%	26,707	14.1%
Middle-income	229,929	118,720	31.3%	51.6%	85,632	37.2%	25,577	11.1%
Upper-income	283,959	181,777	47.9%	64.0%	70,515	24.8%	31,667	11.2%
Unknown-income	9,301	1,361	0.4%	14.6%	6,041	65.0%	1,899	20.4%
Total Assessment Area	738,047	379,452	100.0%	51.4%	266,717	36.1%	91,878	12.4%
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	2,448	1.9%	2,316	1.9%	114	1.7%	18	1.4%
Moderate-income	31,128	23.7%	28,823	23.4%	2,073	30.2%	232	18.2%
Middle-income	39,215	29.9%	36,783	29.9%	2,111	30.7%	321	25.2%
Upper-income	56,739	43.2%	53,599	43.5%	2,458	35.8%	682	53.6%
Unknown-income	1,712	1.3%	1,578	1.3%	115	1.7%	19	1.5%
Total Assessment Area	131,242	100.0%	123,099	100.0%	6,871	100.0%	1,272	100.0%
	Percentage of Total Businesses:			93.8%		5.2%		1.0%
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	4	0.7%	4	0.7%	0	0.0%	0	0.0%
Moderate-income	92	15.8%	84	15.4%	8	22.2%	0	0.0%
Middle-income	168	28.9%	159	29.2%	9	25.0%	0	0.0%
Upper-income	314	54.0%	295	54.1%	19	52.8%	0	0.0%
Unknown-income	3	0.5%	3	0.6%	0	0.0%	0	0.0%
Total Assessment Area	581	100.0%	545	100.0%	36	100.0%	0	0.0%
	Percentage of Total Farms:			93.8%		6.2%		0.0%

Based on 2023 FFIEC Census Data and 2023 D&B Information

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

Overview

Commerce Bank's overall performance rating for the Lending Test is Satisfactory. Lending performance was evaluated by analyzing samples of residential real estate loans and small business loans. The bank's LTD ratio is reasonable with a majority of the loans by number and dollar amount originated inside the AA. The geographic distribution of loans reflects reasonable dispersion throughout the AA and the distribution of loans reflects reasonable penetration among borrowers of different income levels and businesses of different sizes. The bank has not received any CRA related complaints since the previous examination. Performance context information, such as factors related to competition, demographics, economic conditions, business strategy, and opportunities, were considered in evaluation lending performance.

LTD Ratio

The bank's net average LTD ratio for the twenty-three quarters ending December 30, 2023 was 75.4 percent, which is considered reasonable given the bank's size, financial condition, and AA credit needs. The bank's average LTD ratio was compared with the average LTD ratios of other financial institutions of comparable asset size with branch offices in the AA. The average LTD ratio for these institutions ranged from 68.7 percent to 102.0 percent.

AA Concentration

The bank originated a majority (75.8 percent) of the total loans sampled to borrowers and businesses residing in or located in the AA. The table below shows, by product type, the number, and percentage of loans reviewed that were located inside and outside of the AA.

Lending Inside and Outside the Assessment Area

Loan Types	Inside				Outside			
	#	%	\$(000s)	%	#	%	\$(000s)	%
Residential Loans	36	72.0	\$16,323	79.7	14	28.0	\$4,162	20.3
Total Non-HMDA	36	72.0	\$16,323	79.7	14	28.0	\$4,162	20.3
Small Business	55	78.6	\$15,901	75.7	15	21.4	\$5,103	24.3
Total Small Bus. related	55	78.6	\$15,901	75.7	15	21.4	\$5,103	24.3
TOTAL LOANS	91	75.8	\$32,224	77.7	29	24.2	\$9,264	22.3

Note: Affiliate loans not included

The table above shows that 72.0 percent of residential loans and 78.6 percent of small business loans were to borrowers and businesses in the AA. This indicates the bank's willingness to originate loans that meet the credit needs of its AA.

Geographic Distribution of Loans

Based on the following analysis, the overall geographic distribution of residential real estate loans and small business loans reflects reasonable dispersion throughout the AA.

Residential Real Estate Loans

The following tables show the geographic distribution of residential real estate loans compared to the Owner Occupied Units. Considering the demographic data, CB&T's overall geographic distribution of residential real estate reflects poor dispersion throughout the AA.

Geographic Distribution of Residential Real Estate Loans

Assessment Area: Orlando

Tract Income Levels	Bank Lending & Demographic Data				
	2019, 2020, 2021				
	Count		Dollar		Owner Occupied Units
	#	%	\$ (000s)	\$ %	%
Low	0	0.0%	0	0.0%	1.1%
Moderate	3	17.6%	472	8.4%	18.3%
Middle	2	11.8%	317	5.6%	33.6%
Upper	12	70.6%	4,855	86.0%	47.0%
Unknown	0	0.0%	0	0.0%	0.0%
Total	17	100%	5,644	100%	100%

Originations & Purchases

Based on 2021 FFIEC Census Data; 2011-2015 ACS data

Percentages may not total 100 percent due to rounding

Geographic Distribution of Residential Real Estate Loans

Assessment Area: Orlando

Tract Income Levels	Bank Lending & Demographic Data				
	2022, 2023				
	Count		Dollar		Owner Occupied Units
	#	%	\$ (000s)	\$ %	%
Low	0	0.0%	0	0.0%	1.4%
Moderate	0	0.0%	0	0.0%	19.0%
Middle	3	15.8%	673	6.3%	31.3%
Upper	16	84.2%	10,007	93.7%	47.9%
Unknown	0	0.0%	0	0.0%	0.4%
Total	19	100%	10,679	100%	100%

Originations & Purchases

Based on 2023 FFIEC Census Data; 2016-2020 ACS data

Percentages may not total 100 percent due to rounding

For the five-year review period, the bank originated zero loans in low-income tracts. The owner occupancy rate in these tracts was 1.1 percent in 2019-2021 and 1.4 percent in 2022-2023. In 2019-2021, the bank originated three loans (17.6 percent) in the moderate-income tracts which was similar to the owner occupancy rate (18.3 percent). In 2022-2023, the bank originated zero loans in moderate income tracts, which was lower than the owner occupancy rate (19.0 percent). Therefore, the bank's overall residential real estate performance in LMI tracts is poor.

Small Business Loans

The following tables show the geographic distribution of small business loans compared to the distribution of total businesses in the AA. Considering the demographic data, CB&T's overall geographic distribution of small businesses loans reflects reasonable dispersion throughout the AA.

Geographic Distribution of Small Business Loans

Assessment Area: Orlando

PRODUCT TYPE	Tract Income Levels	Bank Lending & Demographic Data				
		2019, 2020, 2021				
		Count		Dollar		Total Businesses
		#	%	\$ (000s)	\$ %	%
SMALL BUSINESSES	Low	1	4.2%	20	0.3%	1.5%
	Moderate	8	33.3%	3,753	49.7%	23.4%
	Middle	4	16.7%	1,159	15.4%	32.1%
	Upper	11	45.8%	2,614	34.6%	43.0%
	Unknown	0	0.0%	0	0.0%	0.0%
	Total	24	100%	7,546	100%	100.0%

Originations & Purchases

Based on 2021 FFIEC Census Data; 2011-2015 ACS data; 2021 D&B information

Percentages may not total 100 percent due to rounding

Geographic Distribution of Small Business Loans

Assessment Area: Orlando

PRODUCT TYPE	Tract Income Levels	Bank Lending & Demographic Data				
		2022, 2023				
		Count		Dollar		Total Businesses
		#	%	\$ (000s)	\$ %	%
SMALL BUSINESSES	Low	0	0.0%	0	0.0%	1.9%
	Moderate	3	9.7%	1,114	13.3%	23.7%
	Middle	12	38.7%	3,179	38.0%	29.9%
	Upper	16	51.6%	4,062	48.6%	43.2%
	Unknown	0	0.0%	0	0.0%	1.3%
	Total	31	100%	8,355	100%	100.0%

Originations & Purchases

Based on 2023 FFIEC Census Data; 2016-2020 ACS data; 2023 D&B information

Percentages may not total 100 percent due to rounding

In 2019-2021, the bank originated one loan (4.2 percent) in low-income tracts and eight loans (33.3 percent) in moderate-income tracts, which was higher than the percentage of total businesses located in these tracts at 1.5 percent and 23.4 percent, respectively. In 2022-2023, the bank originated zero loans in low-income tracts and three loans (9.7 percent) in the moderate-income tracts, which was less than the percentage of total businesses located in these tracts at 1.9 percent and 23.7 percent, respectively. This performance in LMI tracts reflects reasonable dispersion throughout the AA.

Lending to Borrowers of Different Incomes and Businesses of Different Sizes

Based on the following analysis, the distribution of loans based on borrower income or gross annual revenues is reasonable. As described in the following sections, residential real estate performance is poor while small business lending performance is reasonable. As previously noted, small business loans were weighted more heavily than residential real estate loans.

Residential Real Estate Loans

The following tables show the distribution of residential real estate loans in 2019-2021 and 2022-2023 by the income level of the borrowers. Based on the bank's performance, the distribution of residential real estate loans reflects poor penetration among individuals of different income levels throughout the bank's AA.

Borrower Distribution of Residential Real Estate Loans

Assessment Area: Orlando

Household Income Levels	Bank Lending & Demographic Data				
	2019, 2020, 2021				
	Count		Dollar		Families by Family Income
	#	%	\$ (000s)	\$ %	%
Low	0	0.0%	0	0.0%	21.1%
Moderate	1	5.9%	106	1.9%	17.0%
Middle	1	5.9%	140	2.5%	18.6%
Upper	11	64.7%	4,686	83.0%	43.3%
Unknown	4	23.5%	712	12.6%	0.0%
<i>Total</i>	<i>17</i>	<i>100.0%</i>	<i>5,644</i>	<i>100.0%</i>	<i>100.0%</i>

Originations & Purchases

Based on 2021 FFIEC Census Data; 2011-2015 ACS data

Percentages may not total 100 percent due to rounding

Borrower Distribution of Residential Real Estate Loans

Assessment Area: Orlando

Household Income Levels	Bank Lending & Demographic Data				
	2022, 2023				
	Count		Dollar		Families by Family Income
	#	%	\$ (000s)	\$ %	%
Low	0	0.0%	0	0.0%	20.4%
Moderate	1	5.3%	35	0.3%	17.1%
Middle	0	0.0%	0	0.0%	18.5%
Upper	13	68.4%	8,997	84.2%	44.1%
Unknown	5	26.3%	1,648	15.4%	0.0%
<i>Total</i>	<i>19</i>	<i>100.0%</i>	<i>10,679</i>	<i>100.0%</i>	<i>100.0%</i>

Originations & Purchases

Based on 2023 FFIEC Census Data; 2016-2020 ACS data

Percentages may not total 100 percent due to rounding

As shown in the table, the bank originated zero loans in low-income tracts for the entire review period. In 2019-2021, the bank originated one loan (5.9 percent) to moderate-income borrowers, which is less than the 17.0 percent of moderate-income families in the AA. In 2022-2023, the bank originated one loan (5.3 percent) to moderate-income borrowers, which is less than the 17.1 percent of families in the AA that are moderate-income. Therefore, residential real estate lending performance in LMI income tracts reflects is poor.

Small Business Loans

The following tables show the distribution of small business loans in 2019-2021 and 2022-2023 by business revenue and loan size. Based on the bank's performance, the distribution of small business loans reflects reasonable penetration among businesses of different sizes throughout the AA.

Small Business Loans by Business Revenue & Loan Size

Assessment Area: Orlando

		Bank Lending & Demographic Data				
		2019, 2020, 2021				
		Count		Dollar		Total Businesses
		#	%	\$ (000s)	\$ %	%
Revenue	\$1 Million or Less	18	75.0%	5,872	77.8%	94.1%
	Over \$1 Million	5	20.8%	1,654	21.9%	5.0%
	<i>Total Rev. available</i>	23	95.8%	7,526	99.7%	99.1%
	Rev. Not Known	1	4.2%	20	0.3%	0.9%
	<i>Total</i>	24	100%	7,546	100%	100%
Loan Size	\$100,000 or Less	8	33.3%	541	7.2%	
	\$100,001 - \$250,000	5	20.8%	835	11.1%	
	\$250,001 - \$1 Million	11	45.8%	6,170	81.8%	
	<i>Total</i>	24	100%	7,546	100%	
Loan Size & Rev \$1 Mill or Less	\$100,000 or Less	6	33.3%	438	7.5%	
	\$100,001 - \$250,000	3	16.7%	539	9.2%	
	\$250,001 - \$1 Million	9	50.0%	4,895	83.4%	
	<i>Total</i>	18	100%	5,872	100%	

Originations & Purchases

Based on 2021 FFIEC Census Data; 2011-2015 ACS data; 2021 D&B information

Percentages may not total 100 percent due to rounding

Small Business Loans by Business Revenue & Loan Size

Assessment Area: Orlando

		Bank Lending & Demographic Data				
		2022, 2023				
		Count		Dollar		Total
		#	%	\$ (000s)	\$ %	Businesses %
Revenue	\$1 Million or Less	12	38.7%	3,460	41.4%	93.8%
	Over \$1 Million	17	54.8%	4,850	58.0%	5.2%
	<i>Total Rev. available</i>	29	93.5%	8,310	99.5%	99.0%
	Rev. Not Known	2	6.5%	45	0.5%	1.0%
	<i>Total</i>	31	100%	8,355	100%	100%
Loan Size	\$100,000 or Less	12	38.7%	719	8.6%	
	\$100,001 - \$250,000	7	22.6%	1,288	15.4%	
	\$250,001 - \$1 Million	12	38.7%	6,348	76.0%	
	<i>Total</i>	31	100%	8,355	100%	
Loan Size & Rev \$1 Mill or Less	\$100,000 or Less	2	16.7%	50	1.4%	
	\$100,001 - \$250,000	5	41.7%	839	24.2%	
	\$250,001 - \$1 Million	5	41.7%	2,571	74.3%	
	<i>Total</i>	12	100%	3,460	100%	

Originations & Purchases

Based on 2023 FFIEC Census Data; 2016-2020 ACS data; 2023 D&B information

Percentages may not total 100 percent due to rounding

Of the 24 small business loans originated by the bank in 2019-2021, 18 loans (75.0 percent) were to businesses with annual gross revenue of \$1 million or less. This is lower than the percentage of total small businesses in the AA at 94.1 percent. In 2022-2023, the bank originated 12 (38.7 percent) to businesses with annual gross revenue of \$1 million or less. This is lower than the percentage of total small businesses in the AA at 93.8 percent. Although the bank originated fewer small business loans than the total percentage of small businesses in its AA, its performance was reasonable given its asset size, financial condition, the credit needs of its AA, and the highly competitive banking environment. As noted in the competition section, larger national banks dominate the AA, which creates a challenging operating environment for smaller banks that cannot offer the same types of products or flexible financing to attract customers. Furthermore, the bank's performance indicates that it is responsive to the credit needs of the community. Specifically, one of the community contacts stated that there is a need for banks to assist individuals seeking capital to establish small businesses.

Responsiveness to Substantiated Complaints

Neither the bank nor this Reserve Bank has received any CRA-related complaints since the previous evaluation.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

No evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified.

APPENDIX A – SCOPE OF EXAMINATION

TIME PERIOD REVIEWED			
January 1, 2019 – December 31, 2023 – Lending Test			
January 1, 2019 – September 30, 2024 – LTD Ratio			
FINANCIAL INSTITUTION Commerce Bank & Trust (Winter Park, Florida)			PRODUCTS REVIEWED Residential Real Estate and Small Business Loans
AFFILIATE(S) N/A	AFFILIATE RELATIONSHIP N/A	PRODUCTS REVIEWED N/A	
LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION			
<i>ASSESSMENT AREAS</i>	<i>TYPE OF EXAMINATION</i>	<i>BRANCHES VISITED</i>	<i>OTHER INFORMATION</i>
Orlando, FL	Full-scope Review	N/A	N/A

APPENDIX B – DEFINITIONS AND GENERAL INFORMATION

Definitions

ATM	Automated Teller Machine
CDC	Community Development Corporation
CDFI	Community Development Financial Institution
CRA	Community Reinvestment Act (Regulation BB)
FDIC	Federal Deposit Insurance Corporation
FFIEC	Federal Financial Institutions Examination Council
HMDA	Home Mortgage Disclosure Act (Regulation C)
HUD	Department of Housing and Urban Development
LMI	Low- and Moderate-Income
LTD	Loan-to-Deposit
LTV	Loan-to-Value Ratio
MD	Metropolitan Division
MSA	Metropolitan Statistical Area
OMB	Office of Management and Budget
REIS	Regional Economic Information System
SBA	Small Business Administration
USDA	United States Department of Agriculture

Rounding Convention

Because the percentages presented in tables were rounded to the nearest tenth in most cases, some columns may not total exactly 100 percent.

General Information

The CRA requires each federal financial supervisory agency to use its authority when examining financial institutions subject to its supervision to assess the institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

This document is an evaluation of the CRA performance of Commerce Bank & Trust prepared by the **Federal Reserve Bank of Atlanta**, the institution's supervisory agency, as of December 9, 2024. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 228.

APPENDIX C – GLOSSARY

Aggregate lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Census tract: A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of MSAs. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community development: All Agencies have adopted the following language. Affordable housing (including multi-family rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System (Board), Office of the Comptroller of the Currency (OCC), and the Federal Deposit Insurance Corporation (FDIC) have adopted the following additional language as part of the revitalize or stabilize definition of community development. Activities that revitalize or stabilize-

- I. Low-or moderate-income geographies;
- II. Designated disaster areas; or
- III. Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, FDIC, and OCC, based on-
 - a. Rates of poverty, unemployment, and population loss; or
 - b. Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

Consumer loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include nonrelatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into 'male householder' (a family with a male householder and no wife present) or 'female householder' (a family with a female householder and no husband present).

Full-scope review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (for example, innovativeness, complexity, and responsiveness).

APPENDIX C – GLOSSARY (Continued)

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that do business or have banking offices in a MSA to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applications, the amount of loan requested, and the disposition of the application (for example, approved, denied, and withdrawn).

Home mortgage loans: Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multi-family (five or more families) dwelling loans, loans for the purchase of manufactured homes and refinancings of home improvement and home purchase loans.

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Limited-scope review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (for example, geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

Low-income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

Market share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Metropolitan area (MA): A MSA or a metropolitan division (MD) as defined by the Office of Management and Budget. An MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. An MD is a division of an MSA based on specific criteria including commuting patterns. Only an MSA that has a population of at least 2.5 million may be divided into MDs.

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

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

Multi-family: Refers to a residential structure that contains five or more units.

Other products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

APPENDIX C – GLOSSARY (Continued)

Owner-occupied units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Qualified investment: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rated area: A rated area is a state or multistate MA. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate MA, the institution will receive a rating for the multistate MA.

Small loan(s) to business(es): A loan included in 'loans to small businesses' as defined in the Call Report and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial loans.

Small loan(s) to farm(s): A loan included in 'loans to small farms' as defined in the instructions for preparation of the Call Report. These loans have original amounts of \$500,000 or less and are either secured by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

Upper-income: Individual income that is at least 120 percent of the area median income, or a median family income at least 120 percent, in the case of a geography.