

ADVANTAGES OF A STATE CHARTER

Accessibility/Expeditious Treatment – Office of Financial Regulation (OFR) personnel are very accessible. This promotes better communication and allows a banker to talk directly to a decision-maker. OFR considers and responds to requests in a timely and efficient manner.

Lower Cost - For state banks in Florida, OFR assessments are lower than assessments for comparable national banks:

Assets	OFR Annual Assessment	OCC Annual Assessment
\$10 million	\$4,400	\$15,782
\$50 million	\$14,000	\$28,091
\$75 million	\$19,250	\$41,348
\$150 million	\$33,000	\$63,125
\$300 million	\$58,500	\$96,265
\$600 million	\$108,500	\$158,759
\$1.2 billion	\$180,000	\$276,169
\$1.6 billion	\$219,000	\$344,344
\$2.2 billion	\$271,000	\$442,818
\$3.0 billion	\$335,000	\$564,016

Local Supervision - OFR examiners live in the area in which they work. They know the people and understand their concerns. As a result, they are familiar with the issues affecting local communities.

Outreach - OFR personnel are available to participate in meetings and conferences around the state where bankers can engage in meaningful dialogue with top OFR officials.

State Parity Statute - Florida has a broad parity statute. Section 655.061, Florida Statutes, which states: *Subject to the prior approval of OFR pursuant to rule or order of general application, state financial institutions subject to the financial institutions codes may make any loan or investment or exercise any power which they could make or exercise if incorporated or operating in this state as a federally chartered or regulated financial institution of the same type and are entitled to all privileges and protections granted federally chartered or regulated financial institutions of the same type under federal statutes and regulations. The provisions of this section take precedence over, and must be given effect over, any other general or specific provisions of the financial institution's codes to the contrary. In issuing an order under this section, OFR shall*

consider the importance of maintaining a competitive dual system of financial institutions and whether such order is in the public interest.

Florida state-chartered banks generally may exercise the same powers and privileges as national banks operating in this state. Furthermore, state-chartered banks and their subsidiaries, are allowed great flexibility regarding certain investments and activities under Part 362 of the FDIC Rules and Regulations, provided these activities do not present a risk to the insurance fund or pose a safety and soundness concern.

State Governance - Florida state-chartered banks are regulated according to state laws and administrative rules. Florida laws are structured to meet the unique needs of the citizens of the state. Federal laws, by their nature, must apply to institutions operating in various regions and many different circumstances. Statutes affecting Florida state-chartered banks are enacted by the state legislature, which is more sensitive to local needs and conditions than the U.S. Congress. Through contacts with the state legislature and the Governor, state bankers have considerably more opportunity to affect banking policy at the state level than at the federal level.

Financial Modernization - As banks expand their products and services, Florida state-chartered banks are in a unique position. On January 7, 2003, the Department of Banking and Finance and Department of Insurance were merged to form the Department of Financial Services. As a result of this reorganization of the Florida Cabinet, the regulatory functions of those two departments were placed under the Financial Services Commission, which is comprised of the Governor and the Cabinet. This regulatory structure, consisting of the Office of Insurance Regulation and the Office of Financial Regulation, will allow regulators from both the financial institution and insurance industries to interface more closely to enhance the opportunities for the safe, sound and successful operation of the regulated entities.

Multi-State Operations - State-chartered banks in Florida have the authority to operate on a multi-state basis. This allows for consistency of such things as interest rates, lending limits, and corporate governance laws. As "home state" regulator, OFR is the single point of contact for all information on banking issues such as branching, examination issues, governing laws, etc. While some states permit de novo branching into their state, most require the purchase of an existing bank. No bank or bank holding company domiciled outside of Florida may branch into Florida on a de novo basis.

State-Chartered Banks in Florida - As of December 31, 2013, there were 137 state-chartered banks in Florida among the total of 182 Florida banks. As of December 31, 2013, Florida's state-chartered banks had total assets in excess of \$55.9 billion.

Experience/Training - Personnel from the field and main offices concentrate in specialized areas of examination and attend training programs offered by federal bank regulatory agencies. A number of state field examiners are graduates of the FBA Florida School of Banking.

Statewide Offices - In addition to the main office in Tallahassee, OFR has regional offices located in Miami, Orlando, Tampa, and West Palm Beach:

REGIONAL OFFICE	COUNTIES SERVED
MIAMI 401 NW 2nd Ave., Suite N708 Miami, FL 33128-1796 Tel: 305-536-0308 Fax: 305-810-1100	Broward, Collier, Dade, Monroe
ORLANDO 400 W. Robinson St Hurston South Tower, S225 Orlando, FL 32801-1799 Tel: 407-245-0608 Fax: 407-245-0806	Brevard, Lake, Marion, Orange, Osceola, Seminole, Sumter, Volusia
TALLAHASSEE 101 E. Gaines Street Tallahassee, FL 32399 Tel: 850-487-9687	Alachua, Baker, Bay, Bradford, Calhoun, Clay, Columbia, Dixie, Duval, Escambia, Flagler, Franklin, Gadsden, Gilchrist, Gulf, Hamilton, Holmes, Jackson, Jefferson, Lafayette, Leon, Levy, Liberty, Madison, Nassau, Okaloosa, Putnam, Santa Rosa, Suwannee, Taylor, Union, Wakulla, Walton, Washington
TAMPA 1313 Tampa St., Suite 615 Tampa, FL 33602-3394 Tel: 813-218-5308 Fax: 813-272-2498	Desoto, Charlotte, Citrus, Hardee, Hernando, Hillsborough, Lee, Manatee, Pasco, Pinellas, Polk, Sarasota
WEST PALM BEACH 3111 South Dixie Highway, Suite 302 West Palm Beach, FL 33405 Tel: 561-837-5203 Fax: 561-837-5030	Glades, Hendry, Highlands, Indian River, Martin, Palm Beach, Okeechobee, St. Lucie

Cooperative Agreements – OFR has entered into agreements with other states to utilize their examiners, if necessary, in order to examine out-of-state branches of a Florida domiciled bank. There are no additional fees associated with the examination of these branches.

Coordinated Examination Process - In order to reduce the burden on state-chartered banks and bank holding companies, OFR has entered into agreements with the FDIC, FRB, and other state banking departments to perform alternating examinations.

Certification/Accreditation - Several OFR examiners are certified and OFR is accredited by the Conference of State Bank Supervisors (CSBS), the national accrediting agency for state banking departments. Attesting to OFR's ability to meet rigid examination and operational requirements, OFR has been continuously accredited by CSBS since 1986.

Training - OFR personnel are available to banks and trade associations who are in need of technical assistance in areas where our personnel have extensive knowledge and training. This interaction between examiners and industry representatives provides valuable insight to both OFR and the industry.

<http://www.flofr.com/StaticPages/DivisionOfFinancialInstitutions.htm> - OFR maintains a Web site for the benefit of the institutions it regulates. The site contains a variety of data and information. Various application and notification forms are available for download. Helpful links to the Web sites of the FDIC, FRB, CSBS and various state and national banking associations are also provided.

FLORIDA COMMERCIAL BANKS

