



INTERMEDIATE SMALL BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

PUBLIC DISCLOSURE

January 7, 2008

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

First National Bank of Central Florida
Charter Number: 20454

369 N. New York Avenue
Winter Park, FL 32789-0000

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.

- First National Bank of Central Florida's average loan-to-deposit ratio is reasonable and comparable to peer group averages.
- The bank makes a majority of loans within its assessment area.
- The bank's lending activities show satisfactory penetration among businesses of different sizes.
- The geographic distribution of business lending is reasonable.
- Overall, the Community Development Test Rating is satisfactory and reflects adequate responsiveness to community needs of the assessment area.

Scope of Examination

First National Bank of Central Florida's (FNBCF) primary focus is business lending in the assessment area (AA). As such, our conclusions were based on an analysis of our random sample of 83 business loans originated for the years 2006 and 2007. For community development loans, investments and services, our evaluation period runs from the last CRA examination of July 1, 2004 through December 31, 2007.

Description of Institution

First National Bank of Central Florida is an intrastate bank headquartered in Winter Park, Florida, chartered in 1985 and is wholly-owned by First Bankshares, Inc., a one bank holding company. The bank's primary market strategy is focused on servicing small and mid-sized businesses. Products and services offered are generally geared for the business customer and include a wide array of credit products and related financial services. Business lending represents 88%, or \$324 million, of the loan portfolio with the remaining \$45 million in consumer loans (automobile and home equity loans) that are generally made to their business customers. However, to meet the consumers' residential mortgage needs, the bank opened a mortgage banking operations department, National One Mortgage, in September 1999. National One Mortgage originates home mortgage loans for consumers and subsequently sells them to the secondary market. During the evaluation period of July 2004 through December 2007, National One Mortgage has originated approximately \$218 million (759 by number) in residential mortgage loans.

As of December 31, 2007, the bank had total assets of \$438 million with the loan portfolio accounting for 84% of total assets. Net tier 1 capital of \$37 million represents 8.5% of adjusted average assets. There are currently no financial, legal or other impediments to the bank's ability to meet the community credit needs.

Description of Assessment Area

Description of the Orlando-Kissimmee Metropolitan Statistical Area (MSA) # 36740

This assessment area (AA), which is located in central Florida, includes all of Orange and Seminole Counties. FNBCF has seven offices; the main office is located in Winter Park, Florida. The other six offices are located in Orlando, Longwood and Heathrow. Since the last CRA evaluation, the bank opened two offices and closed one office in Orlando. The closed office was located in a middle-income census tract. The bank offers many services to its customers that include drive-up facilities as well as automated teller machine (ATM) access at five locations.

Demographic data and economic data for the assessment area are listed below.

Demographic and Economic Characteristics of the AA-Orange and Seminole Counties.	
<i>Population:</i>	
Number of Families	320,384
Number of Households	475,997
<i>Median Family Income (MFI):</i>	\$54,900
<i>Geographies:</i>	
Number of Census Tracts:	268
% of Low-Income Census Tracts	3%
% of Moderate-Income Census Tracts	21%
% of Middle-Income Census Tracts	43%
% of Upper-Income Census Tracts	33%
<i>Businesses:</i>	
Number of Businesses	163,906
% of Low-Income Census Tracts	2%
% of Moderate-Income Census Tracts	19%
% of Middle-Income Census Tracts	41%
% of Upper-Income Census Tracts	38%

Source: 2000 Census, 2007 HUD updated income data, 2006 Dunn and Bradstreet data and June 30, 2007 FDIC Deposit Data.

Based on the 2000 Census Bureau economic data, the assessment area has a total population of 1,261,540. Approximately seventy-seven percent (77%) of the population is under 65 years of age. Ninety-four percent (94%) of all housing units are occupied. Out of the total number of businesses in the assessment area (163,906), approximately 160,363 are reported as non-farm businesses, 3,543 are classified as farm businesses. Likewise, 105,559 (64%) of businesses in the assessment area are classified as small businesses (total revenues of \$1 million or less) and 6,454, or 4%, are large businesses and 51,893 businesses did not report business revenues.

Orange and Seminole Counties have experienced economic prosperity due to the enormous tourist industry. Over 50 million people worldwide visit the local theme parks and attractions such as Walt Disney World, Universal Studios, etc. The service industry accounts for the largest employment sector and Walt Disney World, Universal Studios and the counties' public school systems are the largest employers. In addition, the area has been recognized as one of the top twelve digital media clusters in the nation as well as a great place to start a small business. However, affordable housing continues as a major need within the bank's assessment area because of escalating housing costs. The assessment area meets the requirements of the regulation and does not arbitrarily exclude low- or moderate-income geographies.

Competition for financial services within the bank’s assessment area is intense. Approximately 44 financial institutions are operating in 20,050 offices within the AA. FNBCF has 1.44% of the market share of deposits in Orange and Seminole Counties.

In contact meetings with the Office of the Comptroller of the Currency, the leader of a local not-for-profit organization indicated local banks could best fill the needs of the assessment area by investing in targeted markets and providing financing for rental properties in distressed communities.

Conclusions with Respect to Performance Tests

Lending Test

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

FNBCF’s average loan-to-deposit (LTD) ratio is reasonable at 84.80% and is comparable to peer averages. The average LTD ratio was calculated and averaged for each quarter since the last CRA examination in June 2004. We compared the bank’s average LTD ratio to all banks with total assets less than \$500 million and located in the counties where the bank has offices. FNBCF’s average LTD ratio for the past 13 quarters was 84.80%, which is comparable to the 10 peer banks’ average LTD ratio of 88.48% for the same time period.

Lending in Assessment Area

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

The bank makes a majority of loans within its assessment area. This conclusion is based on our analysis of a sample of 83 business loan originations from July 1, 2004 to December 31, 2007. As detailed in the table below, 72% (by number) and 47% (by dollar amount) of total loans made during this evaluation period were within FNBCF’s assessment area.

Lending in the Assessment Area										
Type of Loan	Number of Loans					Dollars of Loans (000's)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Commercial Loans	60	72%	23	28%	83	\$38,732	47%	\$42,947	53%	\$81,679

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

The bank's lending activities show satisfactory penetration among businesses of different sizes.

Borrower Distribution to Businesses in the Assessment Area				
Business Revenues (or Sales)	<= \$1,000,000	> \$1,000,000	Unavailable	Total
% of AA Businesses	64.00%	4.00%	32.00%	100.00%
% of Bank Loans in AA by #	50.00%	43.00%	7.00%	100.00%
% of Bank Loans in AA by \$	50.00%	49.00%	1.00%	100.00%

Borrower Distribution of Loans to Businesses in the Assessment Area				
Loan Size	Number of loans	Percent of #	Dollar Volume of Loans (000'S)	% of #'s
\$0-\$100,000	20	34.00%	\$1,009	2.50%
\$100,001-\$250,000	11	18.00%	\$1,846	5.00%
\$250,001-\$500,000	11	18.00%	\$3,791	10.00%
\$500,001-\$1,000,000	6	10.00%	\$4,870	12.50%
\$1,000,001-\$7,000,000	12	20.00%	\$27,216	70.00%
Total	60	100.00%	\$38,732	100.00%

As depicted in the tables above, the bank's lending activities by total number and dollar amount to small businesses satisfactorily compares to the percentage of small businesses located or operating in the assessment area. Our sample of 60 business loans in the assessment area showed 50% of the total number of loans and 50% of total dollar volume of loans were to small businesses (those with total revenues of \$1 million or less). In comparison, businesses in the assessment area that reported annual revenues (32% of the businesses did not), approximately 64% are considered small businesses. FNBCF enhances the availability of credit to small businesses by originating small loan amounts as noted by the above table. The analysis noted very few loans originated with original amounts in excess of \$1 million. Eighty percent (80%) of the sample has loan amounts of \$1 million or less.

- **Geographic Distribution of Loans-Meets the Standard for Satisfactory Performance**

The geographic distribution of business lending is reasonable. Based on the same sample of 60 loans, the geographic distribution of loans reflects reasonable dispersion throughout the AA. The following table illustrates the geographic distribution of commercial loans within these income tracts in comparison to the percent of businesses in each tract.

Geographic Distribution of Commercial Loans in the Assessment Area								
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	2.00%	1.67%	19.00%	15.00%	41.00%	40.00%	38.00%	43.33%

As shown in the table above, the distribution of loans to businesses in the assessment area is reasonable. The analysis shows the bank extended close to two percent (1.67%) of its business loans to businesses located or operating in low-income areas. By comparison, economic data shows these census tracts account for two (2%) of all businesses within the assessment area located in low-income census tracts. We also noted the bank originated fifteen percent (15%) of business loans to businesses located or operating in moderate-income areas and nineteen percent (19%) of all businesses are located in the moderate-income tracts. Likewise, lending to middle- and upper-income census tracts also shows a similar pattern of distribution. Further, our analysis considered the intense competition for financial services as there are approximately 44 financial institutions operating in 20,050 offices within the AA.

Responses to Complaints-Not Applicable

There were no CRA related complaints received by the bank or our office during the period of evaluation.

COMMUNITY DEVELOPMENT TEST

Overall, the Community Development Test Rating is satisfactory and reflects adequate responsiveness to community needs of the assessment area through community development loans, services and qualified investments. Based on the bank’s capacity and the need and availability of such opportunities for community development, the level of community development lending and services is satisfactory and compensates for the low level of investments. The bank sought community development lending opportunities versus investments as there are more affordable housing lending opportunities within the assessment area.

Number and Amount of Community Development Loans

Community Development (CD) Loans:

The bank has a satisfactory level of community development loans.

- The bank has assisted in serving the growing affordable housing need by making two loan commitments with Florida Community Partners, an affordable housing loan pool, in the amounts of \$1,000,000 for 2006, and \$1,000,000 for 2007. Further, the bank had a \$10,000 loan to a regional community loan fund, Florida Community Loan Fund, a statewide Community Development Financial Institution (CDFI), which is engaged in providing affordable housing. In addition, the organization assists in the development of community facilities to serve low-income families, supportive housing for low-income residents, and economic development projects to serve low-income neighborhoods.

Number and Amount of Qualified Investments

Community Development Donations

FNBCF has provided qualified CD investments/donations within its assessment area. However, the level of performance is considered low given the capacity of the bank.

- During the evaluation period, FNBCF donated \$5,250.00 to American Red Cross for Hurricane Katrina recovery efforts. Ten other social service non-profit organizations that benefit the assessment area received donations totaling \$15,491.00.

Extent to Which the Bank Provides Community Development Services

Community Development Services:

FNBCF's record of performance in providing CD services within its assessment area is satisfactory.

- Three bank officers serve on Boards or loan committees of organizations that support qualified community development activities for CDFIs. One bank officer participates in monthly loan committee meetings for a non-profit that specializes in providing loans and technical assistance to minority small business owners. The other two nonprofit organizations that bank officers are involved in are affordable housing and community service organizations that are geared toward low- and moderate-income individuals.
- As mentioned previously, to meet the consumers' residential mortgage needs, the bank opened National One Mortgage, a mortgage banking operations department on September 1999. National One Mortgage originates home mortgage loans for consumers and subsequently sells them to the secondary market. As such, the bank has the ability to offer a wide array of mortgage products to fit the credit needs of bank customers. For example, bank customers have the opportunity to apply for a mortgage loan with limited documentation or receive up to 103% in financing. During the evaluation period,

National One Mortgage has originated approximately \$218 million (759 by number) in residential mortgage loans.

- FNBCF offices and facilities offer adequate accessibility to geographies and individuals of different income levels. Since the June 2004 CRA evaluation, the bank opened two offices and closed one office in Orlando. The closed office was located in a middle-income census tract. Both new offices are located in upper-income tracts. In addition, the bank has two offices located in moderate-income tracts and one office in a middle-income tract. Five of the seven offices have ATM access and drive-through facilities. Other alternative delivery systems include free online banking for personal consumer accounts.
- FNBCF offers a no-maintenance fee checking account for customers who have a monthly direct deposit.

Responsiveness to Community Development Needs

Affordable housing is a major need within the bank's assessment area because of escalating housing costs. The bank, through its bank products and involvement with two affordable housing non-profits, has been instrumental in serving this growing need. In addition, they have assisted the bank's community by providing grants for various social service organizations serving low- and moderate-income individuals.

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.