



Comptroller of the Currency
Administrator of National Banks

SMALL BANK

PUBLIC DISCLOSURE

July 19, 2004

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**First National Bank of Central Florida
Charter Number 20454**

**369 North New York Avenue
Winter Park, FL 32789**

**Comptroller of the Currency
North Florida Field Office
8375 Dix Ellis Trail, Suite 403
Jacksonville, FL 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.

- First National Bank of Central Florida's (FNBCFL) average loan-to-deposit ratio is reasonable in comparison to similar-sized institutions.
- A majority of business lending occurs within the assessment area.
- FNBCFL has a satisfactory record of lending to businesses of different sizes, particularly to small businesses.
- The geographic distribution of business lending reflects strong penetration of geographies within the assessment area.

DESCRIPTION OF INSTITUTION

First National Bank of Central Florida was chartered in 1985 and is a locally owned and managed bank with six offices in Orange and Seminole counties. FNBCFL is wholly owned by First Bankshares, Inc., a one-bank holding company. The main office is located in Winter Park, Florida. The other five offices are located in Orlando, Longwood and Heathrow. One of the Orlando locations is an in-store branch conveniently located in a grocery store. The bank offers many services to its customers that include drive-up facilities at the locations as well as automated teller machine (ATM) access, debit card services and Internet banking. FNBCFL offers a variety of lending programs, but since our last CRA examination, its primary focus has been in business lending, which represents 88 % of the total loan portfolio or \$155 million. The remaining 12% is in consumer loans and mainly consist of automobile and home equity loans. However, to meet the consumer's residential mortgage needs, the bank opened a mortgage banking operations department, National One Mortgage, on September 1999. National One Mortgage originates home mortgage loans for consumers and subsequently sells to the secondary market. Since commencing operations in 1999, National One Mortgage has originated approximately \$218 million in residential mortgage loans.

As of June 30, 2004, the bank had total assets of approximately \$271 million with net loans accounting for 64% of total assets. There are no financial or regulatory constraints that would prevent the bank from meeting the credit needs of the community. The last CRA examination for FNBCFL was February 1, 1999 when the bank received a satisfactory rating.

DESCRIPTION OF ORANGE AND SEMINOLE COUNTIES

FNBCFL's assessment area (AA) consists of Orange and Seminole counties and includes the cities of Orlando, Winter Park, Longwood and Heathrow. The assessment area is located in the Orlando Metropolitan Area (MA #5960), meets the requirements of the regulation and does not arbitrarily exclude low- or moderate-income geographies.

Our conclusions are based on an analysis of all business loans for the period of January 1, 2002 to June 30, 2004. However, during this time period, the census bureau released the 2000 demographic data. As such, for loans originating in 2002, our geographic distribution analysis was based on 1990 census data and 2000 census data was used for subsequent years.

1990 Census Bureau Geographic Data

FNBCFL's AA is comprised of 180 census tracts, which are located in Orange and Seminole Counties. Based on the 1990 Census Bureau median family income of \$34,389, there are 9 census tracts classified as low-income, 33 are moderate-income, 91 are middle-income and 46 are classified as upper-income tracts. One tract is a military base and was not given an income classification. The assessment area meets the requirements of the regulation and does not arbitrarily exclude low- or moderate-income geographies.

Based on 1990 Census Bureau economic information, there are a total of 70,870 small commercial businesses located in FNBCFL's AA which are located in the following geographies: 4% of businesses are located in a low-income tract, 12% are located in a moderate-income tract, 54% are located in a middle-income tract and 30% are in a upper-income tract.

2000 Census Bureau Geographic Data

FNBCFL's AA is comprised of 268 census tracts, which are located in Orange and Seminole Counties. Based on the 2000 Census Bureau median family income of \$47,760, there are 8 census tracts classified as low-income, 56 are moderate-income, 112 are middle-income and 92 are classified as upper-income tracts.

Based on 2000 Census Bureau economic information, there are a total of 71,280 small commercial businesses located in FNBCFL's AA which are located in the following geographies: 2% of businesses are located in a low-income tract, 18% are located in a moderate-income tract, 41% are located in a middle-income tract and 39% are in a upper-income tract.

Contact by the OCC with a local-based nonprofit affordable housing organization identified small business loans and affordable housing programs for low- and moderate-income families as a continued credit related needs for the assessment area.

Competition for financial services within the bank's assessment area is intense and includes several branches of multi-national and regional banks, local community banks, credit unions, and other nonbank financial service providers.

CONCLUSIONS ABOUT PERFORMANCE CRITERIA

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

FNBCFL's average loan-to-deposit ratio is reasonable in comparison to similar-sized institutions. The average loan-to-deposit (LTD) ratio was calculated and averaged for each quarter since the last CRA exam on December 31, 1998. We compared the bank's average ratio to those of similarly situated Orange, Seminole, Osceola and Lake counties banks (6) with less than \$250 million in total assets. The LTD ratio for the last 22 quarters for FNBCFL was 74.06%, which is a fraction lower than the six peer banks' average LTD ratio of 74.36%.

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

A majority of business lending occurs within the assessment area. This conclusion is based on an internal bank analysis of the total business loan originations during January 1, 2002 to June 30, 2004, which we verified for accuracy. As detailed in the table below, 78% (by number) of total loans made during our evaluation period were within FNBCFL's assessment area.

Assessment Area Lending								
	In Assessment Area				Out of Assessment Area			
Loan Type	#	% of Number	\$000's	% of \$Amount	#	% of Number	\$000's	% of \$Amount
All Business Loans	467	78%	178,184	68%	132	22%	85,251	32%

- **Lending to Borrowers of Different Incomes and to Businesses of Different Sizes**

FNBCFL has a satisfactory record of lending to businesses of different sizes, particularly to small businesses. Our analysis is based on a random sample of business loans originated in the assessment area during the period of January 31, 2002 to June 30, 2004. Our analysis did not include a review of consumer loans, as this is not a primary loan product for the bank. As such, we did not conclude on lending to borrowers of different incomes. Our sample of 60 business loans, originating in FNBCFL's assessment area, noted 87% of original loan amounts were less than \$1 million. A more detailed analysis of a sample of 60 business loans shows that in 46 loans (77%), the borrowing entity had gross revenues under \$1 million, which is the definition of a small business under CRA. The following chart shows a breakdown of loans according to loan size.

Loan Size	# of Sampled Loans	% of Sampled Loans
< \$100,000	29	49%
\$100,001 to \$250,000	8	13%
>\$250,000 to \$1,000,000	15	25%
> \$1,000,000	8	13%

- **Geographic Distribution of Loans**

The geographic distribution of business lending reflects strong penetration of geographies within the assessment area. The following table reflects the distribution of sampled loans within the bank’s assessment area by income designation of 1990 census tracts and 2002 business revenues demographic data. Our analysis focused on our sample for originations in Orange County, as the majority of loans in volume and dollars (82% and 68%, respectively) were made in this AA county.

Our loan sample shows the bank extended 8 loans representing 44% of its commercial loans (in both numbers and dollars, respectively) were to small businesses located or operating in moderate-income census tracts. These census tracts account for 14.5% of all small business operations within the assessment area. Moreover, lending to small businesses located in low-income census tracts also shows a similar pattern of distribution as shown in the chart below.

Geographic Analysis of Loans Sampled Originating between January 1, 2002 to December 31, 2002 By Number and Dollar Amount ('000) ORANGE COUNTY																
GEOGRAPHY	LOW				MODERATE				MIDDLE				UPPER			
Small Business Demographic Data by # and %	2,214 4.5%				6,937 14.5%				27,473 58%				11,083 23%			
Loan Type	#		\$		#		\$		#		\$		#		\$	
Business Loans	1	6%	\$21	0.5%	8	44%	\$1,858	26%	7	39%	\$4,667	66.5%	2	11%	\$469	7%

The geographic distribution of business lending reflects strong penetration of geographies within the assessment area. The following table reflects the distribution of sampled loans within the bank’s assessment area by income designation of 2000 census tracts and 2003 business revenue demographic data. For this analysis we again used our sample for Orange County originations as the majority of loans in volume and dollars (71% and 76%, respectively) were made in this AA county.

Our loan sample shows the bank extended 12 loans representing 45% of its business loans (in both number and dollars, respectively) to small businesses located or operating in moderate-income census tracts. By comparison, these census tracts account for 25% of all small businesses within the assessment area. Moreover, lending to small businesses located in low-income census tracts also shows a similar pattern of distribution as shown in the chart below.

Geographic Analysis of Loans Sampled Originating between January 1, 2003 to June 30, 2004
By Number and Dollar Amount ('000)

ORANGE COUNTY

GEOGRAPHY	LOW				MODERATE				MIDDLE				UPPER			
Small Business Demographic Data by # and %	1,536 3.0%				11,491 25%				18,922 40%				15,025 32%			
Loan Type	#		\$		#		\$		#		\$		#		\$	
Business Loans	2	7%	\$92	1%	12	45%	\$4,158	26%	3	11%	\$6,650	42%	10	37%	\$4,909	31%

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 illegal discrimination or other illegal credit practices.