



**SMALL BANK**

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Comptroller of the Currency  
Administrator of National Banks

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## **PUBLIC DISCLOSURE**

**October 20, 2003**

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

**The First National Bank of New Holland  
Charter Number 7187**

**25 North Main Street  
New Holland, OH 43145**

**Comptroller of the Currency  
Central Ohio Field Office  
325 Cramer Creek Court, Suite 101  
Dublin, Ohio 43017**

**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.**

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## GENERAL INFORMATION

The Community Reinvestment Act (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 Community Reinvestment Act (CRA) performance of *The First National Bank of New Holland* prepared by the Office of the Comptroller of the Currency (OCC), the institution's supervisory agency, as of October 20, 2003. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 C.F.R. Part 25.

## OVERALL CONCLUSIONS

### INSTITUTION'S CRA RATING

**This institution is rated Satisfactory.**

The First National Bank (FNB) of New Holland has a **SATISFACTORY** record of meeting community credit needs.

- The bank has achieved a reasonable distribution of residential real estate, consumer, and commercial/commercial real estate loans to borrowers of different income levels and businesses of different sizes.
- The geographic distribution of loans reflects reasonable dispersion throughout the AA, given the demographics of the area.
- FNB is responsive to its community's credit needs as a majority of the loans are inside the bank's assessment area (AA).
- The bank's current and 19-quarter average loan-to-deposit ratios are reasonable and commensurate with those demonstrated by local peer banks.

## DESCRIPTION OF INSTITUTION

The First National Bank of New Holland is a \$36 million community bank headquartered in New Holland, Ohio in Pickaway County, a middle-income geography. New Holland is located on the Fayette and Pickaway County line. Community First Financial Bancorp, a one-bank holding company, has wholly owned FNB since July 31, 2001. New Holland is located approximately 50 miles south of Columbus, Ohio. FNB has one branch office located in Mount Sterling, Ohio, in Madison County, a middle-income geography. This branch was opened in 1999 and also offers a drive-up facility. Both offices have ATMs. The bank recently opened a Loan Production Office (LPO) in September 2003 in Zanesville, Ohio (Muskingum County), a moderate-income geography as of the 2000 Census. To date, the bank has not added this area to the bank's AA. The bank has recently begun selling residential real estate loans on the secondary market and has sold three loans since the LPO opened. Competition for loans and deposits is moderate and comes primarily from several small community banks and branches of larger regional banking institutions.

Currently, no legal or economic impediments exist that could restrict FNB's ability to serve the community's credit needs. FNB's CRA rating as of April 13, 1998, was "Satisfactory Record of Meeting Community Credit Needs."

The bank's primary business focus is retail and small businesses lending. FNB offers standard loan and deposit products. As of December 31, 2002, FNB reported total assets of \$36 million and total gross loans of \$28 million. Net loans represent 78% of the total bank's assets. See Table 1 for the loan portfolio mix.

<b>Loan Portfolio Mix As of December 31, 2002*</b>		
<b>Table 1</b>		
<b>Loan Type</b>	<b>Dollar Volume in Millions</b>	<b>Percentage of Gross Loans</b>
Residential Real Estate Loans	\$9,181	33%
Consumer Loans - Loans to Individuals	\$8,578	30%
Commercial and Commercial Real Estate Loans	\$5,570	20%
Farmland/Agriculture Loans	\$3,950	14%
Other Loans	\$949	3%
<b>TOTAL GROSS LOANS</b>	<b>\$28,228</b>	<b>100%</b>

Source: December 31, 2002 Consolidated Report of Condition and Uniform Bank Performance Report.

\*Based on gross loans as of December 31, 2002.

## DESCRIPTION OF ASSESSMENT AREA

The bank has two contiguous AAs consisting of a portion of the Columbus Metropolitan Statistical Area (MSA) #1840 and portions of two non-MSA counties. The assessment area meets the requirements of the Community Reinvestment Act and does not arbitrarily exclude low- or moderate-income geographies. The following describes the bank's AAs.

**Non-MSA Area:** All of Fayette County (seven geographies) and a portion of northwestern Ross County (seven geographies) make up this AA. This portion of the bank's AA will hereafter be called the **Non-MSA** area.

**MSA Area:** A portion of western Pickaway County (four geographies), southern portion of Madison County (six geographies), and one geography in Franklin County that borders Madison and Pickaway counties (southwestern corner of Franklin county) make up this AA. This portion of the bank's AA will hereafter be called the **MSA** area.

Management selected these AAs based on the bank's loan distribution and their ability to reasonably serve this area. The bank opened a branch in 1999, after the last CRA examination. At that time, they increased the size of their AA. The remaining geographies in Ross, Pickaway, Madison, and Franklin counties are not included in the AA because they are not within a reasonable distance to the bank's offices and the areas cannot be fully and reasonably serviced by the bank.

Competition includes several local community financial institutions and branches of larger institutions. Overall competition within the AA is moderate. According to the Federal Deposit Insurance Corporation's database, FNB had approximately 0.13% of local area market share of total deposits as of June 30, 2002.

Both AAs are primarily rural and contain small cities and villages. The overall economic condition of the entire AA is fair. Refer to Table 2 for unemployment rates in the AA. The ratios compare favorably with the state and national unemployment rates, except for Ross County, which is only slightly higher.

Unemployment Rates Table 2		
County Name	December 31, 2002	June 30, 2003
Fayette	4.0%	5.9%
Ross	6.4%	7.2%
Madison	3.5%	5.4%
Pickaway	4.6%	5.6%
Franklin	3.9%	5.4%
State of Ohio	5.0%	6.5%
National	5.7%	6.5%

Source: Bureau of Labor Statistics, U. S. Department of Labor.

During our examination we contacted one community representative to discuss current economic conditions and credit needs of the area. The contact revealed that the economic condition of the area is fair, and identified real estate lending as the primary credit need in area. According to the contact, these loans are available from area financial institutions.

**Non-MSA Area:**

Based on the 1990 census, this AA contains a population of approximately 62,239 people of which 15% are below the poverty level and 9% are on public assistance. Of the AA’s 23,086 housing units, about 64% are owner-occupied. The median housing value is \$50,189.

According to the 1990 census information, the non-MSA median family income is \$30,562. The Department of Housing and Urban Development’s (HUD) estimate of the median family income for the non-MSA portion of the State of Ohio was \$48,700 for 2002 and \$46,500 for 2001. The economic status of families and census tract geographies are categorized as low-, moderate-, middle-, and upper-income groups using the following definitions. Low-income means an individual income or a geography that is less than 50% of the non-MSA median family income or HUD’s estimate for that year. Moderate-income means an individual income or a geography that is at least 50% and less than 80% of the non-MSA median family income or HUD’s estimate for that year. Middle-income means an individual income or a geography that is at least 80% and less than 120% of the non-MSA median family income or HUD’s estimate for that year. Upper-income means an individual income or a geography that is 120% or more than the non-MSA median family income or HUD’s estimate for that year.

Table 3 describes the demographic configuration of the AA, based upon the 1990 U. S. Census Data.

<b>Census Tract Demographic Data (1990) – Non-MSA AA</b>					
<b>Table 3</b>					
	<b>Number of Tracts by Type</b>	<b>Percentage of Tracts by Type</b>	<b>Percentage of Families Within Each Tract Category</b>	<b>Percentage of Owner Occupied Units in Tract Category</b>	<b>Percentage of Businesses in Tract Category</b>
<b>Low</b>	0	0%	22%	0%	0%
<b>Moderate</b>	2	14%	19%	12%	9%
<b>Middle</b>	11	79%	22%	80%	85%
<b>Upper</b>	1	7%	37%	8%	6%

Source: 1990 U.S. Census Data

Economic conditions are fair. The economic industries with the highest employment are manufacturing and government. Some of the major employers in the AA include YUSA Corporation, Sugar Creek Packing, Wal-Mart Distribution Center, and the local school systems.

**MSA Area:**

The MSA area includes parts of Pickaway and Madison Counties, and one census tract in Franklin County. Pickaway and Madison counties are primarily rural farming areas. Both of the bank's offices are located in this AA.

Based on the 1990 census, this AA contains a population of approximately 43,933 people of which 10% are below the poverty level and 6% are on public assistance. Of the AA's 13,103 housing units, about 69% are owner-occupied. The median housing value is \$63,922.

According to the 1990 census information, the MSA median family income is \$36,792. The Department of Housing and Urban Development's (HUD) estimate of the MSA median family income was \$63,400 for 2002 and \$59,900 for 2001. The economic status of families and census tract geographies are categorized as low-, moderate-, middle-, and upper-income groups using the following definitions. Low-income means an individual income or a geography that is less than 50% of the MSA median family income or HUD's estimate for that year. Moderate-income means an individual income or a geography that is at least 50% and less than 80% of the MSA median family income or HUD's estimate for that year. Middle-income means an individual income or a geography that is at least 80% and less than 120% of the MSA median family income or HUD's estimate for that year. Upper-income means an individual income or a geography that is 120% or more than the MSA median family income or HUD's estimate for that year.

Table 4 describes the demographic configuration of the AA, based upon the 1990 U. S. Census Data.

<b>Census Tract Demographic Data (1990) – MSA AA</b>					
<b>Table 4</b>					
	<b>Number of Tracts by Type</b>	<b>Percentage of Tracts by Type</b>	<b>Percentage of Families Within Each Tract Category</b>	<b>Percentage of Owner Occupied Units in Tract Category</b>	<b>Percentage of Businesses in Tract Category</b>
<b>Low</b>	0	0%	20%	0%	0%
<b>Moderate</b>	2	18%	20%	12%	11%
<b>Middle</b>	6	55%	27%	65%	69%
<b>Upper</b>	3	27%	33%	23%	20%

Source: 1990 U.S. Census Data

Economic conditions are fair. The economic industries with the highest employment are manufacturing and government. Some of the major employers in this AA include Battelle Memorial Institute, E I du Pont de Nemours & Company, Showa Aluminum Corporation, General Electric Company, Berger Hospital, Wal-Mart, State of Ohio/Corrections (a prison facility), and the local school systems.

## **CONCLUSIONS ABOUT PERFORMANCE CRITERIA**

The bank's performance of residential real estate, consumer, and commercial/commercial real estate lending is considered foremost in this CRA examination. These are the bank's primary lending products.

To evaluate the level of residential real estate lending, we included all of the loans on the bank's Home Mortgage Disclosure Act (HMDA) Loan Application Register for 2002 and took a random sample of ten residential real estate loans from the bank's loan system since the last CRA examination. The bank became a HMDA reporter beginning with year 2002. To evaluate the level of consumer and commercial/commercial real estate lending, we took a random sample of twenty loans from each of these primary loan types from the bank's loan system. These loans were originated between April 1, 1998 and December 31, 2002. We used these files first to perform the analysis of Lending in the Assessment Area and then disregarded any of the loans not originated in the AA. Additional loans within the AA were added to the sample to utilize the 20-item sample to perform the Geographic and Borrower Distribution analyses. We did not use any loan originated in 2003 because it was a partial year and would be subject to the 2000 Census Data.

### **Loan-to-Deposit Ratio**

The bank's loan-to-deposit (LTD) ratio is good and supports satisfactory performance. FNB's LTD ratio of 86.45% and 93.48% as of December 31, 2002, and June 30, 2003, respectively, and average LTD ratio over the last 19 quarters since the last CRA examination (June 30, 1998 to December 31, 2003) of 79.48% are reasonable and meet the requirements for satisfactory performance. For analysis purposes, FNB's current and 19-quarter average LTD ratios were compared with a custom peer group consisting of eight banks of similar size competing within the same AA (less than \$100 million in total assets in five county area). The analysis shows that FNB's LTD ratios were within the peer group's current range of 62% to 105% and in line with the average range of 86% as of December 31, 2002. FNB's LTD ratio was also compared to a peer group consisting of Ohio financial institutions with total assets less than \$100 million. This peer group's average LTD ratio as of December 31, 2002 was 73%. Overall, the bank's LTD ratios compared favorably with the peer group's ratios.

### **Lending in Assessment Area**

The bank's record of lending within the AA is reasonable and supports satisfactory performance. The bank's primary loan types consist of residential real estate, consumer, and commercial/commercial real estate loans. Table 5 details the bank's lending within the AA by number and dollar volume. This table indicates that a majority of the loans are made inside the bank's AA.

<b>LENDING IN THE ASSESSMENT AREA</b>				
<b>TABLE 5</b>				
<b>Loan Category</b>	<b>#</b>	<b>%</b>	<b>\$</b>	<b>%</b>
<b>Residential Real Estate – Purchase Money</b>	9	64%	\$475,000	57%
<b>Residential Real Estate – Refinance</b>	28	74%	\$2,937,000	77%
<b>Consumer</b>	17	85%	\$242,143	85%
<b>Commercial/Commercial Real Estate</b>	14	70%	\$1,177,797	67%
<b>TOTAL</b>	68	74%	\$4,831,940	72%

Source: Loan sample.

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

The distribution of residential real estate and consumer lending reflects reasonable penetration among individuals of different incomes including low- and moderate-income borrowers and supports overall satisfactory performance. In addition, the bank's record of lending to small businesses is excellent and further supports the overall satisfactory conclusion in this area. The following two sections separately discuss the bank's lending record of residential real estate, consumer, and business loans in the **Non-MSA** and **MSA AAs**.

#### **Non-MSA Assessment Area**

Tables 6 and 7 demonstrate that the bank makes a reasonable volume of residential real estate loans to low- and moderate-income borrowers. For purchase loans, FNB granted 67% by number and 32% by dollar amount of residential real estate loans in our sample to low-income borrowers, which is substantially more than the 22% of low-income families in the AA. Also for purchase loans, FNB granted 33% by number and 68% by dollar amount of residential real estate loans in our sample to moderate-income borrowers, which is more than the 19% of moderate-income families in the AA. This represents excellent lending to low- and moderate- income borrowers.

For refinance loans, FNB granted 23% by number and 13% by dollar amount of residential real estate loans in our sample to low-income borrowers, which is in line with the 22% of low-income families in the AA. FNB did not originate any refinance loans in our sample to moderate-income borrowers. Overall, this distribution shows satisfactory penetration to low- and moderate-income borrowers.

FNB granted 5% by number and 3% by dollar amount of consumer loans in our sample to low-income borrowers, which is less than the 25% of low-income households in the AA. However, FNB granted 35% by number and 29% by dollar amount of consumer loans in our sample to moderate-income borrowers, which is substantially more than the 16% of moderate-income households in the AA. Refer to Table 8 for further details.

Overall lending, based on number, compared reasonably with the percentage of low- and moderate-income families and households in the AA. The bank does not have any low-income block numbering areas in their AA. Owner occupancy in the moderate-income geographies is low at 12%. This analysis also took into consideration that 15% of the households in the AA are living below the poverty level and 9% are receiving public assistance.

All of commercial/commercial real estate loans in our sample were originated to small businesses with annual gross revenues less than \$1,000,000. Table 9 and 10 detail the distribution by annual gross revenues and loan amount. All of the loans in our sample had loan amounts less than \$500,000, with 90% (by number of loans) to businesses requesting loan amounts less than \$100,000. The results from our loan sample compared favorably with the demographics of the AA. Our sample represented an excellent responsiveness to lending to small businesses.

Based upon these factors, the penetration to low- and moderate-income borrowers and businesses of different sizes is reasonable, given the demographics of the AA.

<b>BORROWER INCOME LEVEL</b>	<b>PERCENTAGE OF RESIDENTIAL REAL ESTATE LOANS IN THE NON-MSA AA: BY NUMBER TABLE 6</b>						<b>PERCENTAGE OF FAMILIES IN AA</b>
	<b>Purchase</b>		<b>Refinance</b>		<b>Total</b>		
	<b># Of Loans</b>	<b>%</b>	<b># Of Loans</b>	<b>%</b>	<b># Of Loans</b>	<b>%</b>	
<b>Low</b>	2	67%	4	23%	6	30%	22%
<b>Moderate</b>	1	33%	0	0%	1	5%	19%
<b>Middle</b>	0	0%	1	6%	1	5%	22%
<b>Upper</b>	0	0%	12	71%	12	60%	37%

Source: 1990 U. S. Census Data and Loan Sample.

<b>BORROWER INCOME LEVEL</b>	<b>PERCENTAGE OF RESIDENTIAL REAL ESTATE LOANS IN THE NON-MSA AA: BY DOLLAR AMOUNT TABLE 7</b>						<b>PERCENTAGE OF FAMILIES IN AA</b>
	<b>Purchase</b>		<b>Refinance</b>		<b>Total</b>		
	<b>\$ Of Loans</b>	<b>%</b>	<b>\$ Of Loans</b>	<b>%</b>	<b>\$ Of Loans</b>	<b>%</b>	
<b>Low</b>	\$47,149	32%	\$185,600	13%	\$232,749	14%	22%
<b>Moderate</b>	\$98,550	68%	\$0	0%	\$98,550	6%	19%
<b>Middle</b>	\$0	0%	\$151,010	10%	\$151,010	9%	22%
<b>Upper</b>	\$0	0%	\$1,146,000	77%	\$1,146,000	71%	37%

Source: 1990 U. S. Census Data and Loan Sample.

BORROWER INCOME LEVEL	PERCENTAGE OF CONSUMER LOANS IN NON-MSA AA TABLE 8				PERCENTAGE OF HOUSEHOLDS IN AA
	# Of Loans	%	\$ Of Loans	%	
<b>Low</b>	1	5%	\$9,667	3%	25%
<b>Moderate</b>	7	35%	\$81,215	29%	16%
<b>Middle</b>	5	25%	\$70,426	25%	20%
<b>Upper</b>	7	35%	\$122,234	43%	39%

Source: 1990 U. S. Census Data and Loan Sample.

REVENUE RANGES	LENDING TO BUSINESSES OF DIFFERENT SIZES IN THE NON-MSA AA TABLE 9				BUSINESSES WITHIN THE AA
	#	%	\$	%	%
<b>Less than \$100,000</b>	3	15%	\$26,675	3%	Gross Revenues less than \$1,000,000:  82%
<b>\$100,000 - \$249,999</b>	3	15%	\$325,131	36%	
<b>\$250,000 - \$499,000</b>	10	50%	\$321,823	36%	
<b>\$500,000 - \$999,000</b>	4	20%	\$227,956	25%	
<b>Greater than \$1,000,000</b>	0	0%	\$0	0%	4%
<b>Revenue not Reported</b>	0	0%	\$0	0%	14%

Source: 1990 U.S. Census Data and Loan Sample.

LENDING TO BUSINESS OF DIFFERENT SIZES IN THE NON-MSA AAA TABLE 10				
LOAN AMOUNT	#	%	\$	%
<b>Less than \$100,000</b>	18	90%	\$480,697	53%
<b>\$100,000 - \$250,000</b>	1	5%	\$145,788	16%
<b>Greater than \$250,000 but less than \$1,000,000</b>	1	5%	\$275,100	31%

Source: 1990 U. S. Census Data and Loan Sample.

## MSA Assessment Area

Tables 11 and 12 demonstrate that the bank makes a reasonable volume of loans to low- and moderate-income borrowers. FNB did not originate any residential real estate loans in our sample to low-income borrowers, which is substantially less than the 20% of low-income families in the AA. However, for purchase loans, FNB granted 33% by number and 20% by dollar amount of residential real estate loans in our sample to moderate-income borrowers, which is more than the 20% of moderate-income families in the AA. And for refinance loans, FNB granted 18% by number and 9% by dollar amount of residential real estate loans in our sample to moderate-income borrowers, which is reasonable when compared the demographics of the AA.

Overall the residential real estate distribution shows satisfactory penetration to low- and moderate-income borrowers. The bank does not have any low-income census tracts in their AA. Owner occupancy in the moderate-income geographies is low at 12%. This analysis also took into consideration that 10% of the households in the AA are living below the poverty level and 6% are receiving public assistance.

FNB granted 35% by number and 25% by dollar amount of consumer loans in our sample to low-income borrowers, which is substantially more than the 22% of low-income households in the AA. FNB granted 30% by number and 35% by dollar amount of consumer loans in our sample to moderate-income borrowers, which is also substantially more than the 18% of moderate-income households in the AA. This reflects excellent penetration to low- and moderate-income borrowers. Refer to table 13 for further details.

A substantial majority of commercial/commercial real estate loans in our sample were originated to small businesses with annual gross revenues less than \$1,000,000. Tables 14 and 15 detail the distribution by annual gross revenues and loan amount. All of the loans in our sample had loan amounts less than \$500,000, with 80% to businesses requesting loan amounts less than \$100,000. The results from our loan sample compared favorably with the demographics of the AA. Our sample represented an excellent responsiveness to lending to small businesses.

Based upon these factors, the penetration to low- and moderate-income borrowers and businesses of different sizes is reasonable, given the demographics of the AA.

BORROWER INCOME LEVEL	PERCENTAGE OF RESIDENTIAL REAL ESTATE LOANS IN THE MSA AA: BY NUMBER TABLE 11						PERCENTAGE OF FAMILIES IN AA
	Purchase		Refinance		Total		
	# Of Loans	%	# Of Loans	%	# Of Loans	%	
<b>Low</b>	0	0%	0	0%	0	0%	20%
<b>Moderate</b>	3	33%	2	18%	5	25%	20%
<b>Middle</b>	3	33%	4	36%	7	35%	27%
<b>Upper</b>	3	33%	5	46%	8	40%	33%

Source: 1990 U. S. Census Data and Loan Sample.

BORROWER INCOME LEVEL	PERCENTAGE OF RESIDENTIAL REAL ESTATE LOANS IN THE MSA AA: BY DOLLAR AMOUNT TABLE 12						PERCENTAGE OF FAMILIES IN AA
	Purchase		Refinance		Total		
	\$ Of Loans	%	\$ Of Loans	%	\$ Of Loans	%	
<b>Low</b>	\$0	0%	\$0	0%	\$0	0%	20%
<b>Moderate</b>	\$141,000	20%	\$139,152	9%	\$280,152	13%	20%
<b>Middle</b>	\$342,855	47%	\$372,757	26%	\$715,612	33%	27%
<b>Upper</b>	\$236,400	33%	\$942,000	65%	\$1,178,400	54%	33%

Source: 1990 U. S. Census Data and Loan Sample.

BORROWER INCOME LEVEL	PERCENTAGE OF CONSUMER LOANS IN MSA AA TABLE 13				PERCENTAGE OF HOUSEHOLDS IN AA
	# Of Loans	%	\$ Of Loans	%	
<b>Low</b>	7	35%	\$57,496	25%	22%
<b>Moderate</b>	6	30%	\$81,121	35%	18%
<b>Middle</b>	2	10%	\$13,183	5%	21%
<b>Upper</b>	5	25%	\$81,526	35%	39%

Source: 1990 U. S. Census Data and Loan Sample.

REVENUE RANGES	LENDING TO BUSINESSES OF DIFFERENT SIZES IN THE MSA AA TABLE 14				BUSINESSES WITHIN THE AA
	#	%	\$	%	%
<b>Less than \$100,000</b>	5	25%	\$906,745	54%	Gross Revenues less than \$1,000,000:  77%
<b>\$100,000 - \$249,999</b>	6	30%	\$136,780	8%	
<b>\$250,000 - \$499,000</b>	2	10%	\$281,600	17%	
<b>\$500,000 - \$999,000</b>	4	20%	\$185,263	11%	
<b>Greater than \$1,000,000</b>	3	15%	\$163,271	10%	4%
<b>Revenue not Reported</b>	0	0%	\$0	0%	19%

Source: 1990 U.S. Census Data and Loan Sample.

LENDING TO BUSINESS OF DIFFERENT SIZES IN THE MSA AAA TABLE 15				
LOAN AMOUNT	#	%	\$	%
Less than \$100,000	16	80%	\$572,534	34%
\$100,000 - \$250,000	2	10%	\$324,125	19%
Greater than \$250,000 but less than \$1,000,000	2	10%	\$777,000	47%

Source: 1990 U. S. Census Data and Loan Sample.

### Geographic Distribution of Loans

The bank's distribution of loans throughout geographies of different income levels, including low- and moderate-income areas, is reasonable and meets the standards for overall satisfactory performance. The following two sections separately discuss FNB's lending record in the **Non-MSA** and **MSA AAs**.

#### Non-MSA Assessment Area

The bank has two block-numbering areas that are designated as moderate-income (14%), and no low-income areas in this Non-MSA AA. Only twelve percent of the owner occupied units in the AA are in moderate-income tracts. Thirteen percent of the households in the AA are in moderate-income tracts. The bank granted 20% by number and 12% by dollar amount of residential real estate loans (both purchase and refinance) in moderate-income areas, which is substantially more than the percentage of owner occupied units in the AA. The bank granted 10% by number and 9% by dollar amount of consumer loans in our sample in moderate-income areas, which is slightly less than the 13% of the households in moderate-income tracts. Refer to Tables 16 and 17 for separate details on purchase and refinance residential real estate loans and Table 18 for consumer loans.

Ten percent of the number of commercial/commercial real estate loans we reviewed was made in moderate-income areas, which compares favorably to the 9% of businesses in the AA that are in moderate-income tracts.

Based upon the above factors, the overall geographic distribution of loans reflects reasonable dispersion throughout the AA. In our sample, loans were made in a majority of the geographies in the AA.

GEOGRAPHY INCOME LEVEL	PERCENTAGE OF RESIDENTIAL REAL ESTATE LOANS IN THE NON-MSA AA: BY NUMBER TABLE 16						PERCENTAGE OF OWNER- OCCUPIED UNITS IN TRACT CATEGORY
	Purchase		Refinance		Total		
	# Of Loans	%	# Of Loans	%	# Of Loans	%	
Moderate	2	67%	2	12%	4	20%	12%
Middle	1	33%	15	88%	16	80%	80%
Upper	0	0%	0	0%	0	0%	8%

Source: 1990 U. S. Census Data and Loan Sample.

GEOGRAPHY INCOME LEVEL	PERCENTAGE OF RESIDENTIAL REAL ESTATE LOANS IN THE NON-MSA AA: BY DOLLAR AMOUNT TABLE 17						PERCENTAGE OF OWNER- OCCUPIED UNITS IN TRACT CATEGORY
	Purchase		Refinance		Total		
	\$ Of Loans	%	\$ Of Loans	%	\$ Of Loans	%	
Moderate	\$125,550	86%	\$71,600	5%	\$197,150	12%	12%
Middle	\$20,149	14%	\$1,411,010	95%	\$1,431,159	88%	80%
Upper	0	0%	0	0%	0	0%	8%

Source: 1990 U. S. Census Data and Loan Sample.

GEOGRAPHY INCOME LEVEL	PERCENTAGE OF CONSUMER LOANS IN NON-MSA AA TABLE 18				PERCENTAGE OF HOUSEHOLDS IN TRACT CATEGORY
	#	%	\$	%	
	Moderate	2	10%	\$26,133	
Middle	18	90%	\$257,409	91%	79%
Upper	0	0%	\$0	0%	8%

Source: 1990 U. S. Census Data and Loan Sample.

GEOGRAPHY INCOME LEVEL	PERCENTAGE OF COMMERCIAL LOANS IN NON-MSA AA TABLE 19				PERCENTAGE OF BUSINESSES IN TRACT CATEGORY
	#	%	\$	%	
	Moderate	2	10%	\$39,998	
Middle	18	90%	\$861,587	96%	85%
Upper	0	0%	\$0	0%	6%

Source: 1990 U. S. Census Data and Loan Sample.

### MSA Assessment Area

The bank has two census tracts that are designated as moderate-income (18%), and no low-income areas. Twelve percent of the owner occupied units in the AA are in moderate-income tracts. Fourteen percent of the households in the AA are in moderate-income tracts. The bank granted 5% by number and 12% by dollar amount of residential real estate loans in moderate-income areas, which is in line with the percentage of owner occupied units in the AA. The bank granted 10% by number and 6% by dollar amount of consumer loans in our sample in moderate-income areas, which is slightly less than the 14% of the households in moderate-income tracts. Owner occupancy in the moderate-income census tracts is low. See Tables 20 and 21 for separate details on purchase-money and refinance loan products.

Fifteen percent of the number of commercial/commercial real estate loans we reviewed was made in moderate-income areas, which compares favorably to the 11% of businesses in the AA that are in moderate-income tracts.

Based upon the above factors, the overall geographic distribution of loans reflects reasonable dispersion throughout the AA. In our sample, loans were made in a majority of the census tracts in the AA.

GEOGRAPHY INCOME LEVEL	PERCENTAGE OF RESIDENTIAL REAL ESTATE LOANS IN THE MSA AA: BY NUMBER TABLE 20						PERCENTAGE OF OWNER- OCCUPIED UNITS IN TRACT CATEGORY*
	Purchase		Refinance		Total		
	# Of Loans	%	# Of Loans	%	# Of Loans	%	
<b>Moderate</b>	0	0%	1	9%	1	5%	12%
<b>Middle</b>	9	100%	10	91%	19	95%	65%
<b>Upper</b>	0	0%	0	0%	0	0%	23%

Source: 1990 U. S. Census Data and Loan Sample.

GEOGRAPHY INCOME LEVEL	PERCENTAGE OF RESIDENTIAL REAL ESTATE LOANS IN THE MSA AA: BY DOLLAR AMOUNT TABLE 21						PERCENTAGE OF OWNER- OCCUPIED UNITS IN TRACT CATEGORY*
	Purchase		Refinance		Total		
	\$ Of Loans	%	\$ Of Loans	%	\$ Of Loans	%	
<b>Moderate</b>	0	0%	\$270,000	19%	\$270,000	12%	12%
<b>Middle</b>	\$720,255	100%	\$1,183,909	81%	\$1,904,164	88%	65%
<b>Upper</b>	0	0%	0	0%	0	0%	23%

Source: 1990 U. S. Census Data and Loan Sample.

GEOGRAPHY INCOME LEVEL	PERCENTAGE OF CONSUMER LOANS IN MSA AA TABLE 22				PERCENTAGE OF HOUSEHOLDS IN TRACT CATEGORY*
	#	%	\$	%	
<b>Moderate</b>	2	10%	\$14,609	6%	14%
<b>Middle</b>	17	85%	\$213,032	91%	68%
<b>Upper</b>	1	5%	\$5,685	3%	18%

Source: 1990 U. S. Census Data and Loan Sample.

GEOGRAPHY INCOME LEVEL	PERCENTAGE OF COMMERCIAL LOANS IN MSA AA TABLE 23				PERCENTAGE OF BUSINESSES IN TRACT CATEGORY*
	#	%	\$	%	
<b>Moderate</b>	3	15%	\$178,391	11%	11%
<b>Middle</b>	17	85%	\$1,495,268	89%	69%
<b>Upper</b>	0	0%	\$0	0%	20%

Source: 1990 U. S. Census Data and Loan Sample.

### Responses to Complaints

The bank has not received any CRA-related complaints about its CRA performance during the review period.

### Fair Lending or Other Illegal Credit Practices Review

An analysis of recent public comments and consumer complaint information was performed according to the OCC's risk based fair lending approach. Based on its analysis of the information, the OCC decided that a comprehensive fair lending examination would not need to be conducted in connection with the CRA evaluation this year. The latest comprehensive fair lending examination was performed in 1998.