



Comptroller of the Currency
Administrator of National Banks

Miami Duty Station
5757 Blue Lagoon Drive, Suite 200
Miami, Florida 33126

PUBLIC DISCLOSURE

August 20, 1997

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Gulf Coast National Bank
Charter Number 22798**

**3838 Tamiami Trail
Naples, Florida**

**Office of the Comptroller of the Currency
Miami Duty Station
5757 Blue Lagoon Drive, Suite 200
Miami, Florida 33126**

NOTE: 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.

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 **Gulf Coast National Bank** prepared by **Office of the Comptroller of the Currency**, the institution's supervisory agency, as of August 20, 1997. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.*

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

Gulf Coast National Bank's (NB) CRA performance is evaluated using the small bank performance criteria. This is the bank's initial CRA public evaluation since opening for business in August 1995. We emphasized residential lending activities for 1996 and 1997 in analyzing the distribution of credit.

Overall, Gulf Coast NB's quarterly loan-to-deposit ratio is reasonable and is in line with similar banks in the assessment area. A substantial majority of the bank's loan extensions are within the assessment area. We used 1990 U.S. Census data and considered the geographic distribution of loans as reasonable. Lending patterns to borrowers of different income levels and small businesses is also reasonable, given the demographics and size of the area. Finally, no CRA complaints have been received regarding Gulf Coast NB.

The following table indicates the performance level of Gulf Coast National Bank with respect to each of the five performance criteria.

SMALL INSTITUTION ASSESSMENT CRITERIA	<u>GULF COAST NATIONAL BANK</u> PERFORMANCE LEVELS		
	Exceeds Standards for Satisfactory Performance	Meets Standards for Satisfactory Performance	Does not meet Standards for Satisfactory Performance
Loan to Deposit Ratio		X	
Lending in Assessment Area	X		
Lending to Borrowers of Different Incomes and to businesses of Different sizes		X	
Geographic Distribution of Loans		X	
Response to Complaints	No complaints have been received.		

DESCRIPTION OF INSTITUTION

Gulf Coast NB is a community bank located in Naples, Florida. Gulf Coast NB is owned by Firstbancorp Inc., a two-bank holding company also headquartered in Naples. Since the opening as a denovo institution in August 1995, total assets have grown to \$93 million in March 1997. They offer full banking services at a main office location and two branches. The offices and branches are closely located in northwest Naples. Drive-thru services and automated teller machines are available at each location. Saturday business hours are available at one branch location.

Gulf Coast NB's primary lending focus emphasizes residential real estate, including construction, and small business purpose loans within the community. The bank's loan portfolio totaled \$55 million on March 31, 1997, consisting of 61% residential real estate and construction loans and 34% commercial real estate and general business type loans.

No legal impediments are affecting the bank's ability to meet the credit needs of the assessment area.

DESCRIPTION OF COLLIER COUNTY

Gulf Coast NB's assessment area is Collier County. This area covers a large geographic area and includes 31 census tracts. The county includes two cities (Naples and Everglades City) and an unincorporated area (Immokalee). Naples is centrally located on the western edge of the county while Everglades City is approximately 30 miles south along the coast and Immokalee is 30 miles northeast. Naples is the business center and the focus of population growth. Everglades City is rural and at the edge of the Florida Everglades. Immokalee is an agricultural area. Overall, the Florida Everglades make up most of the county.

The 1990 U.S. Census data used a median income of \$38,978 to divide the tracts by income level. Twelve (39%) of the census tracts are considered upper-income (incomes greater than 120% of median). Thirteen (42%) are considered middle-income with incomes of 80% to 119% of the median. Four (13%) are moderate-income tracts with incomes of 50% to 79% of the median. Two (6%) are low-income tracts with incomes below 50% of the median. Based upon the 1990 Census data, 39% of the families are considered upper-income, 23% as middle-income, 19% as moderate-income, and 17% as low-income. The U.S. Department of Housing and Urban Development has updated the median family income for Collier County to \$48,800 in 1996.

We obtained information about the community's credit needs from four local community groups and organizations. These contacts indicate that affordable housing loans, for both construction and resale, are one of the more pressing credit needs of the community. Other bank regulators made these contacts in connection with CRA examinations of banks in the area. A consortium of local banks has formed to try to meet these affordable housing needs.

Collier County, the City of Naples in particular, is a rapidly growing area with a large population of retirees and part-time seasonal residents. The people moving to the area are wealthier and the influence behind the 25% increase in the median income from 1990 to 1996. This influx of people has resulted in construction and service industries becoming primary businesses in the area. In addition, with the Florida Everglades making up a large portion of the assessment area, tourism and fishing has provided jobs. There are also agricultural jobs in the area.

The business of banking in the City of Naples is very competitive. In addition to larger banks such as Nationsbank, First Union, Northern Trust, and Barnett Bank (to name a few) and other independent banks, two new community banks have opened since Gulf Coast NB began business.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA:

Loan-to-Deposit Ratio

Gulf Coast NB's average quarterly loan-to-deposit ratio from September 30, 1995 thru March 31, 1997 is 48%. This ratio is considered reasonable when compared to similarly situated banks in the assessment area. The average loan-to-deposit ratio for similarly situated banks for the same period is 66%. The bank's ratio is considered reasonable given the bank's age and the fact that they sell all fixed rate loans. We do not account for sold loans in the average loan to deposit ratio calculation. As of June 30, 1997, the bank has sold approximately \$20 million of fixed rate loans year-to-date, with a similar volume in all of 1996.

Lending in Assessment Area

A substantial majority of the bank's loans are within its assessment area. Management reports show that they have made 91% of residential real estate loan originations and current outstanding balances to borrowers in the assessment area.

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

Gulf Coast NB's performance of lending to borrowers and businesses of different income levels is reasonable given the location of the bank and large geographic size of the assessment area. The following table shows the distribution of the 142 residential loans closed by income level for 1996 and year-to-date 1997.

Borrower Income Level	Number of Loans	Dollar Amount (000's)	Percent of Loans	Percent of Dollar Amount
Low	9	\$803	6%	4%
Moderate	25	\$2,037	18%	9%
Middle	33	\$3,358	23%	15%
Upper	75	\$16,337	53%	72%

This number and dollar volume of loans distribution approximates the assessment areas' demographics, with a skew toward the upper-income borrower. This performance is reasonable as all of the moderate-income and one of the low-income census tracts are not close to the bank's offices and that upper-income individuals' loans tend to be for larger dollar amounts. The bank's effort in the local residential mortgage loan consortium is a driving factor in the level of loans to low- and moderate-income borrowers.

The bank has also demonstrated reasonable efforts to lend to businesses of different sizes. Based on management reports, in dollar volume, approximately 70% of all business loans are to businesses with annual revenues less than \$1 million. This is consistent with the bank's market as most of the businesses are considered small.

Geographic Distribution of Loans

The distribution of residential real estate loans among census tracts in the assessment area is reasonable. The bank's assessment area includes two low-income and four moderate-income tracts, or 19% of total tracts in the area. However, only one low-income tract is in proximity to the bank. The other low- and moderate-income tracts are found a good distance away in Everglades City and Immokalee. Given the geographic size of the area and newness of the bank, it is reasonable that not all tracts would be reached.

Census Tract Income Level	Number of Loans	Dollar Amount (000's)	Percent of Loans	Percent of Dollar Amount
Low	0	\$0	0%	0%
Moderate	5	\$344	4%	2%
Middle	74	\$7,850	55%	40%
Upper	56	\$11,391	41%	58%

Response to Complaints

Neither Gulf Coast NB nor our agency has received any complaints regarding the bank's CRA activities.

Compliance with Antidiscrimination Laws and Regulations

We performed a Consumer Compliance examination concurrently with this evaluation. We identified no evidence of discriminatory practices and no violations of antidiscriminatory laws and regulations.