



**LARGE BANK**

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Comptroller of the Currency  
Administrator of National Banks

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Washington, DC 20219

## **Public Disclosure**

January 21, 2003

# **Community Reinvestment Act Performance Evaluation**

**The First National Bank of Scottsboro  
Charter Number: 8963**

**402 South Broad Street  
Scottsboro, Alabama 35768-0130**

**Office of the Comptroller of the Currency**

**Nashville Field Office  
5200 Maryland Way, Suite 104  
Brentwood, Tennessee 37027**

**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, and should not 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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## Overall CRA Rating

**Institution’s CRA Rating:** This institution is rated **Satisfactory**.

The following table indicates the performance level of The First National Bank of Scottsboro (FNB) with respect to the Lending, Investment, and Service Tests:

Performance Levels	The First National Bank of Scottsboro Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	<b>X</b>		
Low Satisfactory			<b>X</b>
Needs to Improve		<b>X</b>	
Substantial Noncompliance			

\* The lending test is weighted more heavily than the investment and service tests when arriving at an overall rating.

The major factors that support this rating include:

- Lending levels in the bank’s assessment area were good and lending was responsive to community’s credit needs.
- A substantial majority of loan originations were in the assessment area.
- The overall distribution of loans by income level was good. The distribution of small loans to businesses in this assessment area was good. The distribution of home purchase Loans by borrower income was good.
- The level of community development lending was excellent and had a positive impact on the lending test rating.
- The bank’s level of investments was lower than expected given the banks capacity.
- FNB's service and delivery systems were reasonably accessible to geographies and individuals of the different income levels in its assessment area.
- Banking services and hours of operation do not vary significantly from one branch to another, in a way that inconveniences certain portions of the assessment area. FNB did not open or close branches in the AA during the evaluation period.

## Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

**Affiliate:** Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

**Aggregate Lending:** The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

**Block Numbering Area (BNA):** A statistical subdivision of a county for grouping and numbering blocks in non-metropolitan counties where local census statistical area committees have not established census tracts. A BNA does not cross county lines.

**Census Tract (CT):** A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

**Community Development:** Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

**Community Reinvestment Act (CRA):** The statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

**Consumer Loan(s):** A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

**Family:** Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also

include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into 'male householder' (a family with a male household and no wife present) or 'female householder' (a family with a female householder and no husband present).

**Full Review:** Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

**Geography:** A census tract or a block numbering area delineated by the United States Bureau of the Census in the most recent decennial census.

**Home Mortgage Disclosure Act (HMDA):** The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applications, the amount of loan requested, and the disposition of the application (e.g., approved, denied, and withdrawn).

**Home Mortgage Loans:** Such loans include home purchase and home improvement loans, as defined in the HMDA regulation. This definition also includes loans for multifamily (five or more families) dwellings, loans for the purchase of manufactured homes and refinancing of home improvement and home purchase loans.

**Household:** Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

**Limited Review:** Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

**Low-Income:** Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

**Market Share:** The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

**Median Family Income (MFI):** The median income determined by the U.S. Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

**Metropolitan Area (MA):** Any primary metropolitan area (PMA), metropolitan area (MA), or consolidated metropolitan area (CMA), as defined by the Office of Management and Budget, with a population of 250,000 or more, and any other area designated as such by the appropriate Federal financial supervisory agency.

**Middle-Income:** Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of a geography

**Moderate-Income:** Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of a geography.

**Multifamily:** Refers to a residential structure that contains five or more units.

**Other Products:** Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

**Owner-Occupied Units:** Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

**Qualified Investment:** A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

**Rated Area:** A rated area is a state or multi-state metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multi-state metropolitan area, the institution will receive a rating for the multi-state metropolitan area.

**Small Loan(s) to Business(es):** A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial loans.

**Small Loan(s) to Farm(s):** A loan included in 'loans to small farms' as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

**Tier One Capital:** The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

**Upper-Income:** Individual income that is more than 120 percent of the area median income, or a median family income that is more than 120 percent, in the case of a geography.

## Description of Institution

The First National Bank of Scottsboro (FNB) is an intrastate bank headquartered in Scottsboro, Alabama. As of December 31, 2002, FNB had total assets of \$ 307 million. FNB is owned by FNS Bancshares, Inc., a one-bank holding company with total assets of \$309 million also headquartered in Scottsboro.

The bank has one subsidiary, Jackson Financial Services, Inc. (JF). JF is a finance company operating out of one office in Scottsboro. FNB owns 100% of JF with an investment of \$2.3 million. JF has total assets of \$4.8 million and for year ended December 31, 2002 had net income of \$266 thousand. The company does not in any way impede the bank's CRA activities. The consumer activities conducted by JF are not included in this evaluation.

FNB operates nine offices in northeastern Alabama and offers a full range of banking products and services. As of December 31, 2002, loans totaled \$ 99 million and deposits totaled \$ 225 million. Loans represented 32% of total assets. Based on the total dollar volume of outstanding loans, the distribution of the loan portfolio was as follows: residential real estate secured (48%); commercial, including commercial real estate (24%); consumer loans (23%); farm loans (3%); and all other loans (2%). FNB is a commercial lender and residential real estate lender. Small farm lending is not a significant product for the bank and there are only 270 farms in the entire assessment area. Tier 1 capital was \$ 35 million as of December 31, 2002. Tier 1 risk based capital to risk weighted assets equals 24.5% and Tier 1 leverage capital equals 11.47%. There were no legal, financial or other factors impeding the bank's ability to help meet the credit needs in its assessment area.

First National Bank received a Satisfactory CRA rating in April 1997.

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

This Performance Evaluation assesses the bank's performance under the Lending, Investment and Service Tests. In evaluating the bank's lending performance, we reviewed their small loans to businesses and residential mortgage loans. With the exception of community development (CD) loans, the evaluation period for the Lending Test is January 1, 1997 through December 31, 2001. For CD loans, the Investment Test and the Services Test, the evaluation period is April 27, 1997 through January 21, 2003.

### Data Integrity

As part of this CRA evaluation, we tested the accuracy of the bank's reported small loans to businesses for 2001, the first year for the bank to report data. We found significant errors in the CRA data and required bank management to correct the information prior to submission. During August 2002, we evaluated the bank's corrected data and found it to be reliable. This evaluation is based on the corrected 2001 data. We sampled small loans to businesses for 2000, 1999, 1998 and 1997 and determined that the lending patterns were consistent with the 2001 data. These sampled loans were not added to the actual 2001 data.

The bank is not a HMDA reporter. For residential mortgage lending, we selected a sample of residential real estate loans from each year within the evaluation period for a total of 119 loans. We made our evaluation based on that sample. It was not practical to accurately differentiate between home purchase, home improvement or home refinance. Therefore, all sampled loans are reported together in tables for home purchase.

CD loans, investments and services submitted by FNB management were verified to ensure that they met the regulatory definition for CD. Some items submitted by FNB for consideration were excluded from this evaluation because they did not meet the definition or purpose of CD.

### Selection of Areas for Full-Scope Review

FNB has only one assessment area therefore it was selected for full-scope review. The bank's delineation of the AA did not reflect any illegal discrimination and did not arbitrarily exclude any low- or moderate-income geographies. Refer to the table in Appendix A for more information about the AA.

### Ratings

The bank's overall rating is based on performance in this AA. In determining the conclusions for the Lending Test we evaluated the lending activity, distribution of loans by borrower income level and lending distribution with the emphasis on borrower income. Analysis of geographic distribution was not performed because there were no low- or moderate- income geographies in the bank's AA. In terms of loan products, small loans to businesses received more weight than residential real estate loans because that data was considered more reliable. FNB did not collect residential loan data. The residential lending data in the report is based on a sample. Because the bank was not a HMDA reporter, there was no market share data for residential loans to evaluate.

## **Fair Lending Review**

An analysis of the most recent public comments, consumer complaint information and small business and small farm lending was performed according to the OCC's risk based fair lending approach. Based on its analysis of 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 April 1997.

## Conclusions with Respect to Performance Tests

### LENDING TEST

#### Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the lending test is rated high satisfactory. Based on full-scope review, the bank's performance is good.

#### Lending Activity

Refer to Tables 1 Lending Volume in Appendix C for the facts and data used to evaluate the bank's lending activity.

Lending levels in the bank's assessment area were good and lending was responsive to community's credit needs. As of June 30, 2002, FNB was ranked first of sixteen FDIC insured institutions in market share of deposits at 18.64% and second in total small business lending market share (15.18%) after Regions Financial Corporation (16.13%). The bank's loan to deposit ratio on September 30, 2002 was 46.06% while the average loan to deposit ratio since the last CRA exam was 55.57%. The Loan to Deposit Ratio peaked on June 30, 2000 at 62.31%. Because FNB was not a reporter for Home Mortgage Disclosure Act (HMDA) purposes, there was no source for residential lending volume data for the bank. In addition, most of the bank's competitors were also not HMDA reporters. Therefore, there was no market information with which to compare.

#### Distribution of Loans by Income Level of the Geography

There were no low- or moderate-income geographies in the AA. Geographic distribution analysis by income level of the geography would not be meaningful.

#### Lending Gap Analysis

We evaluated the lending distribution of this assessment by reviewing numerical data to determine if any unexplained conspicuous gaps existed. No unexplained conspicuous gaps were identified. This had a positive effect on the lending test rating.

#### *Inside/Outside Ratio*

A substantial majority of FNB's loan originations were in this assessment area. Overall, 88.14% of FNB's originations were within this assessment area. By loan product, 80% of loans to small businesses and 93.3% of residential real estate loans were inside this assessment area. This had a positive impact on the lending test rating.

## **Distribution of Loans by Income Level of the Borrower**

### ***Home Mortgage Loans***

Refer to Tables 8, 9, and 10 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The overall distribution of loans by income level was good. The distribution of home purchase loans by borrower income was good. Loans to low-income borrowers were lower than the percentage of families that were low-income. This is considered reasonable because it would be difficult to afford and maintain a home even at the top of the low-income range and 10 percent of families in the AA have income below poverty level. Loans to moderate-income borrowers exceeded the percentage of families that were moderate-income.

### ***Small Loans to Businesses***

Refer to Table 11 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

FNB did not collect information on 187 (83.11%) of the loans made in this assessment area. Banks are not required/allowed to report revenue information if they do not collect it as part of its underwriting process.

The distribution of small loans to businesses was good. FNB's percentage of small loans to small businesses (businesses with annual revenues of \$1 million or less) was lower than the percentage of small businesses in this assessment area. However, of the 38 loans for which revenue was collected 31 (80%) were to small businesses. FNB's market share of small loans to small business exceeded its overall market share of small loans to all businesses. The majority (92.89%) of FNB's small loans to businesses were in amounts of \$100 thousand or less.

### ***Community Development Lending***

Refer to Table 1 Lending Volume in Appendix C for the facts and data used to evaluate the bank's level of community development lending. This table includes all CD loans, including multi-family loans that also qualify as CD loans. In addition, Table 5 includes geographic lending data on all multi-family loans, including those that also qualify as CD loans. Table 5 does not separately list CD loans, however.

FNB's level of community development lending was excellent and had a positive impact on the lending test rating. These CD loans were responsive to the needs of housing for low- and moderate-income individuals. During the evaluation period the bank participated in the Alabama Multi-family Loan Consortium (AMLC). AMLC is a non-profit organization. Forty-five banks in Alabama participate in a loan pool targeted to provide housing for low- and moderate-income individuals. The bank contributed \$1 million that represents approximately 2.5% of capital. To date FNB's share of the pool is \$394 thousand in 18 loans with another \$364 thousand in the pipeline. Through the funding of these loans AMLC has aided in the

construction of approximately 1200 housing units for low- or moderate-income individuals. ALMC has designed the entire state of Alabama as its target area, including the bank's AA.

### ***Product Innovation and Flexibility***

FNB did not offer innovative or flexible loan products targeted to low- or moderate-income individuals. This had a neutral impact on the rating.

## **INVESTMENT TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

The bank's performance under the investment test needs to improve. Based on full-scope reviews, the bank's performance is poor.

Refer to Table 14 in Appendix C for the facts and data used to evaluate the bank's level of qualified investments.

The bank's level of investments was lower than expected given the banks capacity and the availability of community service organizations. The total investments were \$3 thousand in contributions and donations to 16 community service organizations. This represents approximately 0.01% of Tier 1 Capital as of December 31, 2002. While FNB assessment area (AA) had limited opportunities, finding securities, grants and donations that would qualify as community development investments was not impossible.

## **SERVICE TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

The bank's performance under the service test is rated low satisfactory. Based on a full-scope review, FNB's performance was adequate.

### **Retail Banking Services**

Refer to Table 15 in Appendix C for facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

FNB's service and delivery systems are reasonably accessible to geographies and individuals of the different income levels in its assessment area. The bank's offices were distributed throughout the middle-income geographies. There are no low- or moderate-income geographies and only one upper-income geography in the AA.

Banking services and hours of operation do not vary significantly from one branch to another, in a way that inconveniences certain portions of the assessment area. There are no services tailored to the needs of low-or moderate-income individuals.

FNB did not open or close branches in the AA during the evaluation period.

## **Community Development Services**

FNB participated in the Alabama Multi-family Loan Consortium (AMLC). For one year during the evaluation period, a bank officer served as a Chairman of the loan committee in the AMLC. AMLC provides financing for quality affordable housing for low- and moderate-income Alabama households. This had a neutral impact on the service test rating.

## Appendix A: Scope of Examination

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The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the metropolitan and non-metropolitan areas that received comprehensive examination review (designated by the term “full-scope”) and those that received a less comprehensive review (designated by the term “limited-scope”).

<b>Time Period Reviewed</b>	Lending Test (excludes CD Loans): (01/01/97 to 12/31/01) Investment and Service Tests and CD Loans: (04/27/97 to 01/21/03)	
<b>Financial Institution</b>	<b>Products Reviewed</b>	
The First National Bank of Scottsboro Scottsboro, AL	Small loans to businesses Residential real estate loans	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
NONE		
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
FNB Scottsboro AL Non MSA (Jackson County and part of DeKalb County)	“Full-Scope”	

# Appendix B: Market Profiles for Full-Scope Areas

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### Market Profiles for Areas Receiving Full-Scope Reviews

Non Metropolitan Area .....	B-1
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**Non-Metropolitan Area**

Demographic Information for Full-Scope Area: <b>Non-Metropolitan Area</b>						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	15	0	0	93.33	6.67	0
Population by Geography	65,732	0	0	93.50	6.50	0
Owner-Occupied Housing by Geography	19,385	0	0	92.90	7.10	0
Businesses by Geography	2,900	0	0	95.17	4.83	0
Farms by Geography	270	0	0	96.30	3.70	0
Family Distribution by Income Level	19,643	19.45	15.51	22.29	42.75	0
Distribution of Low- and Moderate-Income Families throughout AA Geographies	6,867	0	0	97.17	2.83	0
Median Family Income	\$24,084					
HUD Adjusted Median Family Income for 2002	\$39,300	Median Housing Value 2000				\$72,400
Households Below the Poverty Level 1999	13.6%	Unemployment Rate 2002				5.85%

(\*) The NA category consists of geographies that have not been assigned an income classification.  
 Source: 1990 U.S. Census, and 2002 HUD updated MFI.

FNB has defined its assessment area (AA) as all of Jackson County and part of Dekalb County in Alabama. These counties are contiguous and include all of the bank’s branches. The AA includes fifteen geographies, fourteen (14) middle-income and one (1) upper-income. There are no low- or moderate-income geographies. The AA meets the requirements of the regulation, has not changed since the previous evaluation and does not arbitrarily exclude any low- or moderate-income areas.

Scottsboro is the county seat for Jackson County and is in the northeast corner of the state, located approximately 50 miles east of Huntsville, Alabama. Dekalb County adjoins Jackson County to the south. Manufacturing is the major industry and dominates the local economy with 39 percent of employment. Major employers include: Maples Industries (1300), Beaulieu of America (775), Acordis Industrial Fibers (725), and Shaw Industries (665). These companies produce textiles in forms from fiber and yarn to finished carpets.

According to the US Census Bureau, 14 percent of individuals in the AA were below poverty in 1999. The state of Alabama reports 10.3 percent of families in Jackson and Dekalb Counties were below poverty in 1999 while the US poverty rate was 9.2 percent and the state of Alabama was 12.5 percent. Families below poverty were 70 percent of low-income families and 14 percent of total families. The 2002 average unemployment rate through November was 5.85%. This is above the state rate of 5.68% and below the national rate of 6%.

FNB operates 9 full-service branches in the AA. Competitors include four large regional banks and eleven community banking companies. None of these institutions is similarly situated. Of all reporting FDIC-insured institutions in the AA, FNB ranked 1st in deposits out of 16 banks with a 19% market share. FNB is not a Home Mortgage Disclosure Act reporter so market share data is not available. In 2001, FNB had a 15% market share by count and a 14% market share by dollar and ranked 2nd out of 44 in lenders reporting small loans to businesses in the AA. FNB's lending focus is lending to businesses and consumers.

We made one community contact to an economic development organization. The contact identified no specific credit needs. They stated local financial institutions were actively involved in community development programs and were accommodating local credit needs. Based on our contacts and review of publicly available information, there are some limitations to the opportunities for qualified community development activities in this assessment area. Most of the opportunities are for making loans, making grants/donations and to provide services. We were unable to identify any investment securities that targeted the bank's AA. However, there are bonds that benefit a wider area including the bank's AA.

## Appendix C: Tables of Performance Data

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### Content of Standardized Tables

References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the lending test tables, the following are applicable: purchased loans are treated as originations/purchases and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/assessment area. Tables without data are not included in this PE.

The following is a listing and brief description of the tables:

- Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MA/assessment area. Community development loans to statewide or regional entities or made outside the bank’s assessment area may receive positive CRA consideration.
- Table 2. Geographic Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.
- Table 3. Geographic Distribution of Home Improvement Loans** - See Table 2.
- Table 4. Geographic Distribution of Home Mortgage Refinance Loans** - See Table 2.
- Table 5. Geographic Distribution of Multifamily Loans** - Compares the percentage distribution of the number of multifamily loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of multifamily housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.
- Table 6. Geographic Distribution of Small Loans to Businesses** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small business data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank’s assessment area.

- Table 7. Geographic Distribution of Small Loans to Farms** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 8. Borrower Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MA/assessment area. The table also presents market share information based on the most recent aggregate market data available.
- Table 9. Borrower Distribution of Home Improvement Loans** - See Table 8.
- Table 10. Borrower Distribution of Refinance Loans** - See Table 8.
- Table 11. Borrower Distribution of Small Loans to Businesses** - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.
- Table 12. Borrower Distribution of Small Loans to Farms** - Compares the percentage distribution of the number of small loans (less than or equal to \$500,000) originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm. Market share information is presented based on the most recent aggregate market data available.
- Table 13. Geographic and Borrower Distribution of Consumer Loans (OPTIONAL)** - For geographic distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households within each geography. For borrower distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage of households by income level in each MA/assessment area.

- Table 14. Qualified Investments** - Presents the number and dollar amount of qualified investments made by the bank in each MA/AA. The table separately presents investments made during prior evaluation periods that are still outstanding and investments made during the current evaluation period. Prior-period investments are reflected at their book value as of the end of the evaluation period. Current period investments are reflected at their original investment amount even if that amount is greater than the current book value of the investment. The table also presents the number and dollar amount of unfunded qualified investment commitments. In order to be included, an unfunded commitment must be legally binding and tracked and recorded by the bank's financial reporting system.
- Table 15. Distribution of Branch Delivery System and Branch Openings/Closings** - Compares the percentage distribution of the number of the bank's branches in low-, moderate-, middle-, and upper-income geographies to the percentage of the population within each geography in each MA/AA. The table also presents data on branch openings and closings in each MA/AA.

## Table 1. Lending Volume

LENDING VOLUME		Geography: ALABAMA						Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2001				
MA/Assessment Area:	% of Rated Area Loans (#) in MA/AA	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
<b>Full Review:</b>												
Non-Metropolitan Area	100	NA	NA	225	9,850	99	1,828	1	1,000	325	12,678	0.00

\* Loan Data as of December 31, 2001. Rated area refers to either the state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is from April 27, 1997 to January 21, 2003.

\*\*\* Deposit Data as of June 30, 2002. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

## Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE		Geography: ALABAMA						Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2001							
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography				
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Non-Metropolitan Area	NA	NA	0.00	0.00	0.00	0.00	92.90	98.20	7.10	1.80	NA	NA	NA	NA	NA

\* Based on NA Peer Mortgage Data: Southeast Region.

\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by the number of owner occupied housing units in the area based on 1990 Census information.

## Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES		Geography: ALABAMA						Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2001							
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Non-Metropolitan Area	225	100.00	0.00	0.00	0.00	0.00	95.17	92.89	4.83	7.11	12.13	0.00	0.00	12.77	11.59

\* Based on 2001 Peer Small Business Data: US.

\*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\*\* Source Data - Dun and Bradstreet (2002).

## Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS			Geography: ALABAMA				Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2001									
MA/Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography					
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	Overall	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
Non-Metropolitan Area	99	100	0.00	0.00	0.00	0.00	96.30	97.98	3.70	2.02	35.43	0.00	0.00	36.59	14.29	

\* Based on 2001 Peer Small Business Data: US.

\*\* Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

\*\*\* Source Data - Dun and Bradstreet (2002).

**Table 8. Borrower Distribution of Home Purchase Loans**

Borrower Distribution: HOME PURCHASE		Geography: ALABAMA						Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2001							
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share <sup>*</sup>				
	#	% of Total <sup>**</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>**</sup>	% BANK Loans <sup>****</sup>	% Families <sup>*</sup>	% BANK Loans <sup>****</sup>	% Families <sup>**</sup>	% BANK Loans <sup>****</sup>	Over all	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Non-Metropolitan Area	NA	NA	19.45	10.80	15.51	18.00	22.29	23.40	42.75	35.10	NA	NA	NA	NA	NA

<sup>\*</sup> Based on 2001 Peer Mortgage Data: Southeast Region.

<sup>\*\*</sup> As a percentage of loans with borrower income information available. No information was available for 12.6% of loans originated and purchased by FNB.

<sup>\*\*\*</sup> Percentage of Families is based on the 1990 Census information.

<sup>\*\*\*\*</sup> Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.



## Table 12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS		Geography: ALABAMA			Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2001				
MA/Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share <sup>*</sup>	
	#	% of Total <sup>**</sup>	% of Farms <sup>***</sup>	% BANK Loans <sup>****</sup>	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev \$1 Million or Less
<b>Full Review:</b>									
Non-Metropolitan Area	99	100.00	98.52	7.07	97.98	0.00	2.02	35.43	34.78

<sup>\*</sup> Based on 2001 Peer Small Business Data: US.

<sup>\*\*</sup> Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

<sup>\*\*\*</sup> Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2002).

<sup>\*\*\*\*</sup> Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 92.93% of small loans to farms originated and purchased by FNB.

## Table 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography: ALABAMA				Evaluation Period: APRIL 27, 1997 TO JANUARY 21, 2003			
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
Non-Metropolitan Area	0	0	16	3	16	3	100.00	0	0

\* 'Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.

\*\* 'Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

## Table 15. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS								Geography: ALABAMA				Evaluation Period: APRIL 27, 1997 TO JANUARY 21, 2003					
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings				Population					
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full Review:</b>																	
Non-Metropolitan Area	100.00	9	100	0.00	0.00	100	0.00	0	0	0	0	0	0	0.00	0.00	93.50	6.50