

Public Disclosure

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Community Reinvestment Act Performance Evaluation

**First National Bank & Trust Company
Charter Number: 8953**

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NOTE: 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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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 CRA performance of **First National Bank & Trust Company, Asheboro, NC** prepared by the **Office of the Comptroller of the Currency (OCC)**, the institution's supervisory agency, as of **November 8, 1999**. The agency evaluates performance in assessment area(s), as they are delineated by the institution, rather than individual branches. This assessment area evaluation may include the visits to some, but not necessarily all of the institution's branches. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.*

Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this Performance Evaluation. 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 by another company. A company is under common control with another company if both companies are directly or indirectly controlled by the same company. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Block Numbering Area (BNA) - Statistical subdivisions of counties in which census tracts have not been established. BNAs have been established by the United States Census Bureau in conjunction with state agencies.

Census Tract (CT) - Small, locally defined statistical areas within metropolitan statistical areas. These areas are determined by the United States Census Bureau in an attempt to group homogenous populations. A CT has defined boundaries per ten year census and an average population of 4,000.

Community Development (CD) - Affordable 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.

Full-Scope Review - Performance under the Lending, Investment and Service Tests is analyzed considering fully understood performance context, quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, branch distribution) and qualitative factors (e.g., innovation, complexity).

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 statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants, the amount of loan requested, and the disposition of the application (e.g., approved, denied, withdrawn).

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

Limited-Scope 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, branch distribution).

Low-Income - Income levels that are less than 50% of the median family income.

Median Family Income (MFI) - The median income determined by the United States 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 Statistical Area (MSA) - Area defined by the Director of the United States Office of Management and Budget. MSAs consist of one or more counties, including large population centers and nearby communities that have a high degree of interaction.

Middle-Income - Income levels that are at least 80% and less than 120% of the MFI.

Moderate-Income - Income levels that are at least 50% and less than 80% of the MFI.

Small Business Loans - Loans with original amounts of \$1 million or less that are: (1) secured by nonfarm nonresidential properties; or (2) commercial and industrial loans to U.S. addresses.

Small Farm Loans - Loans with original amounts of \$500 thousand or less that are: (1) secured by farmland; or (2) to finance agricultural production and other loans to farmers.

Tier 1 Capital - The total of common shareholders' equity, perpetual preferred shareholders' equity with noncumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

Upper-Income - Income levels that are 120% or more of the MFI.

Overall CRA Rating

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

The following table indicates the performance level of **First National Bank & Trust Company** with respect to the Lending, Investment, and Service Tests:

Performance Levels	First National Bank & Trust Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding	X		
High Satisfactory			
Low Satisfactory		X	X
Needs to Improve			
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:

- ▶ FNB&T's responsiveness in meeting assessment area credit needs is good. Distribution of loans to borrowers of different incomes and businesses of different sizes is excellent. Geographic distribution of loans throughout its assessment area is excellent.
- ▶ FNB&T's level of qualified investments is adequate given the investment opportunities in their assessment area. During this evaluation period, the bank made \$28 thousand in grants and donations to qualified community development organizations.
- ▶ FNB&T's delivery systems are reasonably accessible to geographies and individuals of different income levels in its assessment area. Their record of opening and closing branches has not had a negative impact on the delivery of retail services in its assessment area, particularly moderate income areas. The bank's level of community development services is adequate based on the number of employees participating and the number of organizations benefitting from these services.

Description of Institution

First National Bank & Trust Company (FNB&T) is a \$385 million institution headquartered in Asheboro, North Carolina. FNB&T is an intrastate bank which is 100% owned by First National Bank Corp. First National Bank Corp. is a one bank holding company. FNB&T operates twelve offices in Randolph, Montgomery and Chatham counties in North Carolina. The bank has a trust and investment services division that offers traditional trust and estate settlement services, investment management programs, brokerage services and tax-deferred annuities. The bank does not have any subsidiaries or affiliated companies.

The bank offers a wide range of credit products and services. As of September 30, 1999, FNB&T had \$36 million in Tier 1 Capital which represents 9.35% of total assets. FNB&T's net loans represent 65% of their total assets. The bank's \$250 million loan portfolio consists of 47% commercial loans, 39% 1-4 family residential real estate, 7% consumer, and 7% other loans. As evidenced by its loan mix, the bank's primary lending focus is commercial loans followed closely by 1-4 family residential loans.

There are no known financial, legal, or other impediments that would impair the bank's ability to help meet the credit needs in its AA.

Scope of the Evaluation

Evaluation Period/Products Evaluated

This examination covers FNB&T's performance from January 1, 1997 to December 31, 1998. Under the lending test, we reviewed residential mortgage loans subject to the HMDA reporting requirements, small business loans, and community development loans. We also reviewed the bank's qualified community development investments and services made from January 1, 1997 to December 31, 1998 under the investment and service tests. The bank received a Satisfactory rating at their last CRA examination dated December 10, 1997.

Data Integrity

We verified the accuracy of the bank's 1998 HMDA, small business and small farm loan data. We also reviewed the bank's community development loans, services and investments. We identified significant errors in their small business and farm data. As a result, the bank was required to review the data and refile their 1998 CRA LAR with the correct information. We reviewed the bank's corrected data and found no errors. Accurate data was used in our analysis.

Selection of Areas for Full-Scope Review

The bank has three assessment areas (AAs). Randolph County is the largest AA and is located in the Greensboro, High Point, Winston Salem MSA. The bank has 95% of its deposits and 87% of its loans in this AA. The bank has a small presence in the Chatham and non-MSA AAs. These two AAs represent 5% of the bank's deposit base. The bank's AA in Chatham County, part of the Raleigh-Durham MSA, includes six census tracts. Their non-MSA AA in Montgomery and Moore Counties include five BNAs. The delineation of the AAs did not reflect any illegal discrimination and did not arbitrarily exclude low or moderate income geographies.

The Randolph County AA received a full-scope review. The bank's overall ratings are primarily based on the results of their performance in this AA. A limited scope review was performed on the Chatham County and non-MSA AAs. Refer to the table in Appendix A for more detailed information.

Ratings

The bank's overall rating is based primarily on their performance in the Randolph County AA. Home mortgage and small business loans were the primary areas of focus in assessing the bank's lending performance. Due to the bank's business strategy and the volume of commercial loans on the bank's books (47% of total loans), more weight was given to small business lending in arriving at the bank's overall lending performance. In terms of HMDA products, more consideration was given to home purchase and home improvement loans as affordable and decent housing were identified as credit needs in the bank's AA. There are no low or upper income census tracts in the bank's AA. Therefore, more consideration was given to the distribution of loans by income level of the borrowers than by income level of the geography.

Other

Two community groups were contacted during this review. One group was a state-wide entity that provides affordable housing for low and moderate income people. The other group was a state-wide organization that acts as an intermediary for CDCs throughout the state. The primary credit needs identified were affordable housing (both single and multi-family), home improvement loans, and small business loans (start-up and working capital financing).

In Randolph County, there are some community development lending and investment opportunities. We did not identify any tax exempt bonds for low income housing or specialized small business investment corporations in the bank's AA. Also, we did not identify any local Community Development Corporations or nonprofit organizations whose primary mission is to revitalize moderate income geographies by making small business loans. We identified six state-wide organizations which provide affordable housing or economic development opportunities to low and moderate income individuals or geographies throughout the state. FNB&T is a lending partner in one of these organizations, the Community Investment Corporation of North Carolina. The Community Investment Corporation of North Carolina is a lending consortium which provides financing on first mortgage real estate loans for affordable multi-family housing. Also, the bank does have opportunity to make grants and donations to several organizations whose primary mission meets the definition of a qualified community development organization in accordance with the regulation. Furthermore, the bank has opportunity to provide financial services to community development groups and organizations in its AA. These organizations include nonprofit housing organizations, community service organizations, and credit counseling agencies.

Fair Lending Review

We performed a comparative file review of home improvement loans made between September 30, 1998 and September 30, 1999. Our review focused on determining whether race was a factor in the bank's underwriting decisions. Based on our sample, no violations of the substantive provisions of antidiscrimination laws and regulations were identified.

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 "Outstanding". Based on a full-scope review, the bank's performance in the Randolph County MSA is excellent.

Lending Activity

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

FNB&T has demonstrated a good responsiveness to meeting the credit needs identified within its assessment area. FNB&T is ranked number one among financial institutions in deposit market share. The bank is ranked number one in total HMDA lending and number two in small business lending in its AA. As of June 30, 1998, the bank had a 25% deposit market share in Randolph County. According to 1998 aggregate small business and HMDA data, the bank's market share for small business and HMDA loans were 19% and 11%, respectively.

During this evaluation period, the bank generated 1,105 HMDA loans totaling \$72 million. In addition, the bank generated 656 small business loans totaling \$66 million and 23 small farm loans totaling \$914 thousand. Approximately 91% of the bank's HMDA loans and 93% of their small business loans were made within its assessment area. No conspicuous gaps in the bank's lending activities were identified during this examination.

Distribution of Loans by Income Level of the Geography

The overall geographic distribution of HMDA and small business loans throughout the bank's AA is good.

Home Mortgage Loans

Refer to Tables 2, 3 and 4 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations.

The bank's geographic distribution of home mortgage loans throughout the Randolph County AA is excellent. There are no low income geographies. The bank's distribution of home purchase loans in moderate income geographies is excellent. Home purchase loans made in moderate income geographies exceeded the percentage of owner-occupied units in these geographies. The bank's market share of home purchase loans made in moderate income geographies significantly exceeded its overall market share.

FNB&T's home improvement lending in moderate income geographies is excellent. Home improvement lending in moderate income geographies significantly exceeded the percentage of owner-occupied units in these geographies. The bank's market share of home improvement loans exceeded its overall market share.

The bank's refinance lending in moderate income geographies is good. The percentage of refinance loans made in moderate income geographies is near the percentage of owner-occupied units in these geographies. Also, the bank's market share of refinance loans is near its overall market share.

Small Business Loans

Refer to Table 5 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's small business loan originations.

The bank's geographic distribution of small business loans throughout the Randolph County AA is excellent. In moderate income census tracts, their distribution of loans significantly exceeds the percentage of businesses located in those geographies. The bank's small business market share in moderate income geographies is near its overall market share.

Small Farm Loans

Refer to Table 6 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's small farm loan originations.

FNB&T made 23 small farm loans totaling \$914 thousand during this evaluation period. Small farm loan data was not material in number or dollar amount and was not analyzed. Tables were

provided to show the number of small farms loans made in the bank's AA.

Distribution of Loans by Income Level of the Borrower

The overall distribution of FNB&T's HMDA loans by borrower income level is excellent. Their distribution of loans to business of different sizes is also excellent.

Home Mortgage Loans

Refer to Tables 7, 8 and 9 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations.

The bank's distribution of loans by income level of the borrower in the Randolph County AA is excellent. The distribution of home purchase loans is excellent. The distribution of home purchase loans to low income borrowers is near the percentage of low income families in the AA. The bank's low income market share for home purchase loans exceeded its overall market share. Home purchase loans to moderate income borrowers significantly exceeded the percentage of moderate income families. The bank's moderate income market share for home purchase loans equaled its overall market share.

The bank's distribution of home improvement loans to low income borrowers is excellent. The distribution of loans to low income borrowers significantly exceeds the percentage of low income families in the AA. The bank's low income market share for home improvement loans significantly exceeds their overall market share. Their distribution of loans significantly exceeds the percentage of moderate income families in the AA. The bank's moderate income market share significantly exceeds its overall market share.

FNB&T's refinance loans to low and moderate income borrowers is adequate. The bank's distribution of loans to low income borrowers is somewhat lower than the percentage of low income families in the AA. The bank's market share of refinance loans to low income borrowers significantly exceeded their overall market share. The bank's distribution of loans is near the percentage of families in the AA that are moderate income. Their market share of refinance loans to moderate income borrowers equals their overall market share.

Small Business Loans

Refer to Table 10 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's small business loan originations.

FNB&T's performance in making loans to small businesses (businesses with annual revenues of \$1 million or less) is good. The bank's percentage of loans to small businesses significantly exceeded the aggregate market's and was near the percentage of businesses in the AA that are considered small. Also, the bank's market share of lending to small businesses exceeded its overall market share of loans to all businesses. A majority of the bank's small business loans were for amounts less than \$100 thousand.

Small Farm Loans

Refer to Table 11 in the Appendix C for the facts and data used to evaluate the borrower distribution of the bank's small business loan originations.

The dollar amount and number of small farm loans were not significant; therefore, an analysis was not performed.

Community Development Lending

Refer to Table 1 in Appendix C for the facts and data used to evaluate the bank's level of community development lending.

FNB&T's level of community development lending is adequate based on the available lending opportunities within the bank's AA. FNB&T purchased a \$75 thousand participation in a \$2 million loan. The loan proceeds were used to construct a multi-family housing complex containing 72 units. The project is supported by low income housing tax credits. This loan is a qualified community development loan because it provides affordable housing for low and moderate income individuals.

Product Innovation and Flexibility

FNB&T has one flexible mortgage loan program, the Community Revitalization Assistance Program. This product was developed to help address the need for more affordable home loans for low and moderate income individuals residing in the bank's AA. The program provides more flexible underwriting guidelines than the bank's traditional mortgage loan program. This mortgage product is available to individuals with income of less than 80% of the MFI of the MSA or non-MSA AA. This program allows a loan to value of 90%, debt to income ratio of 42% and an origination fee of $\frac{1}{2}$ of 1%. FNB&T's traditional mortgage loan program requires a loan to value of 80%, debt to income of 40% and an origination fee of 1%. During this evaluation period, the bank originated 3 loans totaling \$103 thousand under this program.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Lending Test in the Chatham county and non-MSA AAs is inconsistent with the bank's overall "Outstanding" performance under the Lending Test. In both AAs, the bank's geographic distribution and distribution of loans by income level of the borrower is weaker than the bank's overall performance; however, it did not change the overall Lending Test rating. Refer to the Tables 1 through 11 in Appendix C for the facts and data that support these conclusions.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Investment Test is rated "Low Satisfactory". Based on a full-scope review, the bank's performance in the Randolph county MSA is adequate.

Refer to Table 12 in Appendix C for the facts and data used to evaluate the bank's level of qualified investments.

The bank's level of qualified investments is adequate given the investment opportunities in the bank's AA. During this evaluation period, the bank provided \$28 thousand in grants and donations to 11 community development organizations. The majority of the funds were grants to the United Way. Based on dollars allocated, the majority of the agencies supported by United Way meet the definition of community development.

Conclusions for Area Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Investment Test in the Chatham County MSA and non-MSA AAs is not inconsistent with the bank's overall "Low Satisfactory" performance under the Investment Test.

Refer to the Tables 12 in Appendix C for the facts and data that support these conclusions.

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, the bank's performance in the Randolph County MSA is adequate.

Retail Banking Services

Refer to Table 13 in Appendix C for the facts and data used to evaluate the distribution of the bank's branch and ATM delivery system.

FNB&T's delivery systems are reasonably accessible to geographies and individuals of different income levels in its assessment area. The bank has 10 banking offices and 9 deposit-taking ATMs throughout the Randolph County AA. FNB&T also has a cash dispensing ATM located at the Randolph Hospital; a middle income census tract. There are no low income geographies in the bank's AA. In moderate income geographies, the percentage of branches in these geographies is near the percentage of the population residing in these geographies.

The bank offers a full range of services at each branch throughout its AA. The banking services and hours of operation do not vary significantly from one branch to another, but are tailored to meet the needs of the location in which the banking office operates. FNB&T has two banking offices which are opened on Saturday until noon. Both of these offices are located in middle income geographies.

The bank's record of opening and closing branches has not had a negative impact on the delivery of retail services to the AA, particularly to moderate income areas. No branches were closed during this evaluation period. FNB&T opened a branch in a middle income census tract in August 1999.

Community Development Services

The bank's level of community development services is adequate based on the number of employees participating and the number of organizations benefitting from these services. During this evaluation period, six bank representatives provided financial services to five qualified community organizations. Following is a description of the community development services provided in the bank's AA:

Asheboro Day Care - provides quality low cost day care services to low and moderate income families or families where the care giver is a full time enrolled college student. A bank representative serves on the Board of Directors of this organization.

MERCE Clinic - provides low cost or no cost medical and pharmaceutical needs to low and moderate income families. A bank representative serves on the Board of Directors of this organization.

Christian United Outreach Center - provides monetary and essentials (i.e. food, clothing, shelter) to needy individuals and families. A bank employee served on the Board of Directors and another employee serves as Treasurer for this organization.

Regional Consolidated Services - provides services to low and moderate income families including home weatherization, home care for the elderly and disabled and welfare to work assistance. A bank representative serves on the Board of Directors.

United Way - funds agencies who provide services to low and moderate income individuals and families. Based on the dollars allocated, the majority of the agencies supported by the local United Way meet the definition of community development. Three representatives from the bank serve on the fund-raising committee of this organization.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Service Test in the Chatham County MSA and non-MSA AAs is not inconsistent with the bank's overall "Low Satisfactory" performance under the Service Test. Refer to Table 13 in Appendix C for the facts and data that support these conclusions.

Appendix A: Scope of Examination

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 nonmetropolitan 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").

Time Period Reviewed	Lending Test: January 1, 1997 to December 31, 1998	Investment Test: January 1, 1997 to December 31, 1998
	Service Test: January 1, 1997 to December 31, 1998	
Financial Institution	Products Reviewed	
First National Bank & Trust Asheboro, North Carolina	HMDA and small business loans Community Development loans	
Affiliate(s)	Affiliate Relationship	Products Reviewed
N/A	N/A	N/A
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Randolph County MSA # 3120 Chatham County MSA # 6640 Non-MSA AAs	Full-Scope Limited-Scope Limited Scope	

Appendix B: Market Profiles for Full-Scope Areas

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Market Profiles for Areas Receiving Full-Scope Reviews	
Randolph County MSA # 3120.....	20-22

Randolph County MSA # 3120

Demographic Information for Full-Scope Area: Randolph County MSA # 3120						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA % of #
Geographies (Census Tracts/BNAs)	24	0	13%	87%	0	0
Population by Geography	106,546	0	10%	90%	0	0
Owner-Occupied Housing by Geography	43,634	0	10%	90%	0	0
Businesses by Geography	4,348	0	17%	83%	0	0
Farms by Geography	174	0	18%	82%	0	0
Family Distribution by Income Level	31,560	20%	22%	29%	29%	0
Distribution of Low- and Moderate-Income Families throughout AA Geographies	13,343	0	13%	87%	0	0
Median Family Income		Median Housing Value				=58,848
HUD Adjusted Median Family Income for 1999	= \$34,869	Unemployment Rate September 1999				= 2.7%
Households Below the Poverty Level	= 10.1%					

Source: 1990 U.S. Census and 1999 HUD updated MFI.

FNB&T assessment area includes all of Randolph County, a portion of the Greensboro/Winston-Salem/High Point, NC Metropolitan MSA #3120. This MSA includes the following eight counties: Alamance, Davidson, Davie, Forsyth, Guilford, Randolph, Stokes and Yadkin. According to the 1990 U. S. Census, Randolph County is the largest of the eight counties. There are 24 census tracts in Randolph County. Of these, 13% are moderate-income and 87% are middle-income census tracts. There are no low or upper income census tracts in the county. Banking competition is provided by 10 state banks which are headquartered in Randolph County and two branches of a multi-state regional company.

As of June 30, 1998, FNB&T ranked first in deposit market share in Randolph County. FNB&T operates 10 full service branches and 9 ATMs in Randolph County. Ten percent of the branches are located in moderate income census tracts and 90% are located in middle income census tracts. Eleven percent of the bank's ATMs are located in moderate income census tracts and 89% are located in middle income census tracts.

Randolph County is located 30 miles from Greensboro and Winston-Salem and 90 miles from Charlotte and Raleigh. Asheboro is the county seat for Randolph County. Randolph County is home of the North Carolina Zoological Park, a natural habitat facility covering 1,400 acres. During 1994 and 1995, over 950 thousand visitors viewed this attraction. While tourism plays a significant part in the county's economic base, manufacturing (in general) comprises the largest percentage of the workforce. Major manufacturers in Randolph county include Klausner Furniture; Energizer Battery; Technimark, Inc.; Ramtex, Sara Lee Knits; Acme McCrary Corporation; US Furniture Industries; Arrow International; Goodyear Tire & Rubber; and the Timken Company. As of September 1999, the unemployment rate in Randolph County was 2.7% which is slightly above the 8-county MSA rate of 2.3% and the state's rate of 2.4%. Approximately 21,000 of the residents in Randolph county travel each day to other counties to work.

During this examination, we contacted representatives from two statewide community development organizations.

Appendix C: Tables of Performance Data

Content of Standardized Tables

The tables cover the entire CRA evaluation period. 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; market rank is based on the number of loans made by the bank as compared to all other lenders in the MSA/assessment area; and market share is the number of loans originated by the bank as a percentage of the aggregate number of reportable loans originated by all lenders in the MSA/assessment area. The following is a listing and brief description of the tables included in each set:

- Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated by the bank over the evaluation period by MSA/assessment area.
- Table 2. Geographic Distribution of HMDA Home Purchase Loan Originations** - Compares the percentage distribution of the number of loans originated 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 rank and market share information based on the most recent aggregate market data available.
- Table 3. Geographic Distribution of HMDA Home Improvement Loan Originations** - See Table 2.
- Table 4. Geographic Distribution of HMDA Refinance Loan Originations** - See Table 2.
- Table 5. Geographic Distribution of Small Business Loan Originations** - The percentage distribution of the number of small loans (<\$1 million) to businesses originated 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 rank and market share information based on the most recent aggregate market data available.

- Table 6. Geographic Distribution of Small Farm Loan Originations** - The percentage distribution of the number of small loans (<\$500,000) to farms originated 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 rank and market share information based on the most recent aggregate market data available.
- Table 7. Borrower Distribution of HMDA Home Purchase Loan Originations** - Compares the percentage distribution of the number of loans originated by the bank to low-, moderate-, middle- and upper-income borrowers to the percentage distribution of families by income level in each MSA/assessment area. The table also presents market rank and market share information based on the most recent aggregate market data available.
- Table 8. Borrower Distribution of HMDA Home Improvement Loan Originations** - See Table 7.
- Table 9. Borrower Distribution of HMDA Refinance Loan Originations** - See Table 7.
- Table 10. Borrower Distribution of Small Business Loan Originations** - Compares the percentage distribution of the number of small loans (<\$1 million) originated 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. The table also presents the percentage distribution of the number of loans originated 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 11. Borrower Distribution of Small Farm Loan Originations** - Compares the percentage distribution of the number of small loans (<\$500 thousand) originated 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. The table also presents the percentage distribution of the number of loans originated 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 12. Qualified Investments** - Presents the number and dollar amount of qualified investments made by the bank in each MSA/assessment area.

Table 13. Distribution of Branch and ATM Delivery System - Compares the percentage distribution of the number of the bank's retail branches and ATMs in low-, moderate-, middle- and upper-income geographies to the percentage of the population within each geography.

Table 1. Lending Volume

LENDING VOLUME													State: North Carolina		Evaluation Period: January 1, 1997 to December 31, 1998	
MSA/Assessment Area:	% of Total Bank Deposits in Rated Area	Home Mortgage		Small Business		Small Farm		Community Development		Total Reported Loans		% of Total Reported Bank Loans in Rated Area				
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)					
Full-Scope:																
Randolph County - MSA#3120	95%	1,105	\$72,391	656	\$66,444	23	\$914	1	\$75	1,785	\$139,824	87.00%				
Limited-Scope:																
Chatham County - MSA#6640	2%	39	\$2,747	37	\$3,077	9	\$911	0	\$0	85	\$6,735	4.00%				
Non-metropolitan	3%	123	\$5,650	54	\$6,275	12	\$721	0	\$0	189	\$12,646	9.00%				

Table 2. Geographic Distribution of Home Purchase Loan Originations

Geographic Distribution: HOME PURCHASE																	State: North Carolina		Evaluation Period: January 1, 1997 to December 31, 1998	
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Purchase Loans					
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total				
Full-Scope:																				
Randolph County - MSA#3120	0%	0%	10%	11%	90%	89%	0%	0%	4	5	0	9	5	0	300	86%				
Limited-Scope:																				
Chatham County - MSA#6640	0%	0%	90%	82%	10%	18%	0%	0%	16	2	0	2	5	0	17	5%				
Non-metropolitan	0%	0%	0%	0%	74%	87%	26%	13%	10	3	0	0	4	1	30	9%				

(*) Based on 1998 Aggregate HMDA Data only.

Table 3. Geographic Distribution of Home Improvement Loan Originations

Geographic Distribution: HOME IMPROVEMENT		State: North Carolina				Evaluation Period: January 1, 1997 to December 31, 1998											
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Improvement Loans		
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total	
Full-Scope:																	
Randolph County - MSA#3120	0%	0%	10%	14%	90%	86%	0%	0%	1	22	0	24	21	0	183	91%	
Limited-Scope:																	
Chatham County - MSA#6640	0%	0%	90%	100%	10%	0%	0%	0%	12	2	0	2	0	0	3	1%	
Non-metropolitan Areas	0%	0%	0%	0%	74%	100%	26%	0%	4	4	0	0	5	0	16	8%	

(*) Based on 1998 Aggregate HMDA Data only.

Table 4. Geographic Distribution of Home Mortgage Refinance Loan Originations

Geographic Distribution: HOME MORTGAGE REFINANCE		State: North Carolina				Evaluation Period: January 1, 1997 to December 31, 1998											
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Mortgage Refinance Loans		
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total	
Full-Scope:																	
Randolph County - MSA#3120	0%	0%	10%	8%	90%	92%	0%	0%	1	13	0	12	14	0	621	86%	
Limited-Scope:																	
Chatham County - MSA#6640	0%	0%	90%	100%	10%	0%	0%	0%	14	2	0	2	0	0	19	3%	
Non-metropolitan Areas	0%	0%	0%	0%	74%	92%	26%	8%	2	11	0	0	16	2	77	11%	

(*) Based on 1998 Aggregate HMDA Data only.

Table 5. Geographic Distribution of Small Business Loan Originations

Geographic Distribution: SMALL BUSINESS		State: North Carolina				Evaluation Period: January 1, 1997 to December 31, 1998										
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Small Business Loans	
	% of Businesses	% BANK Loans	% of Businesses	% BANK Loans	% of Businesses	% BANK Loans	% of Businesses	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total
Full-Scope:																
Randolph County-MSA #3120	0%	0%	10%	13%	90%	87%	0%	0%	2	19	0	18	19	0	656	88%
Limited-Scope:																
Chatham County- MSA#6640	0%	0%	99%	95%	1%	5%	0%	0%	9	4	0	6	2	0	37	5%
Non-metropolitan Areas	0%	0%	0%	0%	72%	94%	28%	6%	14	1	0	0	1	< 1	54	7%

(*) Based on 1998 Aggregate Small Business Data only.

Table 6. Geographic Distribution of Small Farm Loan Originations

Geographic Distribution: SMALL FARM		State: North Carolina				Evaluation Period: January 1, 1997 to December 31, 1998										
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Small Farm Loans	
	% of Farms	% BANK Loans	% of Farms	% BANK Loans	% of Farms	% BANK Loans	% of Farms	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total
Full-Scope:																
Randolph County - MSA#3120	0%	0%	18%	17%	82%	83%	0%	0%	6	7	0	18	5	0	23	51%
Limited-Scope:																
Chatham County - MSA#6640	0%	0%	96%	67%	4%	33%	0%	0%	19	0	0	0	0	0	9	20%
Nonmetropolitan Areas	0%	0%	0%	0%	52%	62%	48%	38%	4	2	0	0	1	2	13	29%

(*) Based on 1998 Aggregate Small Farm Data only.

Table 7. Borrower Distribution of Home Purchase Loan Originations

Borrower Distribution: HMDA HOME PURCHASE		State: North Carolina		Evaluation Period: January 1, 1997 to December 31, 1998													
MSA/Assessment Area:	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall Market Rank**	Market Share by Borrower Income**					Total Home Purchase Loans		
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upp	#	% of Total	
Full-Scope:																	
Randolph County - MSA#3120	20%	16%	22%	26%	29%	27%	29%	31%	4	6	8	6	5	7	300	86%	
Limited-Scope:																	
Chatham County - MSA#6640	27%	12%	26%	47%	29%	29%	18%	12%	16	2	2	3	2	0	17	5%	
Nonmetropolitan Areas	15%	10%	17%	17%	25%	30%	43%	43%	10	3	4	6	2	2	30	9%	

(*) As a percentage of loans with borrower income information available. No information was available for 2% of loans originated by FNB&T.

(**) Based on 1998 Aggregate HMDA Data only.

Table 8. Borrower Distribution of Home Improvement Loan Originations

Borrower Distribution: HOME IMPROVEMENT		State: North Carolina		Evaluation Period: January 1, 1997 to December 31, 1998													
MSA/Assessment Area:	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall Market Rank**	Market Share by Borrower Income**					Total Home Improvement Loans		
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upp	#	% of Total	
Full-Scope:																	
Randolph County - MSA#3120	20%	29%	22%	27%	29%	29%	29%	15%	1	22	40	27	19	11	183	91%	
Limited-Scope:																	
Chatham County - MSA #6640	27%	67%	26%	0%	29%	33%	18%	0%	12	2	9	0	0	0	3	1%	
Nonmetropolitan Areas	15%	19%	17%	37%	25%	25%	43%	19%	4	4	0	15	0	0	16	8%	

(*) As a percentage of loans with borrower income information available. No information was available for 4% of loans originated by FNB&T.

(**) Based on 1998 Aggregate HMDA Data only.

Table 9. Borrower Distribution of Home Mortgage Refinance Loan Originations

Borrower Distribution: HOME MORTGAGE REFINANCE																
State: North Carolina				Evaluation Period: January 1, 1997 to December 31, 1998												
MSA/Assessment Area:	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall Market Rank**	Market Share by Borrower Income**					Total Home Mortgage Refinance Loans	
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upp	#	% of Total
Full-Scope:																
Randolph County - MSA #3120	20%	10%	22%	19%	29%	32%	29%	39%	1	13	19	13	15	16	621	86%
Limited-Scope:																
Chatham County - MSA#6640	27%	11%	26%	28%	29%	33%	18%	28%	14	2	1	1	2	3	19	3%
Nonmetropolitan Areas	15%	7%	17%	18%	25%	26%	43%	49%	2	11	3	14	11	13	77	11%

(*) As a percentage of loans with borrower income information available. No information was available for 5% of loans originated by FNB&T.

(**) Based on 1998 Aggregate HMDA Data only.

Table 10. Borrower Distribution of Small Business Loan Originations

Borrower Distribution: SMALL BUSINESS State: North Carolina Evaluation Period: January 1, 1997 to December 31, 1998											
MSA/Assessment Area:	Businesses with Revenues of \$1 million or less			Loans by Original Amount Regardless of Business Size			Market Share****		Total Small Business Loans		
	% of Businesses*	% BANK Loans**	% Market Loans***	\$100,000 or Less	> \$100,000 to \$250,000	> \$250,000 to \$1,000,000	All	Rev \$1 million or less	#	% of Total	Avg Loan Size
Full-Scope:											
Randolph County - MSA#3120	76%	74%	58%	73%	16%	11%	19	23	656	88%	\$101
Limited-Scope:											
Chatham County - MSA#6640	76%	84%	67%	87%	5%	8%	4	5	37	5%	\$83
Nonmetropolitan Areas	74%	61%	77%	69%	24%	7%	1	1	54	7%	\$116

(*) As a percentage of businesses with known revenues.

(**) As a percentage of loans with revenue information available. No information was available for 1% of loans originated by FNB&T.

(***) The market consists of all other Small Business reporters in FNB&T's assessment area and is based on 1998 Aggregate Small Business Data only.

(****) Based on 1998 Aggregate Small Business Data only.

Table 11. Borrower Distribution of Small Farm Loan Originations

Borrower Distribution: SMALL FARM											
State: North Carolina			Evaluation Period: January 1, 1997 to December 31, 1998								
MSA/Assessment Area:	Farms with Revenues of \$1 million or less			Loans by Original Amount Regardless of Farm Size			Market Share****		Total Small Farm Loans		
	% of Farms*	% BANK Loans**	% Market Loans***	\$100,000 or Less	> \$100,000 to \$250,000	> \$250,000 to \$500,000	All	Rev \$1 million or less	#	% of Total	Avg Loan Size
Full-Scope:											
Randolph County - MSA#3120	94%	100%	92%	96%	4%	0%	7	8	23	51%	\$40
Limited-Scope:											
Chatham County - MSA#6640	94%	100%	81%	67%	22%	11%	0	0	9	20%	\$101
Nonmetropolitan Areas	88%	100%	95%	85%	8%	7%	2	2	13	29%	\$55

(*) As a percentage of farms with known revenues.

(**) As a percentage of loans with revenue information available. No information was available for 0% of loans originated by FNB&T.

(***) The market consists of all other Small Farm reporters in FNB&T's assessment area and is based on 1998 Aggregate Small Farm Data only.

(****) Based on 1998 Aggregate Small Farm Data only.

Table 12. Qualified Investments

QUALIFIED INVESTMENTS State: North Carolina Evaluation Period: January 1, 1997 to November 15, 1999									
MSA/Assessment Areas:	Prior Period Investments*			Current Period Investments			Total Investments		
	#	\$ (000's)	%	#	\$ (000's)	%	#	\$ (000's)	% Total
Full-Scope:									
Randolph County - MSA#3120	0	0	\$0	11	28	100%	11	\$28	78%
Limited-Scope:									
Chatham County - MSA#6640	0	0	\$0	1	2	100%	1	\$2	5%
Nonmetropolitan Areas	0	0	\$0	2	6	100%	2	\$6	17%

(*) Prior Period Investments means investments made in a previous evaluation period that remain outstanding.
 (**) Percentage of the dollars invested in that MSA/Assessment Area that are prior period investments or current period investments.

Table 13. Distribution of Branch and ATM Delivery Systems

DISTRIBUTION OF BRANCH AND ATM DELIVERY SYSTEM State: North Carolina Evaluation Period: January 1, 1997 to November 15, 1999																	
MSA/Assessment Area:	Deposits	Branches						ATMs						Population			
	% of Total BANK Deposits	# of BANK Branches	% of Total BANK Branches	Location of Branches by Income of Geographies				# of BANK ATMs	% of Total BANK ATMs	Location of ATMs by Income of Geographies				% of the Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full-Scope:																	
Randolph County - MSA #3120	95%	10	84%	0%	10%	90%	0%	9	82%	0%	11%	89%	0%	0%	13%	87%	0%
Limited-Scope:																	
Chatham County - MSA#6640	2%	1	8%	0%	100%	0%	0%	1	9%	0%	100%	0%	0%	0%	83%	17%	0%

Nonmetropolitan Areas	3%	1	8%	0%	0%	100%	0%	1	9%	0%	0%	100%	0%	0%	0%	80%	20%
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