



PUBLIC DISCLOSURE

November 12, 2013

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

First National Bank
Charter Number 6813

27 Main Avenue NW
Bagley, MN 56621

Office of the Comptroller of the Currency
Campbell Mithun Tower
222 South Ninth Street Suite 800
Minneapolis, MN 55402-3393

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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

The major factors supporting this rating include:

- The bank originates a substantial majority of its loans within its assessment areas.
- The distribution of loans reflects excellent penetration among borrowers of different income levels and reasonable penetration among businesses of different sizes.
- Geographic dispersion of loans throughout the assessment area is reasonable.
- The bank's loan-to-deposit (LTD) ratio is reasonable given the bank's size and the credit needs of the assessment areas (AA).

SCOPE OF EXAMINATION

We evaluated First National Bank's (FNB) Community Reinvestment Act (CRA) performance using small bank examination procedures. We assessed the bank's performance covering the period from July 21, 2008, through June 30, 2013. We determined the bank's primary loan products based on a loan origination report for the period of January 1, 2011, to June 30, 2013. The following table depicts the volume of loans originated and purchased during the evaluation period:

| Loan Originations and Purchases | | |
|----------------------------------------|--------------------|---------------------|
| Loan Type | Volume by # | Volume by \$ |
| Farm Loans | 19% | 31% |
| Business Loans | 20% | 38% |
| Home Loans | 2% | 11% |
| Consumer Loans | 59% | 21% |

Source: Bank Loan Origination Report

Based on this analysis, we determined that business and consumer loans are the bank's primary loan products accounting for 79 percent of loans originations by number and 59 percent by dollar amount.

We conducted sampling of the primary loan products to assess the bank's performance in the AA. Our sample consisted of 160 loans from the bank loan origination report referenced above. The sample included 40 business and 40 consumer loans from each of the bank's two AA. Due to changes in census data, separate analyses for 2011 and for 2012-2013 were performed to allow for meaningful comparison to the applicable demographic information. Loans originated in 2011 were compared to 2000 census data, while loans originated in 2012-2013 were analyzed against updated 2010 census data. We sampled 20 loans each for the lending periods of 2011 and 2012-2013 for each AA.

DESCRIPTION OF INSTITUTION

FNB is a \$78 million institution located in northwestern Minnesota. The main office is located in Bagley, Minnesota with branches in Fosston and Wilton, Minnesota. The Bagley office is located in Clearwater County and primarily services census tracts 1, 2, and 3 of the county. The Wilton branch is located in Beltrami County and primarily services census tract 4501 of the county. The Fosston branch is located in Polk County and primarily services census tracts 209 and 210 of the county as well as tracts 9401 and 9403 of Mahnomen County. Polk County is located within the Grand Forks, North Dakota-Minnesota metropolitan statistical area (MSA).

First National Agency of Bagley, Inc. owns the bank and is a one-bank holding company located in Fosston, MN. The bank has not opened or closed any branches or ATMs since the last CRA assessment. The bank utilizes three ATMs, none of which accepts deposits.

FNB offers traditional products and services. As of September 30, 2013, the bank's loan portfolio totaled \$42.6 million or 54 percent of total assets. The following table reflects the distribution of the bank's loan portfolio as of September 30, 2013:

| Loan Portfolio Composition | \$(000) | % |
|-----------------------------------|----------------|------------|
| Commercial | 14,184 | 33 |
| Residential Real Estate | 12,838 | 30 |
| Agricultural | 8,805 | 21 |
| Consumer | 6,749 | 16 |
| Total Loans | 42,576 | 100 |

Source: September 30, 2013 Call Report Data

FNB received a satisfactory rating at its July 21, 2008 CRA examination. There are no legal or financial constraints on FNB that would inhibit its CRA performance.

DESCRIPTION OF ASSESSMENT AREAS (AA)

FNB has two AA in northwest Minnesota, which we refer to as MSA AA and Non-MSA AA. As explained above, each of the bank's three branches primarily service particular census tracts within the county it is located. The MSA AA includes the Fosston branch that serves census tracts within the Grand Forks MSA. The Non-MSA AA includes the Bagley and Wilton branches and the census tracts in which they primarily serve. For analysis purposes, we combined the service areas of the branches not located within an MSA.

MSA AA

The MSA AA is comprised of census tracts 209 and 210 of Polk County, Minnesota. The 2000 census designated both tracts as middle-income tracts. The 2010 census resulted in tract 210 designated as moderate-income while tract 209 remained designated as middle-income.

The local economy consists primarily of small service and agriculture businesses. Major employers include the local nursing homes, hospitals, and public schools. Unemployment in the county was 5.2 percent in 2012 compared to 5.6 percent in Minnesota and 8.1 percent throughout the United States.

The following tables illustrate demographic and economic characteristics of the MSA AA according to 2000 and 2010 census data unless otherwise noted.

| 2000 Demographic and Economic Characteristics of the MSA AA | |
|--------------------------------------------------------------------|----------|
| Population | |
| Number of Families | 2,006 |
| Number of Households | 3,039 |
| % of Low-Income Families | 22.88 |
| % of Moderate-Income Families | 23.48 |
| % of Middle-Income Families | 23.63 |
| % of Upper-Income Families | 30.01 |
| Geographies | |
| Number of Census Tracts | 2 |
| % Low-Income Census Tracts | 0.00 |
| % Moderate-Income Census Tracts | 0.00 |
| % Middle-Income Census Tracts | 100.00 |
| % Upper-Income Census Tracts | 0.00 |
| Median Family Income (MFI) | |
| 2000 MFI for AA | \$38,451 |
| 2011 HUD-Adjusted MFI | \$63,800 |
| Economic Indicators | |
| 2011 Unemployment Rate | |
| MSA | 4.7% |
| Polk County | 6.2% |
| Minnesota | 6.5% |
| United States | 8.9% |
| 2000 Median Housing Value | \$55,614 |
| % of Households Below Poverty Level | 12.87 |

Source: 2000 U.S. Census data with updated information when available

| 2010 Demographic and Economic Characteristics of the MSA AA | |
|--------------------------------------------------------------------|-----------|
| Population | |
| Number of Families | 2,145 |
| Number of Households | 3,280 |
| % of Low-Income Families | 26.90 |
| % of Moderate-Income Families | 20.84 |
| % of Middle-Income Families | 25.27 |
| % of Upper-Income Families | 26.99 |
| Geographies | |
| Number of Census Tracts | 2 |
| % Low-Income Census Tracts | 0.00 |
| % Moderate-Income Census Tracts | 50.00 |
| % Middle-Income Census Tracts | 50.00 |
| % Upper-Income Census Tracts | 0.00 |
| Median Family Income (MFI) | |
| 2010 MFI for AA | \$63,800 |
| 2013 HUD-Adjusted MFI | \$67,700 |
| Economic Indicators | |
| 2012 Unemployment Rate | |
| MSA | 4.2% |
| Polk County | 5.2% |
| Minnesota | 5.6% |
| United States | 8.1% |
| 2010 Median Housing Value | \$104,650 |
| % of Households Below Poverty Level | 14.15 |

Source: 2010 U.S. Census data with updated information when available

Local competition includes six banks with seven branches servicing the area. FNB ranks fifth according to deposit market share, comprising 9.77 percent or \$17,473 thousand of total deposits. The top four banks range in deposits from \$17,720 thousand to \$85,876 thousand.

We reviewed two community contact forms completed in 2013 regarding Polk County and the MSA. The contacts described the area economy as stable and largely driven by agriculture. One of the contacts also expressed the need for qualified employees to fill vacant positions. Both contacts described the local banks as conservative and not always competitive, potentially driving developing businesses to obtain funding elsewhere.

Non-MSA AA

The Non-MSA AA is comprised of census tracts 1, 2, and 3 of Clearwater County, 9501/4501 of Beltrami County, and 9601/9401 and 9603/9403 of Mahnomen County, Minnesota. The 2000 census designated all tracts except 9603 as middle-income tracts. The 2010 census resulted in renumbering the 9501, 9601, and 9603 tracts to the numbers identified above. The 2010 census also resulted in the following tracts designated as moderate-income: 2, 3, 9401, and 9403, while tracts 1 and 4501 remained designated as middle-income.

The local economy consists primarily of small service and agriculture businesses. Major employers include the local hospitals and public schools. In 2012, unemployment was 11.2 percent in Clearwater County, 7.3 percent in Beltrami County, and 7.0 percent in Mahnomen County compared to 5.6 percent in Minnesota and 8.1 percent throughout the United States.

The following tables illustrate demographic and economic characteristics of the Non-MSA AA according to 2000 and 2010 census data unless otherwise noted.

| 2000 Demographic and Economic Characteristics of the Non-MSA AA | |
|------------------------------------------------------------------------|----------|
| Population | |
| Number of Families | 5,058 |
| Number of Households | 7,143 |
| % of Low-Income Families | 24.24 |
| % of Moderate-Income Families | 21.00 |
| % of Middle-Income Families | 23.82 |
| % of Upper-Income Families | 30.94 |
| Geographies | |
| Number of Census Tracts | 6 |
| % Low-Income Census Tracts | 0.00 |
| % Moderate-Income Census Tracts | 33.33 |
| % Middle-Income Census Tracts | 66.67 |
| % Upper-Income Census Tracts | 0 |
| Median Family Income (MFI) | |
| 2000 MFI for AA | \$40,315 |
| 2011 HUD-Adjusted MFI | \$59,200 |
| Economic Indicators | |
| 2011 Unemployment Rate | |
| Clearwater County | 12.3% |
| Beltrami County | 8.4% |
| Mahnomen County | 7.5% |
| Minnesota | 6.5% |
| United States | 8.9% |
| 2000 Median Housing Value | \$66,703 |
| % of Households Below Poverty Level | 14.83% |

Source: 2000 U.S. Census data with updated information when available

| 2010 Demographic and Economic Characteristics of the Non-MSA AA | |
|------------------------------------------------------------------------|-----------|
| Population | |
| Number of Families | 5,617 |
| Number of Households | 8,116 |
| % of Low-Income Families | 24.93 |
| % of Moderate-Income Families | 22.09 |
| % of Middle-Income Families | 21.43 |
| % of Upper-Income Families | 31.55 |
| Geographies | |
| Number of Census Tracts | 6 |
| % Low-Income Census Tracts | 0.00 |
| % Moderate-Income Census Tracts | 66.67 |
| % Middle-Income Census Tracts | 33.33 |
| % Upper-Income Census Tracts | 0.00 |
| Median Family Income (MFI) | |
| 2010 MFI for AA | \$58,700 |
| 2013 HUD-Adjusted MFI | \$61,700 |
| Economic Indicators | |
| 2012 Unemployment Rate | |
| Clearwater County | 11.2% |
| Beltrami County | 7.3% |
| Mahnomen County | 7.0% |
| Minnesota | 5.6% |
| United States | 8.1% |
| 2010 Median Housing Value | \$118,051 |
| % of Households Below Poverty Level | 15.80% |

Source: 2010 U.S. Census data with updated information when available

Local competition includes seven banks with eight branches servicing the area. FNB ranks second according to deposit market share, comprising 19.37 percent or \$45,029 thousand of total deposits. The top bank encompasses \$62,223 thousand of deposits.

We contacted a local community organization during our review to obtain local economic information and determine the primary credit needs of the AA. The contact stated that the community is in need of business and home financing. They stated that some established and emerging businesses have attempted to obtain financing to purchase local businesses without success. The contact also stated that some first time homebuyers have difficulty obtaining financing, but indicated that local financial institutions are meeting the needs for low- and moderate-income housing. Both of these could be opportunities for local banks.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Loan-to-Deposit Ratio

FNB's loan-to-deposit (LTD) ratio is reasonable given the bank's size, financial condition, and in comparison to other similarly situated banks. Similarly situated banks within the MSA AA include those operating in and around the MSA and ranging in asset size from \$25 million to \$136 million. Similarly situated banks within the Non-MSA AA include those operating in and around Clearwater County and ranging in asset size from \$38 million to \$86 million. FNB's quarterly average LTD ratio from September 30, 2007 to December 31, 2012 was 59.99 percent. The LTD ratio ranged from a high of 69.42 percent to a low of 54.08 percent. This compares to an average LTD ratio of 71.78 percent for the four similarly situated banks in the MSA AA and 48.11 percent for the three similarly situated banks in the Non-MSA AA. The following tables illustrate LTD information among similarly situated banks.

| Average Loan-to-Deposit ratio in MSA AA | | | |
|-----------------------------------------|----------------|---------------|---------------|
| Institution | City | TA (\$000) | Average LTD |
| Ultima Bank Minnesota | Winger | 135,913 | 104.65% |
| Unity Bank North | Red Lake Falls | 75,641 | 77.16% |
| First National Bank | Bagley | 79,214 | 59.99% |
| American State Bank of Erskine | Erskine | 24,626 | 58.86% |
| The First National Bank of McIntosh | McIntosh | 26,503 | 46.46% |

Source: Call report data

| Average Loan-to-Deposit ratio in Non-MSA AA | | | |
|---------------------------------------------|---------------|---------------|---------------|
| Institution | City | TA (\$000) | Average LTD |
| First National Bank Mahnomen Twin Valley | Mahnomen | 85,874 | 65.82% |
| First National Bank | Bagley | 79,214 | 59.99% |
| First State Bank of Clearbrook | Clearbrook | 39,789 | 58.82% |
| The Northern State Bank of Gonvick | Gonvick | 37,994 | 19.69% |

Source: Call report data

Lending in Assessment Area

FNB originates a substantial majority of its loans to borrowers located within its AA. The bank originated 82.50 percent of loans by number and 91.96 percent by dollar within its AA. The table on the top of the next page illustrates the number and dollar amount of loans originated inside and outside the bank's AA.

| 2011-2Q2013 Lending in FNB's AAs | | | | | | | | | | |
|-----------------------------------------|-----------------|--------------|---------|-------|------------|-------------------------|--------------|---------|-------|-------|
| Loan Type | Number of Loans | | | | | Dollars of Loans (000s) | | | | |
| | Inside | | Outside | | Total # | Inside | | Outside | | Total |
| | # | % | # | % | | \$ | % | \$ | % | |
| Consumer | 64 | 80.00 | 16 | 20.00 | 80 | 364 | 84.44 | 67 | 15.56 | 431 |
| Business | 68 | 85.00 | 12 | 15.00 | 80 | 2,012 | 93.47 | 141 | 6.53 | 2,152 |
| Totals | 132 | 82.50 | 28 | 17.50 | 160 | 2,376 | 91.96 | 208 | 8.04 | 2,583 |

Source: Loan sample

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

The distribution of consumer loans to borrowers of different incomes reflects excellent penetration, while the distribution of business loans to businesses of different sizes is reasonable and meets the standard for satisfactory performance.

MSA AA Performance:

Business Loans

The distribution of loans to businesses meets the standard for satisfactory performance and reflects reasonable penetration among businesses of different sizes. FNB originated 80 percent by number of business loans to small businesses in 2011 and 95 percent by number in 2012-2Q2013. This is reasonable compared to 75.62 percent and 76.38 percent of small businesses in the AA in 2011 and 2012-2Q2013 respectively. The tables below illustrate FNB's business loans to businesses of different sizes.

| 2011 Borrower Distribution of Loans to Businesses in MSA AA | | | | |
|--------------------------------------------------------------------|--------------|--------------|-------------------------|-------|
| Business Revenues | ≤\$1,000,000 | >\$1,000,000 | Unavailable/ Unknown | Total |
| % of AA Businesses | 75.62 | 2.55 | 21.83 | 100 |
| % of Bank Loans in AA by # | 80.00 | 20.00 | 0.00 | 100 |
| % of Bank Loans in AA by \$ | 30.67 | 69.33 | 0.00 | 100 |

Source: Loan sample; 2011 Business Geodemographic Data

| 2012-2013 Borrower Distribution of Loans to Businesses in MSA AA | | | | |
|-------------------------------------------------------------------------|--------------|--------------|-------------------------|-------|
| Business Revenues | ≤\$1,000,000 | >\$1,000,000 | Unavailable/ Unknown | Total |
| % of AA Businesses | 76.38 | 3.36 | 20.26 | 100 |
| % of Bank Loans in AA by # | 95.00 | 5.00 | 0.00 | 100 |
| % of Bank Loans in AA by \$ | 90.82 | 9.18 | 0.00 | 100 |

Source: Loan sample; 2013 Business Geodemographic Data

Consumer Loans

The distribution of consumer loans exceeds the standard for satisfactory performance and reflects excellent penetration among individuals of different income levels. FNB's

lending to low-income and moderate-income borrowers in 2011 and 2012-2Q2013 exceeded the comparable demographics for low-income and moderate-income households in the AA. The tables below illustrate FNB’s lending to borrowers of different income levels.

| 2011 Borrower Distribution of Consumer Loans in MSA AA | | | | | | | | |
|---------------------------------------------------------------|--------------------|-----------------|--------------------|-----------------|--------------------|-----------------|--------------------|-----------------|
| Borrower Income Level | Low | | Moderate | | Middle | | Upper | |
| Loan Type | % of AA Households | % of # of Loans | % of AA Households | % of # of Loans | % of AA Households | % of # of Loans | % of AA Households | % of # of Loans |
| Consumer | 26.92 | 35.00 | 19.05 | 30.00 | 20.04 | 20.00 | 33.99 | 15.00 |

Source: Loan sample: 2000 US Census

| 2012-2013 Borrower Distribution of Consumer Loans in MSA AA | | | | | | | | |
|--------------------------------------------------------------------|--------------------|-----------------|--------------------|-----------------|--------------------|-----------------|--------------------|-----------------|
| Borrower Income Level | Low | | Moderate | | Middle | | Upper | |
| Loan Type | % of AA Households | % of # of Loans | % of AA Households | % of # of Loans | % of AA Households | % of # of Loans | % of AA Households | % of # of Loans |
| Consumer | 28.54 | 45.00 | 17.10 | 25.00 | 17.10 | 15.00 | 37.26 | 15.00 |

Source: Loan sample: 2010 US Census

Non-MSA AA Performance:

Business Loans

The distribution of borrowers meets the standard for satisfactory performance and reflects reasonable penetration among businesses of different sizes. FNB originated 80 percent by number of business loans to small businesses in 2011 and 75 percent by number in 2012-2Q2013. This is reasonable compared to 74.75 percent and 77.65 percent of small businesses in the AA in 2011 and 2012-2Q2013 respectively. The tables below illustrate FNB’s business loans to businesses of different sizes.

| 2011 Borrower Distribution of Loans to Businesses in Non-MSA AA | | | | |
|------------------------------------------------------------------------|--------------|--------------|---------------------|-------|
| Business Revenues | ≤\$1,000,000 | >\$1,000,000 | Unavailable/Unknown | Total |
| % of AA Businesses | 74.75 | 2.62 | 22.63 | 100 |
| % of Bank Loans in AA by # | 80.00 | 20.00 | 0.00 | 100 |
| % of Bank Loans in AA by \$ | 71.90 | 28.10 | 0.00 | 100 |

Source: Loan sample; 2011 Business Geodemographic Data

| 2012-2013 Borrower Distribution of Loans to Businesses in Non-MSA AA | | | | |
|-----------------------------------------------------------------------------|--------------|--------------|-------------------------|-------|
| Business Revenues | ≤\$1,000,000 | >\$1,000,000 | Unavailable/ Unknown | Total |
| % of AA Businesses | 77.65 | 3.45 | 18.91 | 100 |
| % of Bank Loans in AA by # | 75.00 | 25.00 | 0.00 | 100 |
| % of Bank Loans in AA by \$ | 76.14 | 23.86 | 0.00 | 100 |

Source: Loan sample; 2013 Business Geodemographic Data

Consumer loans

The distribution of consumer loans exceeds the standard for satisfactory performance and reflects excellent penetration among individuals of different income levels. FNB's lending to moderate-income borrowers in 2011 and 2012-2Q2013 significantly exceeded the comparable demographics for moderate-income households in the AA. FNB's lending to low-income borrowers in 2012-2Q2013 exceeded the comparable demographics for low-income households in the AA. The tables below illustrate FNB's lending to borrowers of different income levels.

| 2011 Borrower Distribution of Consumer Loans in Non-MSA AA | | | | | | | | |
|-------------------------------------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Borrower Income Level | Low | | Moderate | | Middle | | Upper | |
| | % of AA Households | % of # of Loans | % of AA Households | % of # of Loans | % of AA Households | % of # of Loans | % of AA Households | % of # of Loans |
| Consumer | 27.94 | 15.00 | 18.98 | 45.00 | 19.80 | 20.00 | 33.28 | 20.00 |

Source: Loan sample; 2000 US Census

| 2012-2013 Borrower Distribution of Consumer Loans in Non-MSA AA | | | | | | | | |
|------------------------------------------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Borrower Income Level | Low | | Moderate | | Middle | | Upper | |
| | % of AA Households | % of # of Loans | % of AA Households | % of # of Loans | % of AA Households | % of # of Loans | % of AA Households | % of # of Loans |
| Consumer | 25.89 | 30.00 | 19.12 | 35.00 | 19.23 | 25.00 | 35.76 | 10.00 |

Source: Loan sample; 2010 US Census

Geographic Distribution of Loans

The distribution of loans reflects a reasonable dispersion throughout the bank's AA.

MSA AA Performance:

FNB's lending distribution exceeded the standard for satisfactory performance and provided excellent dispersion among low- and moderate-income census tracts. The

2000 census designated both tracts within the MSA AA as middle-income tracts, therefore; analysis of distribution among low-income and moderate-income borrowers in 2011 is not meaningful and was excluded from our analysis. The tables below illustrate FNB’s lending to businesses and consumers of different income level census tracts in 2012-2Q2013.

| 2012-2013 Geographic Distribution of Loans to Businesses in MSA AA | | | | | | | | |
|---------------------------------------------------------------------------|--------------------|-----------------|--------------------|-----------------|--------------------|-----------------|--------------------|-----------------|
| Census Tract Income Level | Low | | Moderate | | Middle | | Upper | |
| Loan Type | % of AA Businesses | % of # of Loans | % of AA Businesses | % of # of Loans | % of AA Businesses | % of # of Loans | % of AA Businesses | % of # of Loans |
| Business | 0.00 | 0.00 | 48.32% | 95.00 | 51.68 | 5.00 | 0.00 | 0.00 |

Source: Loan sample, 2013 Business Geodemographic Data

| 2012-2013 Geographic Distribution of Consumer Loans in MSA AA | | | | | | | | |
|----------------------------------------------------------------------|--------------------|-----------------|--------------------|-----------------|--------------------|-----------------|--------------------|-----------------|
| Census Tract Income Level | Low | | Moderate | | Middle | | Upper | |
| Loan Type | % of AA Households | % of # of Loans | % of AA Households | % of # of Loans | % of AA Households | % of # of Loans | % of AA Households | % of # of Loans |
| Consumer | 0.00 | 0.00 | 48.81 | 95.00 | 51.19 | 5.00 | 0.00 | 0.00 |

Source: Loan sample, 2010 US Census

Non-MSA AA Performance

FNB’s lending distribution meets the standard for satisfactory performance and provided reasonable dispersion among low- and moderate-income census tracts. The tables below illustrate FNB’s lending to businesses and consumers of different income level census tracts.

| 2011 Geographic Distribution of Loans to Businesses in Non-MSA AA | | | | | | | | |
|--------------------------------------------------------------------------|--------------------|-----------------|--------------------|-----------------|--------------------|-----------------|--------------------|-----------------|
| Census Tract Income Level | Low | | Moderate | | Middle | | Upper | |
| Loan Type | % of AA Businesses | % of # of Loans | % of AA Businesses | % of # of Loans | % of AA Businesses | % of # of Loans | % of AA Businesses | % of # of Loans |
| Business | 0.00 | 0.00 | 7.59 | 5.00 | 92.41 | 95.00 | 0.00 | 0.00 |

Source: Loan sample, 2011 Business Geodemographic Data

| 2012-2013 Geographic Distribution of Loans to Businesses in Non-MSA AA | | | | | | | | |
|------------------------------------------------------------------------|--------------------|-----------------|--------------------|-----------------|--------------------|-----------------|--------------------|-----------------|
| Census Tract Income Level | Low | | Moderate | | Middle | | Upper | |
| Loan Type | % of AA Businesses | % of # of Loans | % of AA Businesses | % of # of Loans | % of AA Businesses | % of # of Loans | % of AA Businesses | % of # of Loans |
| Business | 0.00 | 0.00 | 52.26 | 65.00 | 47.74 | 35.00 | 0.00 | 0.00 |

Source: Loan sample, 2013 Business Geodemographic Data

| 2011 Geographic Distribution of Consumer Loans in Non-MSA AA | | | | | | | | |
|--------------------------------------------------------------|--------------------|-----------------|--------------------|-----------------|--------------------|-----------------|--------------------|-----------------|
| Census Tract Income Level | Low | | Moderate | | Middle | | Upper | |
| Loan Type | % of AA Households | % of # of Loans | % of AA Households | % of # of Loans | % of AA Households | % of # of Loans | % of AA Households | % of # of Loans |
| Consumer | 0.00 | 0.00 | 11.41 | 0.00 | 88.59 | 100 | 0.00 | 0.00 |

Source: Loan sample, 2000 US Census

| 2012-2013 Geographic Distribution of Consumer Loans in Non-MSA AA | | | | | | | | |
|-------------------------------------------------------------------|--------------------|-----------------|--------------------|-----------------|--------------------|-----------------|--------------------|-----------------|
| Census Tract Income Level | Low | | Moderate | | Middle | | Upper | |
| Loan Type | % of AA Households | % of # of Loans | % of AA Households | % of # of Loans | % of AA Households | % of # of Loans | % of AA Households | % of # of Loans |
| Consumer | 0.00 | 0.00 | 55.75 | 60.00 | 44.25 | 40.00 | 0.00 | 0.00 |

Source: Loan sample, 2010 US Census

Responses to Complaints

FNB did not receive any complaints regarding CRA during the evaluation period.

Fair Lending or Other Illegal Credit Practices Review

Pursuant to 12 C.F.R. 25.28(c), in determining a national bank’s CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any AA by an affiliate whose loans have been considered as part of the bank’s lending performance.

We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.