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Comptroller of the Currency  
Administrator of National Banks

Small Bank

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Pittsburgh Field Office  
4075 Monroeville Boulevard, Suite 300  
Monroeville, Pennsylvania 15146

## **PUBLIC DISCLOSURE**

September 28, 1998

# **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

**First National Bank of Fort Myers**

**Charter Number 21643**

**2915 Colonial Boulevard  
Fort Myers, Florida 33912**

**Office of the Comptroller of the Currency  
4075 Monroeville Boulevard, Suite 300  
Monroeville, Pennsylvania 15146**

**NOTE: This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.**

## GENERAL INFORMATION

*The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.*

*This document is an evaluation of the Community Reinvestment Act (CRA) performance of **First National Bank of Fort Myers** prepared by **The Office of the Comptroller of the Currency** the institution's supervisory agency, as of September 28, 1998. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.*

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

- First National Bank maintains a satisfactory loan-to-deposit ratio compared to other local banks.
- The majority of loans were originated to borrowers within the assessment area.
- Lending to borrowers of different income groups and businesses of different sizes is reasonable given the demographics of the community.
- The geographic distribution of loans reflects a satisfactory penetration of geographies within the assessment area.

*The following table indicates the performance level of First National Bank of Fort Myers with respect to each of the five performance criteria.*

Small Institution Assessment Criteria	<u>First National Bank of Fort Myers</u> Performance Levels		
	Exceeds Standards for Satisfactory Performance	Meets Standards for Satisfactory Performance	Does Not Meet Standards for Satisfactory Performance
Loan-to-deposit ratio		X	
Lending in assessment area		X	
Lending to borrowers of different incomes and to businesses of different sizes		X	
Geographic distribution of loans		X	
Response to complaints		No Complaints Received	

## **DESCRIPTION OF INSTITUTION**

First National Bank of Fort Myers (FNB) operates 2 offices located in the city of Fort Myers in Lee County, Florida. As of June 30, 1998 FNB had total assets of \$80 million. The primary lending focus is business loans, which represent 61% of total loans outstanding. Residential mortgage loans accounts for 12% of total loans outstanding. First National Bank is wholly-owned by F.N.B. Corporation, Hermitage, Pennsylvania which also owns Cape Coral National Bank and First National Bank of Naples. First National Bank of Fort Myers previously operated as the First National Bank of Southwest Florida (FNBSWF). The bank was acquired and restructured by the F.N.B. Corporation in April 1997. The last CRA was performed for FNBSWF in April 1996. There are no financial, legal, or other impediments to the bank's ability to meet community credit needs.

## **DESCRIPTION OF BANKS ASSESSMENT AREA**

The assessment area for this evaluation consists of the 27 census tracts which comprise the city of Fort Myers and surrounding areas. One census tract is low-income, six are moderate-income, 16 are middle-income and 4 are upper-income. This is based on the 1990 Census Bureau median family income of \$32,310 for the Metropolitan Statistical Area. The assessment area meets the legal requirements of CRA and does not arbitrarily exclude low- or moderate-income census tracts.

The bank's assessment area is located in the Fort Myers/Cape Coral Metropolitan Statistical Area (MSA #2700). The total population of the assessment area is 138,418. Fort Myers is the governmental and legal center of Lee County. The economy of the area is primarily driven by retail trade and services. Small businesses (those with revenues less than \$1 million) represent 89% of all businesses in the assessment area. Banking competition is strong with large regional banks, local community banks and credit unions having offices in the area.

A substantial portion of this population (22%) is 65 or older. Thirty-eight percent (38%) of households in the assessment area receive Social Security income; 21% receive retirement income. The 1998 Fort Myers/Cape Coral MSA median family income (as estimated by HUD) is \$41,800.

In discussions with the Office of the Comptroller of the Currency and other federal regulators, leaders of local community development organizations indicated credit needs for the area include loans for new and affordable housing; home improvement loans to rehabilitate existing housing and loans to small businesses.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

### Loan-to-Deposit Ratio

*FNB maintains a satisfactory loan-to-deposit ratio compared to similar-sized institutions.* The bank's average loan-to-deposit ratio for the evaluation period is 69% compared to other local banks (headquartered in Lee County and neighboring Charlotte and Collier counties) whose average loan-to-deposit ratio is 60%. The national average loan-to-deposit ratio for similar-sized banks is 70%.

### Lending in Assessment Area

*The bank makes a majority of its loans within the assessment area.* This conclusion is based on an analysis of all business loans originated in the third quarter of 1998. The sample totalled 44 loans. The results are shown below.

#### **Business Loans in Assessment Area**

<b>Total Number</b>	64%
<b>Total Dollar Volume</b>	63%

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

*Lending to borrowers of different incomes was not analyzed.* As previously discussed, loans to individuals for residential mortgages do not represent a significant portion of the bank's lending activity. Loans to individuals for other purposes (automobiles, boats, etc.) represent an even smaller portion of FNB's lending activity at 3% of total loans outstanding. As such, an analysis of borrower characteristics would not be meaningful for evaluating this institution.

*Lending to businesses of different sizes is reasonable.* For this analysis we used the aforementioned sample of 44 business loans. Specific revenue information was not readily available for these loans. Therefore, our analysis used the amount of the loan as a proxy for the size of the business. The assumption is that smaller businesses will generally require smaller loan amounts. The results of our analysis are shown below.

<b>Loan Size</b>	<b>Percentage of Loans</b>
<b>&lt; \$100 thousand</b>	68%
<b>\$100 - 250 thousand</b>	18%
<b>&gt; \$250 thousand</b>	14%

## Geographic Distribution of Loans

*The geographic distribution of loans reflects a satisfactory penetration of geographies within the assessment area.* For this analysis we again used our sample of business loans made in the assessment area. The results show that the distribution of the bank's loans is reasonable given the proportion of census tracts and location of branches within the assessment area. The results are summarized in the table below.

<b>Census Tracts</b>	<b>% of Census Tracts</b>	<b>% of Loans</b>	<b># of Branches</b>
<b>Low Income</b>	4%	0%	0
<b>Moderate Income</b>	22%	11%	0
<b>Middle Income</b>	59%	46%	1
<b>Upper Income</b>	15%	43%	1*

\* Main Office

## Response to Complaints

FNB received no complaints relative to Community Reinvestment Act performance.

## Compliance with Antidiscrimination Laws and Regulations

Our examination of compliance with antidiscrimination laws and regulations revealed no substantive violations.