

PUBLIC DISCLOSURE

June 16, 1997

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

First Central Bank
06121359

St. Petersburg, Florida

Federal Reserve Bank of Atlanta
104 Marietta Street, N.W.
Atlanta, Georgia 30303

NOTE: This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to the 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 Central Bank prepared by the Federal Reserve Bank of Atlanta, the institution's supervisory agency, as of June 16, 1997. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 228.

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

First Central Bank, St. Petersburg, Florida, was assigned an outstanding rating because its loan-to-deposit ratio is more than reasonable and because a high percentage of its loan originations are in its assessment area. Also, given the bank's resources, size, and location, the geographic distribution of loans reflects excellent dispersion throughout the assessment area. The bank's performance in making loans to businesses of different sizes is strong. The bank's community development investments contribute to the outstanding rating. No evidence of illegal discrimination was detected during the evaluation.

DESCRIPTION OF INSTITUTION

First Central Bank, which has one office, is located in St. Petersburg, Florida. St. Petersburg is the county seat and largest city in Pinellas County. The bank has identified itself as a commercial bank and has designated its target market as small businesses (defined by the bank as businesses with annual sales of less than \$1 million). On the March 31, 1997 Consolidated Reports of Condition and Income, the bank reported total assets of \$53 million. No legal or financial impediments exist that would hinder the bank from meeting the credit needs of its assessment area. The bank received a satisfactory CRA rating at its previous evaluation as of January 8, 1996.

First Central Bank offers a wide variety of credit products to meet community credit needs with its primary focus on credit products and services to small businesses. Although the bank concentrates its lending efforts on small business clientele, it does not discourage other types of lending, including consumer and residential real estate financing. In instances where an applicant seeks types of credit that the bank does not offer, the bank will refer the applicant to an alternative source that offers that particular product.

The composition of the loan portfolio according to the March 31, 1997 Consolidated Reports of Condition and Income is as follows:

LOAN TYPE	PERCENTAGE
Construction and development	7.5%
Secured by one- to four-family dwellings	17.9%
Other real estate: Multifamily	2.3%
Nonfarm nonresidential	46.4%
Commercial and industrial	17.9%
Loans to individuals	5.6%
All other	2.4%
Total	100.0%

As illustrated by the table above, a large portion of the loan portfolio is made up of loans secured by nonfarm nonresidential properties followed by loans secured by one- to four-family dwellings, and

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commercial and industrial loans. Management stated that small business lending is the bank's primary line of business.

DESCRIPTION OF ASSESSMENT AREA: SOUTHERN PINELLAS COUNTY, FLORIDA

Pinellas County is located on Tampa Bay on the west coast of Florida. The county is part of the Tampa-St. Petersburg-Clearwater Metropolitan Statistical Area (MSA #8280). The MSA includes the four contiguous counties of Pinellas, Hillsborough, Hernando, and Pasco. The bank's assessment area consists of 114 census tracts, which represent 27.6 percent of the total tracts (413) in the MSA. According to the 1990 Census, the total population of the assessment area was 477,419, or about 23 percent of the population of the MSA, which was approximately 2.1 million.

The 1990 Census reported the median family income of the assessment area as \$31,661, which was slightly higher than the MSA's median family income of \$31,244. Low-income census tracts are defined as tracts having a median family income of less than 50 percent of the MSA's median family income level. Moderate-income tracts have a median family income of 50 to 80 percent of the MSA's median family income level. The bank's assessment area has 6 low-income tracts, 23 moderate-income tracts, 56 middle-income tracts, and 29 upper-income tracts. The majority of the low- and moderate-income tracts are located in the inner-city area of St. Petersburg. The table below shows the distribution of the population of the assessment area by the income level of the census tract in which they live.

TRACTS BY INCOME	TOTAL POPULATION NUMBER	TOTAL POPULATION PERCENT
Low-income	14,704	3.1%
Moderate-income	88,834	18.6%
Middle-income	238,624	50.0%
Upper-income	135,257	28.3%
Total	477,419	100.0%

Based on 1990 Census data, the percentage of the assessment area population residing in the low-income census tracts is significantly low. The U.S. Coast Guard Station, with a total population of less than 100, occupies one of the low-income census tracts. The Thunderdome/Tropicana Fields occupy most of two other low-income census tracts in the assessment area, each with fewer than 325 owner-occupied households.

DESCRIPTION OF ASSESSMENT AREA (CONTINUED)

The bank's competitors, which include both regional and large local banks, have offices in or adjacent to the low-income census tracts in the bank's assessment area. Some of the large regional financial institutions represented are Barnett Bank, First Union, Amsouth Bank of Florida, SouthTrust Bank of Florida, and SunTrust Bank, Tampa Bay.

The five major types of industries in Pinellas County are as follows:

TYPE OF INDUSTRY	NUMBER OF EMPLOYEES	NUMBER OF ESTABLISHMENTS¹
Service and other	127,881	10,186
Retail trade	80,739	5,810
Manufacturing	45,053	1,340
Finance, insurance, and real estate	24,173	2,763
Wholesale trade	15,526	1,943

The 1993 U.S. Census employment data for county business patterns show a total of 24,569 business establishments in the bank's assessment area. 23,452 (95 percent) of the establishments have fewer than 50 employees. 43 percent of the business establishments with fewer than 50 employees are service-related and other types of industries. The high percentage of businesses with fewer than 50 employees may be indicative of the strong need for small business loans. According to Florida local area unemployment statistics for April 1997, the unemployment rate for Pinellas County was 3.3 percent, which was slightly lower than the 3.4 percent unemployment rate for the MSA and lower than the 5 percent unemployment rate for the state.

¹The table shows a count of business establishments and not an actual count of firms. An establishment is categorized by its size, not by the size of the business that owns it. Information is collected during only one month (March) of each year.

DESCRIPTION OF ASSESSMENT AREA (CONTINUED)

According to the 1990 Census data, 56.8 percent of the 258,128 housing units in the bank's assessment area were owner-occupied, 26.1 percent were renter-occupied, and 17.1 percent were vacant. The assessment area has mostly one- to four-family units followed by multifamily units. The median age of the housing stock in the assessment area is 34 years. In addition, the assessment area has a higher percentage of homes built before 1950 than the MSA or the state, which may indicate a greater need for home improvement loans in the assessment area than in the entire MSA or the state.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Loan-to-Deposit Ratio Analysis

The bank's loan-to-deposit ratio is more than reasonable and exceeds the standards for satisfactory performance. Based on information from the bank's Consolidated Reports of Condition and Income, the bank's average loan-to-deposit ratio for the six quarters ended March 31, 1997, was 78.7 percent. As of March 31, 1997, the loan-to-deposit ratio was 80.8 percent. The bank's loan-to-deposit ratio was compared with the loan-to-deposit ratios of six banks in Pinellas County, one of similar asset size with one office and five with greater asset sizes and several offices. The loan-to-deposit ratios of these six banks ranged from 53.4 percent to 75.9 percent. First Central Bank compares favorably with these six banks.

Lending in Assessment Area

During the examination, 62 small business loans were analyzed to determine the percentage of loans that the bank originated within its assessment area. This loan type was chosen because the bank is predominantly a small business lender. The analysis revealed that 56 (90 percent) were extended in the bank's assessment area. A substantial majority of the bank's lending is in its assessment area; therefore, the bank exceeds the standards for satisfactory performance.

Lending to Businesses of Different Sizes

Of the 56 small business loans extended in the bank's assessment area, 33 (59 percent) reported annual business revenues of less than \$250,000. In addition, 49 (91 percent) of the 54 small business loans with verifiable income data were for loan amounts of less than \$100,000. Lending to small businesses is consistent with the bank's business strategy. The bank's performance in this category exceeds the standards for satisfactory performance.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA
(CONTINUED)

Geographic Distribution of Loans

The geographic distribution of the loans by the income level of the census tracts in the bank's assessment area was analyzed using the 56 small business loans sampled. The geographic distribution of sampled business loans reflects excellent dispersion throughout the assessment area. The following table shows the distribution of business loans by census tract type compared to the percentage of the population living in the various types of census tracts in the assessment area.

CENSUS TRACT TYPE	PERCENTAGE OF LOANS	PERCENTAGE OF POPULATION
Low-income	2%	3.1%
Moderate-income	39%	18.6%
Middle-income	45%	50.0%
Upper-income	14%	28.3%
Total	100%	100.0%

The table shows that small business loans are distributed in a manner consistent with the community's census tract characteristics. The bank is especially strong in making small business loans in the moderate-income census tracts. The bank's CRA officer performs an analysis of the geographic distribution of all lending activity. According to the bank's analysis for 1996, 69 (74 percent) of the 93 loans approved in low- and moderate-income tracts were small business loans.

Qualified Investments

The bank is a participant in two qualified investments that enhance the bank's overall rating. The bank is a founding member of the Tampa Bay Community Reinvestment Corporation (TBCRC) and an investor in the Tampa Bay Black Business Investment Corporation (TBBBIC). TBCRC provides financing and technical assistance to facilitate the development of affordable multifamily housing in Hernando, Hillsborough, Manatee, Pasco, Pinellas, Polk, and Sarasota counties. The bank's share of 14 outstanding loans totaling more than \$20 million is \$86,500. Senior Vice President Scott Boyle is the treasurer and a member of the executive committee of the TBCRC's community bank board. TBBBIC was established for the advancement

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA
(CONTINUED)

Qualified Investments (Continued)

of the economic well-being of Hillsborough and Pinellas counties through the identification and financing of business opportunities for businesses owned and operated by black individuals in the community. The bank has invested in the stock of TBBBIC and has one TBBBIC-guaranteed loan outstanding of \$53,000.

Complaints

No complaints relating to CRA performance have been filed against the bank since the previous examination.

Compliance with Antidiscrimination Laws

The bank is in compliance with the substantive provisions of the antidiscrimination laws and regulations. No evidence of discrimination or the use of any illegal credit practices was noted during the review of loan applications, bank policies, and procedures. No practices have the intent or the effect of discouraging applicants for credit. Isolated violations of technical aspects of the Home Mortgage Disclosure Act were noted.