

PUBLIC DISCLOSURE

January 8, 1996

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

FIRST CENTRAL BANK
06-12-1359

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 **January 8, 1996**. 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 Satisfactory.

First Central Bank, St. Petersburg, Florida, was assigned a satisfactory rating mainly for its reasonable loan-to-deposit ratio and for having a high percentage of its loan originations in its assessment area. Also, the geographic distribution of its originations and the distribution of originations by revenue size of small businesses were favorable. No evidence of illegal discrimination was detected during the evaluation.

GENERAL INFORMATION (CONTINUED)

The following table indicates the performance level of First Central Bank with respect to each of the five performance criteria.

SMALL INSTITUTION ASSESSMENT CRITERIA	FIRST CENTRAL BANK		
	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 were received since the prior examination.		

DESCRIPTION OF INSTITUTION

First Central Bank, a one office bank, 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 designated its target market as small businesses (defined by the bank as businesses with annual sales less than \$5 million). Based on the September 30, 1995 Consolidated Reports of Condition and Income, the bank reported total assets of \$50 million. The May 30, 1995 safety and soundness examination conducted by the State of Florida identified no legal or financial impediments that would hinder the bank from meeting the credit needs of its assessment area. However, because of the relatively small size of the bank and the competitive environment in which it operates, most community development projects and other loan programs and products are not feasible for bank participation.

First Central Bank offers a wide variety of credit products to meet community credit needs with its primary focus on credit products and services small businesses. Although the bank's lending efforts are concentrated on small business clientele, the bank 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 does offer that particular product.

The composition of the bank's loan portfolio, according to the September 30, 1995 Consolidated Reports of Condition and Income, was as follows:

LOAN PORTFOLIO MIX	DOLLAR AMOUNT (THOUSANDS)	PERCENT OF PORTFOLIO
Nonfarm Nonresidential	\$13,672	42%
Commercial & Industrial	\$6,202	19%
Multifamily Residential	\$1,446	4%
1- to 4-Family Residential	\$5,317	16%
Construction & Development	\$3,417	11%
Loans to Individuals	\$2,637	8%
GROSS LOANS & LEASES	\$32,691	100%

DESCRIPTION OF INSTITUTION (CONTINUED)

As illustrated by the table, a majority of the bank's loan portfolio consisted of commercially related loans, supporting the bank's commitment of being a commercial lender. Also, the table illustrates the bank's willingness to make consumer purpose loans.

The bank's lending supports its emphasis on small business credit products. Of the 380 total applications received in 1995, 333 (88 percent) resulted in loan originations. 209 (63 percent) of the originated loans were business-related and totaled \$12 million. The bank defines a small business loan as having an original amount less than \$25,001. Of the 209 loans made for business purposes, 113 (54 percent) totaling \$1.3 million were small business loans.

DESCRIPTION OF First Central Bank's ASSESSMENT AREA

The city of St. Petersburg is located on Tampa Bay in the southwestern portion of Florida. The city is located approximately midway down the state's western coast bordering the Gulf of Mexico. Pinellas County is one of four contiguous counties, also including Hernando, Hillsborough, and that constitute the Tampa-St. Petersburg-Clearwater Metropolitan Statistical Area (MSA).

The bank defines its assessment area as follows: to the north, a straight line made along the boundary of 102nd Avenue North from the Gulf of Mexico in Seminole, Florida, to Tampa Bay in north St. Petersburg, Florida; to the east, the entire water line of Tampa Bay from the extension of 102nd Avenue North to the tip of the St. Petersburg peninsula on the south; to the south, the entire water line of Tampa Bay to the Gulf of Mexico; and to the west, the entire water line of the Gulf of Mexico from Pass-A-Grille Beach on the south to the point where 102nd Avenue north would be extended to the Gulf of Mexico. For 1996, the assessment area was expanded to the north to include Ulmerton Road.

The bank's assessment area contains all 115 census tracts in southern Pinellas County. There are 30 low- to moderate-income census tracts in the bank's assessment area. Low- to moderate-income tracts are defined as tracts having a median family income of less than 80 percent of the MSA's median income level. The majority of the low- to moderate-income tracts are located in the inner city area of St. Petersburg.

According to 1990 Census data, the bank's assessment area population is 413,018. The population consists of 85 percent whites, 12 percent blacks, 1 percent Asian, and 2 percent Hispanic. The low- to moderate-income tract population is 100,802. The bank's assessment area has a median household income of \$24,315. Households with earnings greater than \$29,178 are considered upper-income, and they comprise 40 percent of the bank's assessment area. Households with earnings less than \$19,452 are considered low- to moderate-income households and comprise 41 percent of total households.

The 1994 unemployment rate for the assessment area was 4.8 percent, which was favorable compared with the MSA at 5.2 percent and the State of Florida at 5.7 percent. Employment data by number of establishments based on 1992 county business patterns from the U.S. Census show 24,110 business establishments in Pinellas County. 41 percent of the total employers are in the service industry, and 25 percent are in retail trade. Of the 24,110 businesses, 22,991 (95 percent) have fewer than 50 employees.

DESCRIPTION OF First Central Bank ASSESSMENT AREA (Continued)

According to 1990 Census data, 222,633 housing units are in the bank's assessment area. 57 percent are owner-occupied units, 26 percent are rental units, and 17 percent are vacant units. Approximately 55,970 (25 percent) of the total units are located in low- and moderate-income census tracts.

During the evaluation, a community contact was made with a local community leader. The contact is an activist for the minority and low-income communities and small minority-owned businesses. According to the contact, most of the credit products offered by financial institutions meet the credit needs of the assessment area. However, the contact did state that he believes there is an unwillingness of financial institutions to take reasonable risks with applicants who have had credit problems in the past.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

The bank's average loan-to-deposit ratio for the seven quarters since the previous examination is 76 percent, which is reasonable given the bank's size and financial condition. Over 85 percent of the bank's lending in 1995 occurred in its assessment area. The review of the geographic distribution of the bank's lending efforts indicates no arbitrary exclusion of a particular geography in the assessment area. To determine the distribution of originations by borrower income, the bank's small business loan product was selected. 72 files were reviewed 63 (88 percent), of which had annual revenues of less than \$1 million. Since the previous evaluation, the bank has not received any substantiated consumer complaints. In addition, the bank has participated in community development projects designed to provide affordable housing (including multifamily rental housing) for low- to moderate-income individuals. The bank has contributed funds to the Tampa Bay Community Reinvestment Corporation. Since the previous examination, the bank has been involved in seven participations totaling \$35 million.

At least annually, the bank compiles figures that reflect the amount of credit extended in low- to moderate-income census tracts and makes this information a permanent part of its CRA file. Additionally, the bank assembles figures that indicate geographically where all loans are originated and where applications are denied.

In 1995, the bank received 380 loan applications. Of the 380 applications received, the bank originated 333 (88 percent) applications totaling \$16 million. The table below describes the distribution of the bank's loan application activity for 1995.

	APPLICATION				ORIGINATIONS			
	Number	Percent	\$ volume (Million)	Percent	Number	Percent	\$ Volume (Million)	Percent
Inside Delineation	338	(89%)	\$18	(86%)	292	(88%)	13.0	(82%)
Outside Delineation	42	(11%)	\$3	(14%)	41	(12%)	2.9	(18%)
Total	380	(100%)	\$21	(100%)	333	(100%)	15.9	(100%)

88 percent of the bank's originations were in its assessment area. Bank management stated that the bank's target volume in its geographic territory is 75 percent and that its defined area will be expanded as needed to obtain its target volume.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA (CONTINUED)

In 1995, the bank received 85 applications (22 percent of total applications received) for \$4 million from census tracts designated as low- to moderate-income. Of the 333 loans originated by the bank, 74 (22 percent) totaling \$2.7 million were originated in low- to moderate-income tracts. First Central Bank had loan originations in 24 (80 percent) of the 30 low- to moderate-income census tracts in its assessment area.

The bank is in compliance with the substantive provisions of the antidiscrimination laws and regulations. No evidence of discrimination or the use of illegal credit practices was noted during the review of bank policies and procedures. No practices have the intent or the effect of discouraging applications. The bank solicits credit applications from all segments of the community including low- to moderate-income individuals.

TO THE INSTITUTION EXAMINED:

THIS COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION WAS PREPARED BY THE FEDERAL RESERVE BANK OF ATLANTA. THE FOLLOWING ACTIONS MUST BE TAKEN TO FULFILL THE CRA'S REQUIREMENTS.

- C AT A MINIMUM, PLACE THE EVALUATION IN YOUR CRA PUBLIC FILE LOCATED AT YOUR HEAD OFFICE NO LATER THAN 30 BUSINESS DAYS AFTER RECEIVING THE EVALUATION.
- C PROVIDE A COPY OF THE EVALUATION TO THE PUBLIC UPON REQUEST (YOU ARE PERMITTED TO CHARGE A FEE NOT TO EXCEED THE COST OF REPRODUCTION AND MAILING IF APPLICABLE) NO LATER THAN 30 BUSINESS DAYS AFTER RECEIVING THIS LETTER.

FEDERAL RESERVE BANK OF ATLANTA

ASSISTANT VICE PRESIDENT

(Date)

CYNTHIA C. GOODWIN

(Title)

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COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

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TO THE FEDERAL RESERVE BANK OF ATLANTA

A COPY OF THE COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION PREPARED AS OF THE CLOSE OF BUSINESS JANUARY 8, 1996, BY AN EXAMINER FOR THE FEDERAL RESERVE BANK OF ATLANTA HAS BEEN RECEIVED AND WILL BE MADE AVAILABLE TO THE PUBLIC IN THE MANNER STATED IN THE LETTER WHICH ACCOMPANIED THE EVALUATION.

(Signature of Authorized Officer)

(Title)

FIRST CENTRAL BANK

(Name of Bank)

ST. PETERSBURG, FLORIDA

(Location)

FEDERAL RESERVE BANK OF ATLANTA

Cynthia C. Goodwin
ASSISTANT VICE PRESIDENT

Board of Directors
First Central Bank
Post Office Box 41250
St. Petersburg, Florida 33743

Dear Board Members:

Enclosed is the bank's Community Reinvestment Act Performance Evaluation prepared by Federal Reserve Examiner Gary Clayton using the guidelines established by the Federal Financial Institutions Examination Council. This evaluation was prepared in accordance with the Community Reinvestment Act (CRA), as amended by the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, and must be made available to the public. The following actions must be taken to fulfill the CRA's requirements.

- C At a minimum, place the evaluation in your CRA public file located at your head office no later than 30 business days after receiving this letter.
- C Provide a copy of the evaluation to the public upon request (you are permitted to charge a fee not to exceed the cost of reproduction and mailing if applicable) no later than 30 business days after receiving this letter.

Please acknowledge receipt of this evaluation by signing and returning the attached blue form. The format and content of the evaluation should not be altered or abridged in any manner. You may wish to comment on this information detailing actions the bank has taken since the examination to meet its obligations under the CRA. Any written comments concerning the evaluation placed in the public file should also be forwarded to this office. If you believe any of the information included in the public evaluation is proprietary, please contact this Reserve Bank so that the appropriate action can be taken.

Our Community Affairs staff is available to help assist you in determining and responding to community credit needs. Please feel free to contact Mr. Courtney Dufries at (404) 589-7226. If you have any questions concerning this report or any other compliance matter, contact Ms. Gale Williams at (404) 589-7223.

Very truly yours,

Cynthia C. Goodwin

Enclosures

PUBLIC DISCLOSURE

**COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION**

Name of Bank: FIRST CENTRAL BANK

City and State: ST. PETERSBURG, FLORIDA

Date of Examination: JANUARY 8, 1996