



LARGE BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

Public Disclosure

September 30, 2003

Community Reinvestment Act
Performance Evaluation

First National Bank and Trust
Charter Number: 14775

29 Eglin Parkway NE
Ft. Walton Beach, Florida 32549

Office of the Comptroller of the Currency

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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, 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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Overall CRA Rating

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

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

Performance Levels	(Name of Depository Institution) Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			X
High Satisfactory	X	X	
Low Satisfactory			
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:

- FNBT made a substantial majority of its Home Mortgage Disclosure Act (HMDA) loans and small loans to businesses inside the Assessment Areas (AAs).
- FNBT’s overall geographic distribution is good. The bank’s borrower distribution is excellent.
- The bank originated a significant dollar amount of community development loans during the review period. As a result, this had a positive impact on FNBT’s lending test rating.
- The bank has a good level of qualified community development investments given its resources, capacity, and opportunities for investment.
- Service delivery systems provide excellent accessibility to all geographies and individuals of different income levels in the AA.
- FNBT has demonstrated excellent performance in providing community development services within its AA. These services had a positive impact on the Service Test rating.

Definitions and Common Abbreviations

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

Aggregate Lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

Block Numbering Area (BNA): A statistical subdivision of a county for grouping and numbering blocks in non-metropolitan counties where local census statistical area committees have not established census tracts. A BNA does not cross county lines.

Census Tract (CT): A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community Development: Affordable housing (including multifamily rental 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.

Consumer Loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also

include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into 'male householder' (a family with a male household and no wife present) or 'female householder' (a family with a female householder and no husband present).

Full Review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

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

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

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Limited 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, and branch distribution).

Low-Income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

Market Share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

Median Family Income (MFI): The median income determined by the U.S. 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 Area (MA): Any primary metropolitan area (PMA), metropolitan area (MA), or consolidated metropolitan area (CMA), as defined by the Office of Management and Budget, with a population of 250,000 or more, and any other area designated as such by the appropriate federal financial supervisory agency.

Middle-Income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of a geography

Moderate-Income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of a geography.

Multifamily: Refers to a residential structure that contains five or more units.

Other Products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

Owner-Occupied Units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Qualified Investment: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rated Area: A rated area is a state or multi-state metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multi-state metropolitan area, the institution will receive a rating for the multi-state metropolitan area.

Small Loan(s) to Business(es): A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial loans.

Small Loan(s) to Farm(s): A loan included in 'loans to small farms' as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

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

Upper-Income: Individual income that is more than 120 percent of the area median income, or a median family income that is more than 120 percent, in the case of a geography.

Description of Institution

First National Bank and Trust (FNBT) is wholly owned by Southern National Banks, Inc., a one-bank holding company formed in 1956. FNBT is an intrastate bank with 13 branches operating in Okaloosa, Santa Rosa, Walton and Bay Counties. FNBT has two wholly owned operating subsidiaries that influence the bank's capacity to lend, Mortgage One (mortgage subsidiary) and American Finance Corporation (finance company subsidiary). FNBT has not been involved in any merger or acquisition activity.

As of June 30, 2003, FNBT reported total assets of \$350 million, and a Tier 1 Capital ratio of 8.35%. The loan to deposit ratio was 74.72%. The percentage of total assets represented by net loans was 59.69%. No legal, financial or other factors impede the bank's ability to help meet the needs in its AA. The loan portfolio is comprised of 84% real estate loans, 9% commercial loans and 7% consumer loans. Loans secured by 1-4 family residential loans represent the largest lending product. The real estate loan portfolio consists of 46% 1-4 family residential loans, 30% commercial loans, 14% construction-development loans, and less than 2% agricultural and multi-family.

FNBT has four stated assessment areas (AAs). The Ft. Walton AA consists of 33 census tracts (CTs) representing all of Okaloosa County. The Panama City AA consists of 26 CTs representing all of Bay County. The Santa Rosa AA consists of 12 CTs representing only one of two counties in the Pensacola MA (Santa Rosa County). FNBT has only one branch in the Pensacola MA, which is located in the southeastern portion of Santa Rosa County, making servicing of the entire MA difficult. This delineation of the Santa Rosa AA does not reflect illegal discrimination or arbitrarily exclude low- or moderate-income geographies. The Walton County AA consists of 6 CTs representing all of Walton County and is the bank's only non-MA AA. The full-scope AA, which is Ft. Walton, is described in detail in the market profile section of this evaluation. Of all reportable loans originated during the evaluation period, 60.10% were in the Ft. Walton AA.

FNBT's deposit market share ranking in the Ft. Walton AA is 3rd (10.84% of the market share) of 19 competitors. Local banking competition is aggressive and includes affiliates of large national banking companies, regional banks, numerous community banks, credit unions, and non-bank financial service providers. The top five competitors in this market include: Vanguard Bank & Trust Company, AmSouth Bank, Destin Bank, First City Bank of Florida and Compass Bank.

Our contact with a local federal government agency identified affordable housing and financial education as the most pressing credit needs of the community.

The bank's business strategy is to continue to serve small- and medium-sized businesses and retail customers. The primary lines of business are residential mortgage brokerage, commercial mortgage, and construction and development. Loans to customers include residential mortgages, residential construction loans, home equity lines, auto loans, personal lines of credit and credit cards.

FNBT's CRA performance was last evaluated on December 23, 1997, at which time the bank was rated "Satisfactory". A review of OCC records, as well as the bank's CRA Public File, did not reveal any complaints relating to the bank's CRA performance.

Scope of the Evaluation

Evaluation Period/Products Evaluated

This Performance Evaluation assessed the bank's performance under the Lending, Investment, and Services Tests. In evaluating the bank's lending performance, we reviewed FNBT's residential mortgage loans and small business loans. FNBT did not have any multi-family or agricultural lending; therefore they are not included in our review. While there are farms located within the assessment area, they are not located in close proximity to FNBT's branches. The evaluation period under the lending test was January 1, 2001 through December 31, 2002 due to issues identified during our data integrity review discussed below. Small business loan data was only available for 2002, when FNBT became a reporter under the CRA for these types of loans.

For community development (CD) loans and the Investment and Service tests, the evaluation period is December 23, 1997 through September 30, 2003. The Investment Test conclusions are based on an evaluation of investments and donations made in the bank's AA that meet the definition of community development. The Service Test was evaluated based on branch distribution, hours of operation, branch opening and closings, alternative delivery systems, retail and commercial deposit and loan products and service, and community development services.

Data Integrity

Prior to this CRA examination, OCC personnel verified the accuracy of data made available to the public in accordance with the Home Mortgage Disclosure Act (HMDA) and the CRA regulation. Public data includes home mortgage lending and small loans to businesses and farms. We found FNBT's processes and internal controls for collecting, verifying, and reporting HMDA and CRA loan data needed improvement. Errors were found in the 2001 and 2002 HMDA data as well as the 2002 small business loan data. As a result, the bank corrected its reporting errors. Based on our final verification work, 2001 and 2002 HMDA, along with 2002 small business loan data was considered accurate and this evaluation is based on the corrected data. In addition, CD loans, service and investments were reviewed to ensure they qualified as community development.

Selection of Areas for Full-Scope Review

FNBT has four AAs. The Ft. Walton AA was selected for full-scope review because this area is where the bank maintains a substantial share of its business; 82.89% of deposits and approximately 60.10% of reportable loans in the evaluation period. Additionally, the Ft. Walton AA is where the highest concentration of branches is located and FNBT has a long history of serving this market. Limited-scope reviews were conducted in the Panama City, Santa Rosa and Walton County AAs. Please refer to the table in Appendix A for more information.

Ratings

The bank's overall rating is based primarily on those areas that received full-scope reviews. Home mortgage lending was given the greatest weight under the lending test since it is the bank's primary business line, followed by small business lending. More consideration was given to the bank's lending performance in the Ft. Walton AA due to the higher volume of lending in both home mortgage lending and small business lending. Consumer lending does not represent a substantial majority of the bank's lending activities; therefore the bank did not provide data on consumer lending for evaluation.

Fair Lending Review

We found no evidence of illegal discrimination or other illegal credit practices.

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 "high satisfactory". Based primarily on the bank's performance in the Ft. Walton AA, which received a full-scope review, the bank's performance is good.

Lending Activity

Refer to Tables 1 Lending Volume in appendix C for the facts and data used to evaluate the bank's lending activity.

FNBT's lending activity demonstrates a good responsiveness to the credit needs of its AA considering its size, resources, and primary business focus.

In the Ft. Walton AA, approximately 84% of the number and 89% of the dollar amount of FNBT's reported loans were home mortgage related. Only 15% of the number and 10% of the dollar amount were small loans to businesses. Among the home mortgage loans originated in the Ft. Walton AA, approximately 48% were for home purchase and 44% were home refinance loans. Home improvement loans in the Ft. Walton AA were approximately 8%.

FNBT has a 10.84% market share of deposits in the Ft. Walton AA. Market share data for loans was not available, as FNBT only became a large bank reporter for CRA in 2002. FNBT's loan to deposit ratio is similar to its competitors.

Distribution of Loans by Income Level of the Geography

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 origination.

The overall geographic distribution of home mortgage loans is good. Generally, the bank's performance in moderate-income geographies is near the percentage of owner-occupied units. The bank's market share in moderate-income geographies is higher than its overall market share for two of three mortgage loan types.

FNBT's home purchase geographic distribution is good. The percent of home purchase loan originations in moderate-income geographies is less than the percent of owner-occupied housing units in those geographies, but its market share in moderate-income geographies exceeds its overall market share.

FNBT's refinance geographic distribution is good. FNBT's percent of refinance loans in moderate-income geographies is slightly less than the percent of owner-occupied housing

units in those geographies, but its market share in moderate-income geographies is almost twice its overall market share.

FNBT’s home improvement geographic distribution is good. The percentage of home improvement loans in moderate-income geographies approximates the percentage of owner-occupied housing units in those geographies, but the bank’s market share in these geographies is less than its overall market share.

Small Loans to Businesses

Refer to Table 5 in appendix C for the facts and data used to evaluate the geographic distribution of the bank’s origination of small loans to businesses.

The bank is primarily a home mortgage lender, with small business loans making a much smaller portion of reportable loans. FNBT’s percent of small loans to businesses in moderate-income geographies approximates the percent of businesses located in moderate-income geographies. The bank’s market share of small loans to businesses is too small to register a percent of market share.

Lending Gap Analysis

Reports detailing FNBT’s lending activity over the evaluation period for home mortgage loans and small loans to businesses were reviewed to identify gaps in the geographic distribution of those loans. No unexplained gaps were identified.

Inside/Outside Ratio

This analysis was performed at the bank level. A substantial majority of FNBT’s home mortgage loans and small loans to businesses were originated within its AAs. By product, the bank originated the following percentage of loans inside its AA.

Loan Type	% Inside
Home Purchase	93%
Refinance	94%
Home Improvement	96%
Small Loans to Businesses	89%
Overall	93%

This performance was positively factored in the overall analysis of the geographic distribution of lending.

Distribution of Loans by Income Level of the Borrower

Home Mortgage Loans

Refer to Tables 6, 7 and 8 in appendix C for the facts and data used to evaluate the borrower distribution of the bank’s home mortgage loan originations and purchases.

The overall distribution of home mortgage loans is excellent. The percent of the bank's home mortgage loans to low-income borrowers varies among products.

FNBT's home purchase borrower distribution is good. The percent of home purchase loan originations to low-income borrowers is less than the percent of low-income families in the AA, as is the bank's market share to low-income borrowers. However, if the significant percentage (9%) of families living below the poverty level, who typically do not qualify for home loans, is deducted from the low-income population, the bank's percentage equals the demographic.

FNBT's percent of home purchase loans to moderate-income borrowers exceeds the percent of moderate-income families in the AA, and the bank's market share to moderate-income borrowers exceeds its overall market share.

The bank's home-improvement borrower distribution is excellent. The percentage of bank loans to low-income borrowers is almost twice the population, and the bank's market share to low-income borrowers is significantly higher than its overall market share. This excellent level of performance is accentuated by the limited lending opportunities to low-income individuals discussed above. FNBT's percent of home-improvement loans to moderate-income borrowers is higher than the percent of moderate-income families in the AA, and its market share is slightly lower than its overall market share.

FNBT's level of refinance loans is excellent. FNBT's percent of refinance loan originations to low-income borrowers is less than the percent of low-income families in the AA. However, the same limited opportunities for lending to low-income persons considering the poverty level applied. Even with this limited opportunity, FNBT's market share to low-income borrowers is higher than its overall market share. FNBT's percent of refinance loans originated to moderate-income borrower exceeds the percent of moderate-income families in the AA, as does its market share.

Small Loans to Businesses

Refer to Table 9 in appendix C for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

FNBT does not collect revenue information on many of their small loans to businesses as part of the underwriting process; therefore the percentage of small loans to businesses for which they have revenue is relatively low. Therefore, we were unable to draw a reliable conclusion regarding the bank's performance under this criterion.

Community Development Lending

Refer to Table 1 Lending Volume in appendix C for the facts and data used to evaluate the bank's level of community development lending. This table includes all CD loans.

CD lending has a positive impact on Lending Test conclusions. FNBT's level of CD lending is good and enhances its overall excellent level of home mortgage lending in the Ft. Walton AA. While FNBT made only 3 CD loans totaling \$573,000 in the Ft. Walton AA, they also made another CD loan totaling \$1.6 million in the Walton County AA. The \$1.6 million CD loan in the Walton County AA provided interim funds for expansion of the municipality's water system,

allowing for the development of needed affordable housing. The United States Department of Agriculture (USDA) Rural Development has approved permanent financing on this project. One CD loan in the Ft. Walton AA provided financing of a behavioral health facility providing service to low- and moderate-income individuals on a sliding pay scale. Two other CD loans in the Ft. Walton AA provided financing to a nonprofit group for renovations of low-income rental housing units.

Product Innovation and Flexibility

The use of innovative and flexible loan products enhances the bank's performance under the lending test, and positively impacted the rating. Specifically, the bank offers loans to small businesses and non-profit organizations that provide support to programs that benefit low- and moderate-income individuals and geographies.

Micro Business Loan Program

The Micro Business Loan Program provides funding to small businesses and non-profit organizations that would normally not qualify under standard underwriting guidelines. During the evaluation period, FNBT originated 17 loans totaling \$317,439.

City of Crestview Community Redevelopment Loan Pool

In 2002, the bank established a loan pool in the amount of \$150,000 to provide funding to qualified real estate property owners in an effort to support revitalization within the City of Crestview's redevelopment area.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the lending test in the Walton County AA, Santa Rosa AA, and Panama City AA is not inconsistent with the bank's overall "high satisfactory" performance under the lending test. In the Walton County AA FNBT's performance is stronger than the bank's overall performance. The Walton County AA contained 27% of the bank's reportable loans. FNBT's geographic distribution as well as borrower distribution in the Walton County AA was excellent in all categories, consistently exceeding market share. In the Panama City AA the bank's performance is weaker than the bank's overall performance. Only 1.17% of FNBT's reportable loans were in the Panama City AA and only one branch is located in the AA, which opened during the evaluation period. Refer to Tables 1 through 9 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 High Satisfactory. Based on full-scope reviews, the bank's performance in the Ft. Walton AA is good, despite the limited opportunities for investments in the AA.

Refer to Table 10 in appendix C for the facts and data used to evaluate the bank's level of qualified investments.

Qualifying investments are investments that have as their primary purpose community development, as defined in the CRA regulation. In evaluating the bank's overall level of qualified investments, we considered the opportunities available to invest in CD's in the AA as well as the capacity for the local community to create qualified investments.

During the evaluation period, FNBT purchased \$1,232,000 in a mortgage-backed pool from Citibank NYC representing 4.3% of Tier 1 capital. The security was structured to consist of a pool of mortgages originated to low- and moderate-income borrowers in the state of Florida. This level of performance is considered good as the Ft. Walton AA did not identify or provide opportunities to participate in CD investments.

Conclusions for Area Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the investment test in the Panama City AA, Santa Rosa AA and Walton County AA, is not inconsistent with the bank's overall "High Satisfactory" performance. The qualified investment purchased during the evaluation period benefits the entire assessment areas bank-wide. Refer to Table 10 in appendix C for 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 "Outstanding". Based on full-scope reviews, the bank's performance in the Ft. Walton AA is excellent.

Retail Banking Services

Refer to Table 11 in appendix C for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

In evaluating the bank's level of services in the AA, we considered its distribution of branches and ATM facilities and record of opening and closing branches in relation to the size of the bank, its competitors and the Ft. Walton AA. FNBT has eight offices and 60 ATM facilities in the 33 census tract AA, of which three are classified as moderate-income tracts.

FNBT's branches and retail services provide excellent accessibility to all geographies and individuals of all income levels in the AA, especially those in the moderate-income census tracts. FNBT has 3 branches that are located in moderate-income census tracts. These 3 branches represent 38% of the total population residing in the AA, which significantly exceeded the 21% of the population residing in those areas. Access to bank service has also improved as FNBT opened one branch located in a moderate-income census tract, and closed none during the evaluation period. Banking hours are consistent throughout the AA, particularly in moderate-income CTs and individuals and many branches provide extended drive-in hours. Generally, lobby offices are opened Monday to Friday 9AM to 5PM and drive-thru hours from 7AM to 7PM Monday to Saturday.

FNBT's sixty ATMs within the AA provide alternate delivery systems, allowing consumers to access funds 24-hours a day, 7 days a week. An analysis of ATM locations indicates that FNBT provides excellent accessibility to geographies and individuals of various incomes. Twelve ATM's or 38% of the total are located in moderate-income tracts where 21% of the population resides. FNBT also provides other alternative delivery systems with telephone and Internet banking.

FNBT offers a variety of deposit and loan products and services. Several of the bank products, particularly deposit accounts, are responsive to the needs of low- and moderate-income individuals and small businesses as well throughout the AA. Low cost banking products detailed below provide increased access to financial services for low- and moderate-income individuals.

Armed Forces Club

A checking account targeted to customers serving in the military. For a nominal monthly fee, account holders receive benefits such as: unlimited check writing, no minimum balance requirement, free bank stock checks, unlimited ATM usage at all FNBT locations, free Internet banking services as well as 24-hour access to FNBT's telephone First Access service.

\$1.79 Unlimited Checking Account

This inexpensive checking account has benefits similar to the Armed Forces Club account. Account holders do not receive processed checks in with monthly bank statements.

Preferred Checking Account

A checking account reserved for individuals who are 50 years of age or older. Similar to the Armed Forces Club account, there is unlimited check writing service, no minimum balance and free bank stock checks. The account offers free access to FNBT's ATMs, Internet and telephone banking services and does not return processed checks in monthly bank statements.

Small Business Checking

A checking account targeted to small businesses (for sole proprietors only) with limited transactions. A nominal monthly fee and per item charge is assessed with no minimum balances required on the account. The account offers free access to FNBT's ATMs, Internet and telephone banking services.

Community Development Services

FNBT has demonstrated excellent performance in providing CD services within its AA. This assessment is based on the number and impact of organizations served as well as the impact of these organizations on identified CD needs in the community. During the evaluation period, FNBT provided CD services that promote increased homeownership opportunities for LMI individuals and families, promote economic development within the AA and sponsored the delivery of community services targeted to low- or moderate-income people. FNBT excelled in CD services in the AA by providing technical assistance and ongoing education to organizations such as Affordable Housing Church Coordinator Program and Minority Small Business Committee. FNBT also participates and underwrites expenses for many events to

organizations whose primary purpose is to service the LMI individuals in the AA. Organizations include the Habitat for Humanity, Okaloosa Community Development Corporation, HomeOwnership Expo Committee and the Affordable Housing Church Coordinator Program. Bank officers regularly provide leadership to the many of the above-mentioned organizations, as well as others within the AA, through service on committees or Boards, to identify credit needs and CD opportunities.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the service test in the Panama City AA, Santa Rosa AA and Walton County AA, is not inconsistent with the bank's overall "Outstanding" performance.

FNBT opened two branches during the evaluation period. One branch is located in a low-income CT Panama City AA. This represents FNBT's first branch in the Panama City AA. The other opening occurred in an upper-income CT of the Walton County AA. A branch was also opened and closed in the Santa Rosa AA located in a middle-income CT. The one branch located in the low-income tract of Panama City represented 100% of the branches in that AA, which significantly exceeds the 4% of the population residing in low-income CTs.

Refer to Table 11 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 non-metropolitan 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 CD Loans; Investment and Service Tests	January 1, 2001 to December 31, 2002 December 23, 1997 to September 30, 2003
Financial Institution	Products Reviewed	
FNBT	Home mortgage loans and small loans to businesses	
Affiliate(s)	Affiliate Relationship	Products Reviewed
Southern National Banks, Inc.	Holding Company	None
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Ft. Walton (Okaloosa County)	Full Scope	None
Pensacola (Santa Rosa County)	Limited Scope	None
Walton (Walton County)	Limited Scope	None
Panama City (Bay County)	Limited Scope	None

Appendix B: Market Profiles for Full-Scope Areas

Ft. Walton AA

Demographic Information for Full-Scope Area: Ft. Walton AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	33	0	24.24	60.61	15.15	0
Population by Geography	143,776	0	21.03	63.07	15.90	0
Owner-Occupied Housing by Geography	33,149	0	15.47	66.61	17.92	0
Businesses by Geography						
Farms by Geography						
Family Distribution by Income Level	39,885	16.52	20.86	23.83	38.79	0
Distribution of Low- and Moderate-Income Families throughout AA Geographies	14,910	0	31.58	59.19	9.23	0
Median Family Income						
HUD Adjusted Median Family Income for 2001	\$31,663					
Households Below the Poverty Level	\$50,400 9%					
			Median Housing Value			\$72,750
			Unemployment Rate			%2.4

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 1990 U.S. Census, and XXXX HUD updated MFI.

The Ft. Walton AA consists of Okaloosa County. The AA includes the major cities of Ft. Walton, Crestview, Niceville, and Destin. There are 33 CTs in the AA: 8 moderate-income, 20 middle-income and 5-upper income. There are no low-income CTs in the AA. The Ft. Walton AA comprises 82.89% of FNBT's rated area deposits and 60.10% of reportable loans originated in the evaluation period. FNBT ranks as the 3rd largest commercial bank in the Ft. Walton AA with 10.84% of market share. Local banking competition is aggressive and includes affiliates of large national banks, regional banks, numerous small community banks, credit unions, and non-bank financial service providers. The top five competitors in the market include: Vanguard Bank & Trust Company, AmSouth Bank, Destin Bank, First City Bank of Florida and Compass Bank.

Population

The population living in the Ft. Walton AA was 143,776 in 1990 and is projected to be 170,498 in 2000. The number of families in the Ft. Walton AA was 39,885 in 1990 but is projected to be 46,469 in 2000. The percentage of families by income level is 16.52% low-income, 20.86% moderate-income, 23.83% middle-income and 38.79% upper-income.

Dwellings

In 1990, housing stock was 62,569 with 33,149 owner-occupied units. In 2000, housing stock is estimated to be 78,593 with 43,995 owner-occupied units. The average price in Ft. Walton

was \$72,750 but is projected to have risen to \$101,200 in 2000, making affordability questionable for low-income borrowers with income less than \$25,200. In addition, many of the low- and moderate-income individuals are military, where on base housing is provided.

Employment

The local economy is service, government, or retail trade oriented. The economies of Okaloosa County depend heavily on the local military installations and remain stable because of that association to the military. Eglin Air Force Base is the largest military base in the world. Tourism is also an economic strength for the county and makes up a large share of the county's employment. The largest employer in the county is Abbott Resorts, a real estate sales and property management company.

Ft. Walton Beach ranks among the top 10% of all US metro areas in terms of job growth from 1999-2001. Ft. Walton boasts one of the Southeast's best concentrations of high technology employment, much of it focused around the aviation, aerospace and engineering businesses. High technology jobs now account for over 6% of the local workforce. Okaloosa County's August 2003 unemployment rate of 2.4% is significantly lower than the State rate of 5.3% and the lowest in Florida.

Appendix C: Tables of Performance Data

Content of Standardized Tables

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/purchases and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/assessment area. Tables without data are not included in this PE.

The following is a listing and brief description of the tables:

- Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MA/assessment area. Community development loans to statewide or regional entities or made outside the bank’s assessment area may receive positive CRA consideration. Refer to Interagency Q&As __.12(i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans. When such loans exist, insert a line item with the appropriate caption, such as “Statewide/Regional” or “Out of Assessment Area,” in the MA/Assessment Area column and record the corresponding numbers and amounts in the “Community Development Loans” column.
- Table 2. Geographic Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased 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 share information based on the most recent aggregate market data available.
- Table 3. Geographic Distribution of Home Improvement Loans** - See Table 2.
- Table 4. Geographic Distribution of Home Mortgage Refinance Loans** - See Table 2.
- Table 5. Geographic Distribution of Small Loans to Businesses** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses originated and purchased 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 share information based on the most recent aggregate market data available. Because small business data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank’s assessment area.

- Table 6. Borrower Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MA/assessment area. The table also presents market share information based on the most recent aggregate market data available.
- Table 7. Borrower Distribution of Home Improvement Loans** - See Table 8.
- Table 8. Borrower Distribution of Refinance Loans** - See Table 8.
- Table 9. Borrower Distribution of Small Loans to Businesses** - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased 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. In addition, the table presents the percentage distribution of the number of loans originated and purchased 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 10. Qualified Investments** - Presents the number and dollar amount of qualified investments made by the bank in each MA/AA. The table separately presents investments made during prior evaluation periods that are still outstanding and investments made during the current evaluation period. Prior-period investments are reflected at their book value as of the end of the evaluation period. Current period investments are reflected at their original investment amount even if that amount is greater than the current book value of the investment. The table also presents the number and dollar amount of unfunded qualified investment commitments. In order to be included, an unfunded commitment must be legally binding and tracked and recorded by the bank's financial reporting system.
- A bank may receive positive consideration for qualified investments in statewide/regional entities or made outside of the bank's assessment area. See Interagency Q&As __.12(i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such investments. When such investments exist, insert a line item with the appropriate caption, such as "Statewide/Regional" or "Out of Assessment Area," in the MA/Assessment Area column and record the corresponding numbers and amounts in the "Qualified Investments" column.
- Table 11. Distribution of Branch Delivery System and Branch Openings/Closings** - Compares the percentage distribution of the number of the bank's branches in low-, moderate-, middle-, and upper-income geographies to the percentage of the population within each geography in each MA/AA. The table also presents data on branch openings and closings in each MA/AA.

Table 1. Lending Volume

LENDING VOLUME		Geography: FLORIDA				Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002						
MA/Assessment Area (2002):	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
Full Review:												
Ft Walton AA	60.10	523	55,000	96	6,314	0	0	3	573	623	61,887	0.00
Limited Review:												
Panama City AA	1.17	7	801	5	919	0	0	0	0	12	1,720	0.00
Santa Rosa AA	11.65	110	13,451	10	629	0	0	0	0	120	14,080	0.00
Walton County AA	27.09	221	15,065	58	6,227	0	0	1	1,561	280	22,853	0.00

* Loan Data as of December 31, 2002. Rated area refers to either the state or multi-state MA rating area.

** The evaluation period for Community Development Loans is From January 01, 1998 to December 31, 2002.

*** Deposit Data as of June 30, 2002. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE		Geography: FLORIDA				Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002						Market Share (%) by Geography*				
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans						
Full Review:																
Ft Walton AA	252	61.92	0.00	0.00	15.47	11.11	66.61	68.65	17.92	20.24	1.42	0.00	1.80	1.46	0.99	
Limited Review:																
Panama City AA	2	0.49	2.19	0.00	17.25	0.00	51.62	50.00	28.93	50.00	0.00	0.00	0.00	0.00	0.00	
Santa Rosa AA	63	15.48	0.00	0.00	11.70	9.52	80.80	90.48	7.49	0.00	0.69	0.00	2.31	0.59	0.00	
Walton County AA	90	22.11	0.00	0.00	43.57	21.11	38.16	46.67	18.27	32.22	1.99	0.00	5.79	9.93	0.55	

* Based on 2001 Peer Mortgage Data: Southeast Region 1.

** Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

*** Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by the number of owner occupied housing units in the area based on 1990 Census information.

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT		Geography: FLORIDA				Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002						Market Share (%) by Geography*				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans						
Full Review:																
Ft Walton MA	41	48.81	0.00	0.00	15.47	14.63	66.61	78.05	17.92	7.32	5.53	0.00	2.60	7.58	1.33	
Limited Review:																
Panama City AA	0	0.00	2.19	0.00	17.25	0.00	51.62	0.00	28.93	0.00	0.00	0.00	0.00	0.00	0.00	
Santa Rosa AA	2	2.38	0.00	0.00	11.70	0.00	80.80	100.00	7.49	0.00	0.26	0.00	0.00	0.31	0.00	
Walton County AA	41	48.81	0.00	0.00	43.57	46.34	38.16	51.22	18.27	2.44	14.08	0.00	21.74	30.30	0.00	

* Based on 2001 Peer Mortgage Data: Southeast Region 1.

** Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

*** Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 1990 Census information.

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE			Geography: FLORIDA				Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002					Market Share (%) by Geography*				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans						
Full Review:																
Ft Walton MA	230	62.16	0.00	0.00	15.47	11.74	66.61	66.96	17.92	21.30	1.21	0.00	2.07	1.04	1.36	
Limited Review:																
Panama City AA	5	1.35	2.19	0.00	17.25	0.00	51.62	80.00	28.93	20.00	0.08	0.00	0.00	0.12	0.05	
Santa Rosa AA	45	12.16	0.00	0.00	11.70	15.56	80.80	82.22	7.49	2.22	0.40	0.00	1.04	0.36	0.00	
Walton County AA	90	24.32	0.00	0.00	43.57	31.11	38.16	41.11	18.27	27.78	2.69	0.00	11.76	8.41	0.51	

* Based on 2001 Peer Mortgage Data: Southeast Region 1.

** Home mortgage refinance loans originated and purchased in the MA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

*** Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 1990 Census information.

Table 5. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES		Geography: FLORIDA				Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002					Market Share (%) by Geography*				
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans					
Full Review:															
Ft Walton MA	96	56.80	0.00	0.00	15.62	14.58	72.23	81.25	12.15	4.17	0.00	0.00	0.00	0.00	0.00
Limited Review:															
Panama City AA	5	2.96	9.36	20.00	13.58	0.00	47.24	20.00	29.82	60.00	0.00	0.00	0.00	0.00	0.00
Santa Rosa AA	10	5.92	0.00	0.00	10.48	40.00	77.63	60.00	11.89	0.00	0.00	0.00	0.00	0.00	0.00
Walton County AA	58	34.32	0.00	0.00	18.91	36.21	24.38	31.03	56.72	32.76	0.00	0.00	0.00	0.00	0.00

* Based on 2001 Peer Small Business Data: US&PR.

** Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

*** Source Data - Dun and Bradstreet (2002).

Table 6. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE															Geography: FLORIDA					Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002				
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share [*]													
	#	% of Total ^{**}	% Families ^{***}	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}	Overall	Low	Mod	Mid	Upp							
Full Review:																								
Ft Walton MA	252	61.92	16.52	7.29	20.86	27.13	23.83	25.10	38.79	40.49	1.64	1.06	2.72	2.24	0.96									
Limited Review:																								
Panama City AA	2	0.49	18.84	0.00	19.08	0.00	22.76	0.00	39.31	100.00	0.00	0.00	0.00	0.00	0.00									
Santa Rosa AA	63	15.48	18.27	0.00	18.15	23.81	22.50	31.75	41.09	44.44	0.79	0.00	1.00	1.12	0.61									
Walton County AA	90	22.11	22.04	4.49	18.77	26.97	20.61	31.46	38.58	37.08	2.25	3.03	9.23	7.73	0.89									

^{*} Based on 2001 Peer Mortgage Data: Southeast Region 1.

^{**} As a percentage of loans with borrower income information available. No information was available for 1.47% of loans originated and purchased by BANK.

^{***} Percentage of Families is based on the 1990 Census information.

^{****} Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

Table 7. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT		Geography: FLORIDA					Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002					Market Share [*]				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp	
	#	% of Total ^{**}	% Families ^{***}	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}						
Full Review:																
Ft Walton MA	41	48.81	16.52	26.67	20.86	23.33	23.83	26.67	38.79	23.33	4.31	6.98	3.61	5.88	3.13	
Limited Review:																
Panama City AA	0	0.00	18.84	0.00	19.08	0.00	22.76	0.00	39.31	0.00	0.00	0.00	0.00	0.00	0.00	
Santa Rosa AA	2	2.38	18.27	0.00	18.15	0.00	22.50	100.00	41.09	0.00	0.00	0.00	0.00	0.00	0.00	
Walton County AA	41	48.81	22.04	7.89	18.77	28.95	20.61	31.58	38.58	31.58	15.08	25.00	12.50	25.93	9.52	

^{*} Based on 2001 Peer Mortgage Data: Southeast Region 1.

^{**} As a percentage of loans with borrower income information available. No information was available for 17.86% of loans originated and purchased by BANK.

^{***} Percentage of Families is based on the 1990 Census information.

^{****} Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

Table 8. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE		Geography: FLORIDA					Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002					Market Share*				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****						
Full Review:																
Ft Walton MA	230	62.16	16.52	9.23	20.86	21.54	23.83	24.10	38.79	45.13	1.34	2.41	2.00	1.24	1.09	
Limited Review:																
Panama City AA	5	1.35	18.84	0.00	19.08	0.00	22.76	40.00	39.31	60.00	0.11	0.00	0.00	0.11	0.14	
Santa Rosa AA	45	12.16	18.27	20.59	18.15	8.82	22.50	20.59	41.09	50.00	0.15	0.00	0.00	0.16	0.20	
Walton County AA	90	24.32	22.04	7.87	18.77	24.72	20.61	23.60	38.58	43.82	3.17	17.39	11.32	5.45	1.40	

* Based on 2001 Peer Mortgage Data: Southeast Region 1.

** As a percentage of loans with borrower income information available. No information was available for 12.70% of loans originated and purchased by BANK.

*** Percentage of Families is based on the 1990 Census information.

**** Home mortgage refinance loans originated and purchased in the MA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

Table 9. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: FLORIDA			Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002				
MA/Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share [*]	
	#	% of Total ^{**}	% of Businesses ^{***}	% BANK Loans ^{****}	\$100,000 or less	> \$100,000 to \$250,000	> \$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
Full Review:									
Ft Walton MA	96	56.80	68.24	34.38	84.38	8.33	7.29	0.00	0.00
Limited Review:									
Panama City AA	5	2.96	69.50	40.00	80.00	0.00	20.00	0.00	0.00
Santa Rosa AA	10	5.92	69.94	30.00	80.00	20.00	0.00	0.00	0.00
Walton County AA	58	34.32	68.88	15.52	70.69	17.24	12.07	0.00	0.00

^{*} Based on 2001 Peer Small Business Data: US&PR.

^{**} Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

^{***} Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2002).

^{****} Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 51.48% of small loans to businesses originated and purchased by the bank.

Table 10. Qualified Investments

QUALIFIED INVESTMENTS									
Geography: FLORIDA									
Evaluation Period: DECEMBER 23, 1997 TO SEPTEMBER 30, 2003									
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
Ft Walton MA	0	0	1	1,232	1	1,232	100.00	0	0
Limited Review:									
Panama City AA	0	0	0	0	0	0	0.00	0	0
Santa Rosa AA	0	0	0	0	0	0	0.00	0	0
Walton County AA	0	0	0	0	0	0	0.00	0	0

1,252

* 'Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.

** 'Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

Table 11. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS				Geography: FLORIDA				Evaluation Period: DECEMBER 23, 1997 TO SEPTEMBER 30, 2003									
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings				Population					
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full Review:																	
Ft Walton MA	82.89	8	61.54	0.00	37.50	62.50	0.00	1	0	0	1	0	0	0.00	21.03	63.07	15.90
Limited Review:																	
Panama City AA	1.58	1	7.69	100.0	0.00	0.00	0.00	1	0	1	0	0	0	3.62	21.04	48.63	26.59
Santa Rosa AA	5.37	1	7.69	0.00	0.00	100.0	0.00	1	1	0	0	0	0	0.00	12.85	80.37	6.78
Walton County AA	10.16	3	23.08	0.00	0.00	33.33	66.67	1	0	0	0	0	1	0.00	43.99	38.02	17.99

Distribution of Branch and ATM Delivery System

DISTRIBUTION OF BRANCH AND ATM DELIVERY SYSTEM				Geography: FLORIDA				Evaluation Period: DECEMBER 23, 1997 TO SEPTEMBER 30, 2003									
MA/Assessment Area:	Deposits	Branches						ATMs				Population					
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of ATMs	% of Total Bank ATMs	Location of ATMs by Income of Geographies				% of Population within Each Geography			
				Low	Mod	Mid	Up			Low	Mod	Mid	Up	Low	Mod	Mid	Up
Full Review:																	
Ft Walton MA	82.89	8	61.54	0.00	37.50	62.50	0.00	60	67.42	0	12	47	1	0.00	21.03	63.07	15.90
Limited Review:																	
Panama City AA	1.58	1	7.69	100.0	0.00	0.00	0.00	18	20.22	1	1	11	5	3.62	21.04	48.63	26.59
Santa Rosa AA	5.37	1	7.69	0.00	0.00	100.0	0.00	2	2.25	0	0	2	0	0.00	12.85	80.37	6.78
Walton County AA	10.16	3	23.08	0.00	0.00	33.33	66.67	9	10.11	0	1	4	4	0.00	43.99	38.02	17.99

Ft Walton AA

Demographic Information for Full Scope Area: Ft Walton AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	33	0.00	24.24	60.61	15.15	0.00
Population by Geography	143,776	0.00	21.03	63.07	15.90	0.00
Owner-Occupied Housing by Geography	33,149	0.00	15.47	66.61	17.92	0.00
Business by Geography	14,121	0.00	15.62	72.23	12.15	0.00
Farms by Geography	333	0.00	22.22	69.07	8.71	0.00
Family Distribution by Income Level	39,885	16.52	20.86	23.83	38.79	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	14,910	0.00	31.58	59.19	9.23	0.00
Median Family Income		31,663	Median Housing Value		72,750	
HUD Adjusted Median Family Income for 2002		50,400	Unemployment Rate (1990 US Census)		2.65%	
Households Below Poverty Level		9.92%				

(*) The NA category consists of geographies that have not been assigned an income classification.

Source: 1990 US Census and 2002 HUD updated MFI