



LARGE BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

Public Disclosure

May 19, 2003

Community Reinvestment Act Performance Evaluation

**First National Bank, Ames, Iowa
Charter Number: 10408
405 5th Street
Ames, Iowa 50010**

Office of the Comptroller of the Currency

**Omaha North Field Office
13710 FNB Parkway, Suite 110
Omaha, Nebraska 68154**

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, Ames, Iowa (FNB)** with respect to the Lending, Investment, and Service Tests:

Performance Levels	First National Bank, Ames, Iowa Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X		X
Low Satisfactory		X	
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:

- FNB had a good distribution of loans to borrowers of different income levels during the evaluation period. Performance was good for small loans to businesses and farms, and excellent for home purchase and home improvement loans. Performance was adequate for home mortgage refinance loans.
- The bank’s community development (CD) lending reflected good responsiveness to affordable housing needs of the assessment area (AA). Qualified CD loans totaled nearly \$1.9 million.
- FNB provided an adequate level of qualified donations. The bank made \$107 thousand in donations to community development organizations and to programs of other organizations that specifically target the needs of low- and moderate-income (LMI) individuals. The bank did not have any qualified investment securities.
- FNB’s service delivery systems are accessible to individuals of different income levels in the Ames AA.
- FNB associates were leaders in providing CD services to qualifying organizations in the AA.

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 1 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

FNB is a full-service financial institution headquartered in Ames, Iowa. The bank offers a full range of credit products within its AA including commercial, real estate, and consumer loan products. The bank's primary business focus is on commercial lending, but also emphasizes residential real estate loans. For purposes of the CRA evaluation, FNB is an intrastate bank with offices located only in Iowa. As of May 19, 2003, the bank had four office locations and 22 automated teller machines (ATMs) in the Ames AA. Ames National Corporation owns 100% of FNB and four other banks in central Iowa. There were no acquisition or merger activities related to FNB during the CRA evaluation period.

As of December 31, 2002, FNB had total assets of \$375 million and tier 1 capital of \$36 million. The bank's loan-to-deposit ratio was 56%, and net loans represented 46% of total assets. By dollar amount, the loan portfolio consisted of; 55% commercial and commercial real estate loans; 39% residential real estate loans, including multi-family; 2% consumer; 2% agricultural and agricultural real estate loans; and 2% other loans. There were no known legal, financial, or other impediments that hampered FNB's ability to help meet the credit needs of its AA.

FNB received a Satisfactory rating at the last CRA examination dated April 3, 2000.

Scope of the Evaluation

Evaluation Period/Products Evaluated

The evaluation period for home mortgage loans was January 1, 2000 through December 31, 2002. The evaluation for small loans to businesses and farms was January 1, 2000 through December 31, 2002. The evaluation period for CD loans, the investment test, and the service test was from April 4, 2000 through May 19, 2003.

Data Integrity

As part of the CRA evaluation, we tested the accuracy of the bank's publicly filed information on small loans to businesses and farms. We found minor errors in the reported data, which FNB personnel corrected during the examination.

Since the bank was not a HMDA reporter during the CRA evaluation period, it was not necessary to test mortgage data. Mortgage loan borrower and geographic distribution analyses were conducted using actual data gathered by examiners from the mortgage files sampled from 2000, 2001, and 2002.

We also reviewed CD loans, investments, and services submitted by FNB management to ensure they met a regulatory definition of CD. We found all items presented for consideration qualified under one or more CD definitions.

Selection of Area for Full-Scope Review

FNB has only one AA. We performed a full-scope review of the bank's Ames AA.

Ratings

The bank's overall rating is based on the area that received a full-scope review.

In determining conclusions for the lending test, we weighted FNB's small loans to businesses more heavily than other loan types. The bank has historically focused on commercial lending as its primary loan type. The bank originates and sells home mortgage loans, but does not maintain aggregate loan data since it is not a HMDA reporter. Also, the bank made few small loans to farms relative to small loans to businesses.

Other

Community contacts identified affordable housing as the primary need in the Ames AA. We interviewed representatives from two organizations involved in economic development in the city of Ames. These organizations focus primarily on loan programs for small businesses and, general economic development and growth of existing businesses.

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 Area Receiving Full-Scope Review

The bank's performance under the lending test is rated High Satisfactory. This is based on a full-scope review of the Ames AA.

Lending Activity

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

FNB's lending activity in the AA was good. The bank's volume of small loans to businesses was the primary factor supporting this conclusion.

To analyze FNB's lending activity, we compared the bank's deposit market share with its lending market share for each loan product, where information was available. In comparing the market share percentages, we considered the fact that the deposit market share analysis included only deposit-taking financial institutions with one or more branches located in the AA. The lending market share calculations included lenders who did not have deposit-taking facilities in the AA, as well as some nonbank lenders. We did not expect FNB's deposit market share and lending market share percentages to match in order for performance to be considered good.

Based on FDIC deposit market share data as of June 30, 2002, there were 17 deposit-taking financial institutions with one or more banking offices in the bank's AA. FNB was the largest of these institutions with a 27% deposit market share.

FNB's volume of small loans to businesses was good, and the bank's volume of small loans to farms was excellent. There were 31 lenders reporting one or more small loans to businesses in the AA in 2001. FNB ranked first among these lenders with a 16% market share. Also, there were seven lenders reporting one or more small loans to farms in the AA in 2001. FNB ranked first among these lenders with a 42% market share.

Market share data was not available for home mortgage lending since the bank was not a HMDA reporter.

Distribution of Loans by Income Level of the Geography

A comparison of FNB's lending activities to BNA demographics by tract income category is not meaningful. The AA includes only one low-income BNA and no moderate-income BNAs. The low-income BNA consists almost exclusively of Iowa State University student rental housing. There are no owner-occupied housing units in the low-income BNA. In addition, there are only 12 businesses (0.36% of the number of businesses in the AA) and no farms located in the low-income BNA.

Lending Gap Analysis

There were no conspicuous geographic gaps in the bank's small loans to businesses, small loans to farms, and home mortgage loans. This conclusion was determined by plotting FNB's loans on maps of the AA.

Inside/Outside Ratio

A substantial percentage of the bank's small loans to businesses, small loans to farms, and home mortgage loans were made in the AA. By number, FNB made 92% of small loans to businesses, 67% of small loans to farms, 85% of home purchase loans, 80% of home improvement loans, and 80% of home mortgage refinance loans within the AA. For all of these loan products combined, FNB made 87% of the number of loans within the AA.

Distribution of Loans by Income Level of the Borrower

FNB had a good distribution of loans to borrowers of different income levels during the evaluation period. Performance was good for small loans to businesses and farms, and excellent for home purchase and home improvement loans. Performance was adequate for home mortgage refinance loans.

Home Mortgage Loans

Refer to Tables 8, 9, and 10 in appendix C for facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The borrower distribution of home purchase and home improvement loans was excellent, and the distribution of home mortgage refinance loans was adequate. FNB's percentage of home purchase loans to moderate-income borrowers was nearly three times the percentage of moderate-income families in the AA. Also, the bank's percentage of home improvement loans to low-income borrowers and moderate-income borrowers exceeded the percentage of families in both of these income categories. FNB did not have any home mortgage refinance loans, in the 20 loans sampled, to low-income borrowers. However, the bank's percentage of home mortgage refinance loans to moderate-income borrowers nearly matched the percentage of moderate-income families in the AA.

Small Loans to Businesses

Refer to Table 11 in appendix C for facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

FNB's distribution of small loans to businesses with different revenues is good. The bank's percentage of reported loans to businesses with gross annual revenues of \$1 million or less was below the percentage of businesses in the AA with revenues of \$1 million or less. However, FNB's market share of small loans to businesses with revenues of \$1 million or less exceeded the bank's overall market share of small loans to businesses. Also, the bank made a substantial majority of small loans to businesses in amounts of \$100 thousand or less.

Small Loans to Farms

Refer to Table 12 in the appendix C for facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to farms.

FNB's distribution of small loans to farms with different revenues was good. The bank's percentage of small loans to farms with gross annual revenues of \$1 million or less was below the percentage of farms in the AA with revenues of \$1 million or less. However, FNB's market share of small loans to farms with revenues of \$1 million or less nearly matched the bank's overall market share of small loans to farms. Also, the bank made a substantial majority of small loans to farms in amounts of \$100 thousand or less.

Community Development Lending

Refer to Table 1 Lending Volume in appendix C for facts and data used to evaluate the bank's level of CD lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans. In addition, Table 5 includes geographic lending data on all multi-family loans, including those that also qualify as CD loans.

FNB's CD lending had a positive impact on lending test conclusions. The bank provided a relatively high level of CD loans. FNB made a CD loan totaling \$950 thousand in the AA during the evaluation period. The loan was to refinance a low-income housing apartment complex. The loan was responsive to the CD needs of the AA since Ames has a shortage of affordable housing. In addition, the bank made a CD loan for \$930 thousand in a neighboring community to refinance a low-income affordable housing apartment complex. FNB received positive consideration for this loan even though it was not located in the AA since the bank adequately addressed the needs of the AA. These loans together represented 5% of tier 1 capital as of December 31, 2002.

Product Innovation and Flexibility

FNB's participation in several flexible lending affordable housing programs had a positive impact on lending test conclusions. Loans made under these programs were included in population of mortgage loans we sampled from. Thus, they were considered as a part of the tables in appendix C.

Habitat for Humanity – During the evaluation period, FNB began purchasing loans from Habitat for Humanity. The bank has purchased 13 loans totaling \$300 thousand. Due to the bank's participation, Habitat for Humanity is able to free up funds to provide additional affordable housing without waiting for grants and principal payments from previous houses sold under this program. This program serves the affordable housing needs of LMI individuals in the AA.

Iowa Finance Authority – FNB financed two affordable housing loans totaling \$173 thousand through the Iowa Finance Authority's FirstHome Program. This program provides first time homebuyers with low cost, affordable home loans. The program has income restrictions that can exceed the CRA maximums for LMI individuals, but is offered to all applicants falling below defined maximums, including those that would be LMI under the CRA.

Ames/Story County Partnership Affordable Housing Program – FNB financed two affordable housing loans totaling \$157 thousand during the evaluation period. This program provides low cost mortgages and in some cases forgivable down payments. The program has income restrictions that can exceed the CRA maximums for LMI individuals, but is offered to all applicants falling below defined maximums, including those that would be LMI under the CRA.

INVESTMENT TEST

Conclusions for Area Receiving Full-Scope Review

The bank's performance under the investment test is rated Low Satisfactory. This is based on a full-scope review of the Ames AA.

Refer to Table 14 in appendix C for facts and data used to evaluate the bank's level of qualified investments.

FNB extended an adequate level of qualified investments in the Ames AA. During the evaluation period, FNB provided \$107 thousand in contributions to 11 organizations whose primary purposes were CD services for LMI individuals and economic development in the Ames AA. None of the donations were considered innovative or complex. Even so, total qualified donation volume was adequate given the low level of CD opportunities in the AA (refer to the Market Profile in appendix B). FNB provided one donation to an organization addressing affordable housing, which was the most pressing CD need identified in the AA. Also, FNB provided donations to two entities that facilitated the opening or expansion of 11 businesses in the AA, creating 182 jobs. FNB did not have any qualified investment securities during the evaluation period or any qualified investments from the prior evaluation period still outstanding.

SERVICE TEST

Conclusions for Area Receiving Full-Scope Review

The bank's performance under the Service Test is rated High Satisfactory. This based on a full-scope review of the Ames AA.

Retail Banking Services

Refer to Table 15 in appendix C for facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

FNB's service delivery systems are accessible to individuals of different income levels in the Ames AA. A map of FNB's branches revealed that there are no significant gaps in branch locations that would negatively impact LMI individuals in the AA. Also, ninety-six percent of LMI families reside in the BNAs where FNB's offices are located or in adjoining BNAs. FNB did not open or close any branches during the service test evaluation period. Refer to the Market Profile in appendix B for additional information regarding AA demographics.

The bank's hours and services offered throughout the AA are good. Hours and services do not vary in a way that inconveniences the AA, including LMI individuals. FNB supplements its banking hours and services provided Monday through Friday with Saturday hours at all office locations, and Sunday hours at one branch. Services are overall comparable among locations, with the exception that loans are not offered at one branch.

FNB offers several alternative service delivery systems. The bank offers: Touch Tone Teller, a telephone banking service; 22 ATMs; direct deposit service; and banking by mail. No information was available on the effectiveness of these services in reaching LMI individuals. We did not place significant weight on these alternative delivery systems when drawing conclusions under the service test.

Community Development Services

FNB associates were leaders in providing CD services to qualifying organizations in the AA. Nineteen FNB associates, including the President and other bank officers, provided services to 12 different CD organizations during the evaluation period. Many of the CD services involved leadership roles, including membership on Boards of Directors and officer positions.

Bank associates provided the following CD services:

- Bank employees served in leadership capacities for two affordable housing entities. Employees provided financial expertise on the use of credit bureaus, completion of credit applications, preparation of budgets, and design of loan programs to meet the needs of LMI individuals.

- FNB associates provided financial expertise to four entities involved in economic development, including attracting new businesses to Ames, expansion of existing businesses, and job creation. Bank associates held officer positions, including president and treasurer for these entities.
- Bank employees provided financial expertise to six entities primarily offering CD services to LMI individuals in the AA. FNB associates acted as treasurers and Board members for these entities.

Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, any affiliate activities reviewed, and loan products considered.

Time Period Reviewed	Lending Test (excluding CD Loans): 01/01/2000 to 12/31/2002 Investment Test: 04/04/2000 to 05/19/2003 Service Test: 04/04/2000 to 05/19/2003 CD Loans: 04/04/2000 to 05/19/2003	
Financial Institution		Products Reviewed
First National Bank, Ames, Iowa		Home Mortgage Loans, Small Loans to Businesses, Small Loans to Farms, and Community Development Loans
Affiliate(s)	Affiliate Relationship	Products Reviewed
No affiliate products were reviewed.		
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Ames	Full-Scope	The assessment area includes BNAs 1.00 through 13.02 in Story County, Iowa.

Appendix B: Market Profile for Full-Scope Area

Ames Assessment Area

Demographic Information for Full-Scope Area: Ames, Iowa						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	14	7%	NA	29%	57%	7%
Population by Geography	51,819	6%	NA	23%	61%	10%
Owner-Occupied Housing by Geography	8,265	0%	NA	17%	83%	0%
Businesses by Geography **	3,361	0%	NA	27%	69%	4%
Farms by Geography	180	0%	NA	14%	83%	3%
Family Distribution by Income Level	9,751	16%	11%	19%	54%	N/A
Distribution of Low- and Moderate-Income Families throughout AA Geographies	2,576	34%	NA	23%	43%	0%
Median Family Income HUD Adjusted Median Family Income for 2002 Households Below the Poverty Level	= \$29,303 = \$49,400 = 21%	Median Housing Value Unemployment Rate***				= \$66,970 = 3%

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

** Twelve businesses (0.36%) are located in the low-income geography.

*** Iowa Workforce Development, April 2003

Source: 1990 U.S. Census, and 2002 HUD updated MFI.

FNB designates 14 contiguous BNAs in Story County, Iowa as its AA. This area is where the majority of the bank's lending and banking services are available. FNB's head office, three branches, and 22 ATMs were located within the AA. Only one of the AA BNAs is low-income and none are moderate-income. We consider the low-income BNA insignificant to our CRA analysis since it consists almost exclusively of Iowa State University student rental housing. There are no owner-occupied housing units in this tract, and only 12 businesses and no farms are located there. Therefore, opportunities to make mortgage loans and small loans to businesses and farms are virtually nonexistent.

The bank's deposits in the Ames AA totaled approximately \$298 million as of June 30, 2002. Based on FDIC deposit market share data as of that date, this equated to a 27% deposit market share and ranked FNB as the largest deposit taking financial institution in the AA.

Competition among financial institutions in the AA is strong. Seventeen deposit taking financial institutions operated over 38 banking offices in FNB's AA as of June 30, 2002. Major competitors included U.S. Bank, N.A., First American Bank, and Wells Fargo Bank Iowa, N.A.

The AA economy is strong. Diversification exists through educational related services, medical services, biotechnology and life science, and a variety of manufacturing businesses. A well-diversified economy helps maintain an unemployment rate well below the national rate. The 2002 annual average unemployment rate for the area was 3%, compared to the U.S. unemployment rate of nearly 6%. Major employers include Iowa State University, Mary Greeley Medical Center, Iowa Department of Transportation, Ames Community Schools, Sauer Danfoss, Ames Laboratories, and 3M.

A low level of resources and opportunities exist to facilitate activities to address unmet credit and community development needs in the AA. Examiners conducted two community contacts during this CRA examination. These contacts included one economic development entity and a community leader from the Chamber of Commerce. Community contacts unanimously identified a lack of affordable housing as the primary unmet need in the Ames AA, but identified only limited resources addressing this need. During the evaluation period, FNB provided assistance to organizations and to a developer working to address AA affordable housing needs. The bank's assistance was in the form of a CD loan, a qualified donation, and CD services.

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/AA. 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/AA.
- Table 1. Other Products** - Presents the number and dollar amount of any unreported category of loans originated and purchased by the bank over the evaluation period by MA/assessment area. Examples include consumer loans or other data that a bank may provide, at its option, concerning its lending performance. This is a two-page table that lists specific categories.
- 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 Multifamily Loans** - Compares the percentage distribution of the number of multifamily loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of multifamily housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.

- Table 6. 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 AA.
- Table 7. Geographic Distribution of Small Loans to Farms** - The percentage distribution of the number of small loans (less than or equal to \$500 thousand) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (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 farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's AA.
- Table 8. 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 9. Borrower Distribution of Home Improvement Loans** - See Table 8.
- Table 10. Borrower Distribution of Refinance Loans** - See Table 8.
- Table 11. 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 12. Borrower Distribution of Small Loans to Farms** - Compares the percentage distribution of the number of small loans (less than or equal to \$500 thousand) originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms 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 farm. Market share information is presented based on the most recent aggregate market data available.

- Table 13. Geographic and Borrower Distribution of Consumer Loans (OPTIONAL)** - For geographic distribution, the table 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 households within each geography. For borrower distribution, the table 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 of households by income level in each MA/assessment area.
- Table 14. 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.
- Table 15. 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: Iowa												
Evaluation Period: January 1, 2000 to December 31, 2002												
MA/Assessment Area:	% 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:												
Ames	100%	60	5,974	632	48,555	99	4,382	1	950	792	59,861	100%
Out of Assessment Area								1	930	1	930	

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

** This represents the total sample of home purchase, home improvement, and home mortgage refinance loans. The bank does not maintain aggregate home mortgage data since it is not a HMDA reporter.

*** The evaluation period for Community Development Loans is April 4, 2000 – May 19, 2003.

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

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE			Geography: Iowa				Evaluation Period: January 1, 2000 to December 31, 2002								
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#**	% of Total***	% Owner Occupied Units****	% BANK Loans	% Owner Occupied Units****	% BANK Loans	% Owner Occupied Units****	% BANK Loans	% Owner Occupied Units****	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
Ames	20	100%	0%	0%	NA	NA	17%	15%	83%	85%	NA	NA	NA	NA	NA

* Market share data is not available since FNB is not a HMDA reporter.

** Data in this table is based on a sample of 20 home purchase loans. FNB does not maintain aggregate home mortgage data since the bank is not a HMDA reporter.

*** 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: Iowa								Evaluation Period: January 1, 2000 to December 31, 2002				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography *				
	#**	% of Total***	% Owner Occupied Units****	% BANK Loans	% Owner Occupied Units****	% BANK Loans	% Owner Occupied Units****	% BANK Loans	% Owner Occupied Units****	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
Ames	20	100%	0%	0%	NA	NA	17%	10%	83%	90%	NA	NA	NA	NA	NA

* Market share data is not available since FNB is not a HMDA reporter.

** Data in this table is based on a sample of 20 home improvement loans. FNB does not maintain aggregate home mortgage data since the bank is not a HMDA reporter.

*** 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: Iowa				Evaluation Period: January 1, 2000 to December 31, 2002								
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography *				
	#**	% of Total***	% Owner Occupied Units****	% BANK Loans	% Owner Occupied Units****	% BANK Loans	% Owner Occupied Units****	% BANK Loans	% Owner Occupied Units****	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
Ames	20	100%	0%	0%	NA	NA	17%	10%	83%	90%	NA	NA	NA	NA	NA

* Market share data is not available since FNB is not a HMDA reporter.

** Data in this table is based on a sample of 20 home improvement loans. FNB does not maintain aggregate home mortgage data since the bank is not a HMDA reporter.

*** 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 Multifamily Loans

Geographic Distribution: MULTIFAMILY		Geography: Iowa								Evaluation Period: January 1, 2000 to December 31, 2002					
MA/Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#**	% of Total***	% of MF Units****	% BANK Loans	% MF Units****	% BANK Loans	% MF Units****	% BANK Loans	% MF Units****	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
Ames	1	100%	9%	0%	NA	NA	50%	0%	41%	100%	NA	NA	NA	NA	NA

* Market share data is not available since FNB is not a HMDA reporter.

** The bank does not maintain aggregate data for multifamily loans. This is the multifamily CD loan included in Table 1 for the Ames AA.

*** Multifamily loans originated and purchased in the MA/AA as a percentage of all multifamily loans originated and purchased in the rated area.

**** Percentage of multifamily units is the number of multifamily housing units in a particular geography divided by number of multifamily housing units in the area based on 1990 Census information.

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES				Geography: Iowa				Evaluation Period: January 1, 2000 to December 31, 2002							
MA/Assessment Area:	Total Small Loans to Businesses		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
Ames	632	100%	0%	1%	NA	NA	27%	46%	69%	53%	16%	0%	NA	20%	14%

* Based on 2001 Peer Small Business Data: US.

** 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. Four percent of businesses are located in the Not Applicable geography (Iowa State University Campus).

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS			Geography: Iowa						Evaluation Period: January 1, 2000 to December 31, 2002						
MA/Assessment Area:	Total Small Loans to Farms		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
Ames	99	100%	0%	0%	NA	NA	14%	1%	83%	99%	42%	0%	NA	27%	50%

* Based on 2001 Peer Small Business Data: US.

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

*** Source Data - Dun and Bradstreet 2002. Three percent of farms are located in the Not Applicable geography (Iowa State University Campus).

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE			Geography: Iowa						Evaluation Period: January 1, 2000 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*****	Overall	Low	Mod	Mid	Upp
Full Review:															
Ames	20	100%	16%	5%	11%	30%	19%	25%	54%	40%	NA	NA	NA	NA	NA

* Market share data is not available since FNB is not a HMDA reporter.

** Data in this table is based on a sample of 20 home purchase loans. FNB does not maintain aggregate home mortgage data since the bank is not a HMDA reporter.

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

***** As a percentage of loans with borrower income information available. Income information was available for all 20 home purchase loans sampled.

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT			Geography: Iowa						Evaluation Period: January 1, 2000 to December 31, 2002						
MA/Assessment Area:	Total Home Improvement 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*****	Overall	Low	Mod	Mid	Upp
Full Review:															
Ames	20	100%	16%	25%	11%	12%	19%	13%	54%	50%	NA	NA	NA	NA	NA

* Market share data is not available since FNB is not a HMDA reporter.

** Data in this table is based on a sample of 20 home improvement loans. FNB does not maintain aggregate home mortgage data since the bank is not a HMDA reporter.

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

***** As a percentage of loans with borrower income information available. No income information was available for 20% of home improvement loans originated and purchased by the bank.

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE		Geography: Iowa								Evaluation Period: January 1, 2000 to December 31, 2002					
MA/Assessment Area:	Total Home Mortgage Refinance 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*****	Overall	Low	Mod	Mid	Upp
Full Review:															
Ames	20	100%	16%	0%	11%	10%	19%	5%	54%	85%	NA	NA	NA	NA	NA

* Market share data is not available since FNB is not a HMDA reporter.

** Data in this table is based on a sample of 20 home mortgage refinance loans. FNB does not maintain aggregate home mortgage data since the bank is not a HMDA reporter.

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

***** As a percentage of loans with borrower income information available. Income information was available for all 20 home refinance loans sampled.

Table11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES			Geography: Iowa		Evaluation Period: January 1, 2000 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:									
Ames	632	100%	69%	52%	81%	13%	6%	16%	19%

* Based on 2001 Peer Small Business Data: US.

** 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). Revenue information was not available for 25% of businesses in the rated area.

**** 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 10% of small loans to businesses originated and purchased by the bank.

Table12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS		Geography: Iowa			Evaluation Period: January 1, 2000 to December 31, 2002				
MA/Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share *	
	#	% of Total**	% of Farms***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev \$1 Million or Less
Full Review:									
Ames	99	100%	94%	80%	87%	12%	1%	42%	41%

* Based on 2001 Peer Small Business Data: US.

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

*** Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B – 2002). Revenue information was not available for 1% of farms in the rated area.

**** Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 13% of small loans to farms originated and purchased by the bank.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography: Iowa				Evaluation Period: April 4, 2000 to May 19, 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:									
Ames	0	\$0	11	\$107	11	\$107	100%	0	\$0

^{*} '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 15. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS																	
Geography: Iowa Evaluation Period: April 4, 2000 to May 19, 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:																	
Ames	100%	4	100%	0%	0%	0%	100%	0	0	0	0	0	0	6%	NA	23%	61%

* Ten Percent of the population resides in the Not Applicable geography (Iowa State University Campus).