

PUBLIC DISCLOSURE

July 8, 1996

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

First National Bank of Griffin
Charter Number 15572
318 South Hill, Drawer F
Griffin, Georgia 30224

Comptroller of the Currency
1117 Perimeter Center West, Suite W401
Atlanta, Georgia 30338-5417

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

GENERAL INFORMATION

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

This document is an evaluation of the Community Reinvestment Act (CRA) performance of First National Bank of Griffin prepared by the Comptroller of the Currency, the institution's supervisory agency, as of July 8, 1996. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.

INSTITUTION'S CRA RATING: This institution is rated Outstanding based on the bank's substantial loan volume within its assessment area, willingness to lend to borrowers of all different income levels, geographic distribution of credits throughout its assessment area, and high loan-to-deposit ratio. Additionally, there was no appearance of disparate treatment, and no areas have been arbitrarily excluded from the bank's assessment area.

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

SMALL INSTITUTION ASSESSMENT CRITERIA	<u>(NAME OF FINANCIAL INSTITUTION)</u> PERFORMANCE LEVELS		
	Exceeds Standards for Satisfactory Performance	Meets Standards for Satisfactory Performance	Does not meet Standards for Satisfactory Performance
Loan to Deposit Ratio	x		
Lending in Assessment Area		x	
Lending to Borrowers of Different Incomes and to businesses of Different sizes	x		
Geographic Distribution of Loans	x		
Response to Complaints	There have been no complaints since the last examination.		

DESCRIPTION OF INSTITUTION

The First National Bank of Griffin (FNB) is headquartered in Griffin, Georgia which is the county seat for Spalding County. FNB is a community bank with total assets of \$155 million. The bank offers a wide range of products and services through its four offices and five ATM's. Two of the bank's branches are located in moderate income census tracts, while its main office borders on a moderate income tract.

The bank received an Outstanding rating at the last examination, which was dated January 20, 1994. The bank's primary business focus is to make a profit while serving the financial needs of its community. The bank does not rule out any line of financial service provided it meets the foregoing primary focus. The bank is in a sound condition and there are no financial or legal impediments to the bank's ability to meet the credit needs of its community.

The bank is the largest of three independent banks serving Spalding County. The bank also faces competition from a branch of a multinational financial institution, a savings and loan, and a credit union.

DESCRIPTION OF SPALDING COUNTY

The bank's assessment area is Spalding County, which is a bedroom community of Atlanta and part of the Atlanta Metropolitan Statistical Area (MSA). The county is experiencing solid growth and has a population of approximately 55,000. The local economy is strong and diverse with unemployment at a very low 3%. The largest segment of the local economy is retail trade (22%) followed by transportation and public utilities (19%), government (18%), manufacturing (14%) and services (14%). The HUD MSA Median family income for 1995 totals \$48,700.

The county is comprised of twelve census tracts, seven of which are moderate income tracts (per the 1990 U.S. Census). The other five tracts are middle income.

During this examination, we met with two community contacts to discuss credit needs within the community. The contacts agreed that affordable housing is the largest community credit need. The contacts further agreed that the greatest need was for new housing stock in lower price ranges.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA :

LOAN-TO-DEPOSIT RATIO

The banks loan-to-deposit ratio has averaged 82% over the past year, which was also the ratio as of March 31, 1996. This ratio was compared to the bank's primary competitors in Spalding County - the two slightly smaller, but similarly situated, independent banks. We determined that the bank's loan-to-deposit ratio was reasonable in comparison to these banks (both of which have ratios in the 80% range). Overall, the bank is doing a good job of deploying deposits back into loans.

LENDING IN ASSESSMENT AREA

During 1994 and 1995, the bank extended the following loans:

	<u>1994</u>			<u>1995</u>		
\$ = (000)	<u>#</u>	<u>\$</u>	<u>%</u>	<u>#</u>	<u>\$</u>	<u>%</u>
Commercial Loans	784	47,134	n/a	855	54,023	n/a
Consumer Loans	3,584	22,556	74	3,453	22,133	72
Mortgage Loans	170	10,791	67	146	11,247	86

The bank analyzes consumer and mortgage loans to determine if they are to borrowers located within the assessment area. The above table reflects the percentage (based on the dollar amounts) of consumer and mortgage loans made within the bank's assessment area .

The bank did not track the location of commercial loans for 1994 and 1995. However, bank management analyzed commercial loans for the first quarter of 1996 and this is considered representative of their normal operations. Of the 227 commercial loans (totaling \$15,472,000) booked during the first quarter, 75% of the number and 80% of the dollar volume were located in the bank's assessment area. These percentages demonstrate that the bank is making a substantial majority of their loans in the assessment area.

LENDING TO BORROWERS OF DIFFERENT INCOMES AND TO BUSINESSES OF DIFFERENT SIZES

Prior to this examination, the bank did not track lending to borrowers of different incomes, other than the information generated by completion of the Loan Application Register (LAR) required by the Home Mortgage Disclosure Act. During the examination, bank management analyzed lending patterns for the 861 consumer and mortgage loans made during the first quarter of 1996.

The analysis, displayed in the following table, demonstrates that the bank is doing an exceptional job of lending to all economic segments of their community.

FIRST NATIONAL BANK OF GRIFFIN
 Sampled loans October 1, 1995 through March 31, 1996

Type of Loan \$(000)	Low Income Borrowers		Mod Income Borrowers		Middle Income Borrowers		Upper Income Borrowers	
	#	\$	#	\$	#	\$	#	\$
Real Estate	30	510	31	766	33	1,334	24	1,726
Consumer	364	1,557	236	1,262	107	800	36	320
Total	394	2,067	267	2,082	140	2,134	60	2,046

As displayed above, 46% of the number of consumer and mortgage loans were made to borrowers classified as low income. Another 34% of the loans were to borrowers classified as moderate income. This compares very favorably to the demographic make-up of the bank's assessment area. Using the HUD definitions, Spalding County families were categorized into the following income groups:

Low Income Families	32%
Moderate Income Families	24%
Middle Income Families	23%
Upper Income Families	<u>21%</u>
	100%

The bank categorizes and tracks commercial loans as being to either large or small businesses. The bank defines the cutoff between small and large businesses as sales of \$3million. In both 1994 and 1995, over 95% of the number and over 80% of the dollar volume of the commercial loans were to borrowers classified by the bank as small businesses.

During this examination bank management performed a further analysis of commercial loans granted during the first quarter of 1996, with the following results:

<u>Annual Sales</u>	<u>#</u>	<u>%</u>	<u>\$(000)</u>	<u>%</u>
<\$1 Million	174	77	10,622	69
\$1-\$3 Million		43	19	2,401
16				
>\$3 Million	10	4	2,448	16

As displayed above, the bank is granting loans to all sizes of businesses.

GEOGRAPHIC DISTRIBUTION

The bank geocodes all consumer and mortgage loans extended. The geographic distribution of credit extensions demonstrates reasonable penetration in all segments of the community, as displayed in the following table.

FIRST NATIONAL BANK OF GRIFFIN
 Loan Originations 1995

Census Tract \$(000)	Consumer Loans		Consumer RE & Mortgage Loans		Total	
	#	\$	#	\$	#	\$
* 1601	222	907	23	686	245	1,593
* 1602	179	980	27	737	206	1,171
* 1603	152	677	11	293	163	970
* 1604	182	628	16	361	198	989
1605	252	1,177	19	1,256	271	2,433
1606	195	1,117	24	960	219	2,077
* 1607	176	724	14	795	190	1,519
* 1608	108	315	14	215	122	530
* 1609	94	407	7	265	101	673
1610	266	1,216	44	1,289	310	2,505
1611	201	1,275	40	2,419	241	3,694
1612	390	2,237	44	2,656	434	4,893
Other	790	4,575	109	5,211	899	9,786
Total	3,207	16,235	392	17,143	3,599	33,378

* Denotes a moderate income tract. All other tracts are middle income.

As shown in the above table, 1,225 (34%) of the number and \$7,445,000 (22%) of the dollar volume of consumer and mortgage loans were made in moderate income tracts. The lending penetration shown in the foregoing table closely approximates that experienced in 1994. The bank does not geo-code lending to commercial borrowers.

RESPONSE TO CONSUMER COMPLAINTS

The bank has not received any CRA-related complaints since the last CRA examination, which was dated January 20, 1994.

RECORD OF COMPLIANCE WITH ANTIDISCRIMINATION LAWS

We did not note any violations of the substantive provisions of federal antidiscrimination laws and regulations, including the Equal Credit Opportunity Act, Fair Housing Act, and the Fair Housing Home Loan Data System Regulation.