

Public Disclosure

April 13, 1998

Community Reinvestment Act Performance Evaluation

First National Bank of Barnesville
Charter Number 6243

315 Thomaston Street
Barnesville, Georgia 30204

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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 CRA performance of **The First National Bank of Barnesville, Barnesville, Georgia** prepared by the **Office of the Comptroller of the Currency**, the institution's supervisory agency, as of **April 13, 1998**. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 C.F.R. Part 25.

Institution's CRA Rating: This institution is rated "Satisfactory."

Primary factors contributing to the bank's rating were its average loan to deposit ratio of 77% and the volume of lending within the assessment area. The First National Bank of Barnesville's record of lending to small businesses is also good.

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

Small Institution Assessment Criteria	The First National Bank of Barnesville 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	Not evaluated since there were no significant geographic distinctions.		
Response to complaints	No complaints were received since the last examination.		

Description of Institution

The First National Bank of Barnesville (FNBB) is an \$85 million one office, full service bank located in downtown Barnesville, Georgia. FNBB was established in 1902 and is one of the oldest national banks in the state of Georgia. The town of Barnesville is approximately 75 miles southwest of Atlanta's central business district. FNBB operates as a community bank where management has sufficient knowledge regarding its customer base. As such, income information was not gathered on a routine basis for all loan types. FNBB does not exhibit any characteristics that would inhibit the bank's ability to meet its assessment area credit needs.

As of December 31, 1997, real estate loans made up 82% of the bank's loan portfolio with the remaining portfolio consisting of commercial and consumer loans, 10% and 7% respectively. The composition of the portfolio has remained stable since 1995, a period in which loan growth occurred each year.

Description of Lamar County

FNBB's assessment area is made up of three block numbering areas; one moderate-income and two middle-income. These income designations were derived from the 1990 Census median family income of \$26,691. The 1997 HUD updated statewide non-metropolitan income figure is \$33,600. This figure was used to categorize borrowers into different income levels.

Total population of the assessment area is 13,038 with 21% of the families classified as low-income, 17% as moderate-income, 22% as middle-income, and 39% as upper-income. FNBB's assessment area has a total of 5,066 housing units, of which 64% are owner-occupied and 27% are rental-occupied.

Based on 1990 Census Data, U. S. Bureau of the Census, 76% of the farms and businesses within the assessment area have sales of less than \$1 million. Major business sectors include manufacturing, industrial, and agricultural businesses. The largest employers in FNBB's assessment area are William Carter Company, General Tire Company, the Lamar County Board of Education, and Gordon College.

Competition within FNBB's assessment area is moderate with one financial institution and three finance companies being the other primary financial service providers. The other financial institution is not similarly situated since it is four times larger than FNBB.

Conclusions with Respect to Performance Criteria

We drew conclusions for each performance criteria by evaluating real estate related, consumer and commercial loans originated during the first quarter of 1998.

Loan to Deposit Ratio

FNBB's average loan to deposit ratio of 77% is good. This average is based on the twelve quarterly ratios beginning with the first quarter 1995 through fourth quarter 1997. The past four quarters have shown a steady increase in the loan to deposit ratio. The ratio has grown from 77% at March 31, 1997 to 88% at December 31, 1997.

Lending in Assessment Area

Most of FNBB's lending occurs within the assessment area. Of the loan originations secured by 1-4 family residential real estate, 70% of the number and 62% of the dollar volume were made within the assessment area. FNBB's commercial lending reflects reasonable performance with 75% of the number and 62% of the dollar volume being originated within the assessment area.

Lending to Borrowers of Different Incomes and to Businesses of Different Sizes

FNBB's record of lending to different income borrowers is good. From a sample of real estate and consumer loans using loan size as a proxy and income information, when available, we determined that 42% of consumer loans approved were to low-income individuals, while 10% of the real estate related loans were made to low-income individuals. This compares well to the percentage of families that are considered low-income, which is 21%. Additionally, 25% of the consumer loans and 20% of real estate related loans sampled were to moderate-income individuals. Again, lending practices compare favorably to the level of moderate-income families.

FNBB's lending to businesses of different sizes is good. Based on 1990 U.S. Census Data, 76% of the businesses within the assessment area have revenues of \$1 million or less. For commercial loans made during the first quarter of 1998, 97% of the number and 91% of the dollar volume were made to businesses with revenues of \$1 million or less. Of those loans made to small businesses, 93% were made with loan amounts of \$100,000 or less.

Geographic Distribution of Loans

There are too few geographic distinctions within FNBB's assessment area to perform a meaningful analysis.

Response to Complaints

There were no complaints relating to CRA received during the evaluation period.

Fair Lending

No violations of the substantive provisions of the antidiscrimination laws and regulations were identified. We performed a review of secured consumer loans from January, 1998 through April, 1998 to test for disparate treatment on the basis of applicant sex. Our sample consisted of approved and denied applications because there were too few denied real estate loans of one type to perform an analysis of these products.