



PUBLIC DISCLOSURE

April 25, 2022

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

The First National Bank of Waynesboro
Charter Number 7899

626 Liberty Street
Waynesboro, Georgia 30830

Office of the Comptroller of the Currency

Atlanta Field Office
Three Ravinia Drive
Suite 550
Atlanta, Georgia 30346

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 lending test is rated Satisfactory.

The major factors that support this rating include:

- The bank's loan-to-deposit ratio (LTD) is more than reasonable.
- A substantial majority of the bank's loans originated inside of its assessment area (AA).
- Lending activities represent a reasonable distribution to individuals of different income levels.
- The geographic distribution of loans reflects reasonable distribution throughout the bank's AA.

Loan-to-Deposit Ratio

Considering the bank's size, financial condition, and credit needs of the AA, the bank's LTD ratio is more than reasonable. Since the last CRA evaluation, the quarterly LTD ratio averaged 73.05 percent. The bank's LTD ratio ranged from a high of 83.23 percent in September 2019 to a low of 60.22 percent in December 2020.

At December 31, 2020, there were two similarly situated banks in the Burke County AA that had an average LTD ratio of 68.68 percent. The two competing banks are Queensborough National Bank & Trust Company and Southern Bank, each with two branches in the AA.

Lending in Assessment Area

A substantial majority of the bank's loans are inside its AA.

The bank meets the standard for satisfactory performance. The bank originated 84.7 percent of its total loans by number and 86.2 percent by dollar volume inside the bank's AA during the evaluation period. This analysis is performed at the bank, rather than the AA, level.

Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2018	64	84.2	12	15.8	76	7,846	85.9	1,286	14.1	9,132
2019	48	84.2	9	15.8	57	7,113	86.5	1,106	13.5	8,219
2020	26	86.7	4	13.3	30	3,764	86.0	612	14.0	4,376
Subtotal	138	84.7	25	15.3	163	18,723	86.2	3,004	13.8	21,727
<i>Source: Bank Data Due to rounding, totals may not equal 100.0%</i>										

Description of Institution

The First National Bank of Waynesboro (FNB) is a federally chartered community bank serving the Waynesboro, Georgia community. It is wholly owned by First Burke Banking Company, a one-bank holding company. The bank and the holding company maintain headquarters in Waynesboro, Burke County Georgia. FNB offers two full-service branch offices and four automatic teller machines (ATMs) in the Waynesboro market. The branches offer drive-thru service and two ATMs offer deposit taking services. FNB is a traditional community institution that accepts local retail and commercial deposits and originates one to four family residential mortgage loans. FNB also offers commercial and industrial loans, construction loans and consumer loans. The bank offers personal and business checking and savings deposit accounts. Other services the bank offers are on-line banking, mobile banking, and telephone banking.

FNB designates Burke County, Georgia, located in the Augusta-Richmond County, GA-SC Metropolitan Statistical Area (MSA) as its AA. The AA consists of six census tracts (CTs) with five moderate-income and one middle-income tracts. The AA does not have any low- or upper-income census tracts. The AA meets the technical requirements of the CRA regulation and does not arbitrarily exclude low-or moderate-income census tracts.

At December 31, 2020, FNB had total assets of \$182.0 million, total loans of \$93.6 million, total deposits of \$153.3 million, and Tier One Capital of \$27.2 million. During the evaluation period, the bank closed its KJ's IGA supermarket branch in 2020 and did not open any new branches. No merger or acquisition activity occurred during the evaluation period.

During the Covid-19 pandemic, the SBA offered Paycheck Protection Program (PPP) loans under the CARES Act to small businesses throughout the country. The PPP was designed to maintain and stabilize small businesses during the pandemic. In 2020, to address the lending needs of small businesses during the COVID-19 pandemic, FNB originated 94 PPP loans in its AA totaling \$3.7 million. The PPP loans directly benefited businesses in the bank's AA.

For the evaluation period, there were no legal, financial, or other factors impeding the bank's ability to help meet the credit needs in its AAs. FNB's last CRA evaluation was dated February 13, 2017, and the institution rating was Satisfactory.

Scope of the Evaluation

Evaluation Period/Products Evaluated

The performance evaluation is an assessment of FNB's CRA performance utilizing Small Bank CRA procedures, which includes the Lending Test. The Lending Test evaluates the bank's record of meeting the credit needs of the bank's AA through its lending activities. The evaluation period is January 1, 2018, through December 31, 2020. The bank offers both residential and commercial loan products. The focus for this evaluation is on home mortgage lending as it is the single largest loan category for FNB. For 2018 and 2019 of the evaluation period, FNB was subject to the Home Mortgage Disclosure Act (HMDA), which requires the collection and reporting of application data concerning home purchase, home refinance, and home improvement loans. In 2020 the bank

became a non-HMDA reportable institution, due to the Consumer Financial Protection Bureau (CFPB) small bank exemption thresholds.

Selection of Areas for Full-Scope Review

At December 31, 2020, FNB designated one AA consisting of Burke County, Georgia in the Augusta-Richmond County, GA-SC MSA. Examiners conducted a full-scope review of the Burke County AA. There are no limited scope areas. For more information regarding the scope of this examination, see Appendix A, Scope of Examination.

Ratings

The bank's overall rating is for the State of Georgia. The state rating is based on performance in the bank's AA. Refer to the "Scope" section under the state section for details regarding how the state rating was determined for the evaluation.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 CFR 25.28(c) or 195.28(c), respectively, in determining a national bank's or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any AA by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Bureau of Consumer Financial Protection, as applicable.

The OCC has not identified that this institution has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

The OCC will consider any information that this institution engaged in discriminatory or other illegal credit practices, identified by or provided to the OCC before the end of the institution's next performance evaluation in that subsequent evaluation, even if the information concerns activities that occurred during the evaluation period addressed in this performance evaluation.

State Rating

State of Georgia

CRA rating for the State of Georgia: Satisfactory

The Lending Test is rated: Satisfactory

The major factors that support this rating include:

- A substantial majority of the institution's loans were originated within the AA.
- The overall geographic distribution of mortgage lending in the AA is reasonable.
- Home mortgage lending to borrowers of different income levels in the AA shows a reasonable distribution.

Description of Institution's Operations in Georgia

FNB is a traditional community bank and has two full-service branches in Waynesboro, Georgia. Each branch has an ATM and offers drive-thru services. FNB is number one in market share in the AA. The bank offers traditional business and personal deposit and loan products. Competition is limited in the AA with two similarly situated banks.

Waynesboro, Georgia is the largest city in Burke County and is the county seat. At December 2020, the Georgia Department of Labor reported the unemployment rate in the county was 6.9 percent. The unemployment rate for the State of Georgia during this same period was 5.1 percent. The county is home to major agriculture businesses with commercial farm operations that produce over 60 thousand acres of various crops. It is also home to the highest output nuclear facility in the country. The Burke County, Georgia area and the Augusta-Richmond County, GA-SC MSA is home to top employers such as, Southern Nuclear Operating Company, which operates Plant Vogtle. Plant Vogtle has two nuclear facilities with two new facilities in the construction process. The plant is co-owned with Georgia Power and other partners. It is home to the Fort Gordon United States Army base, a large military facility. The area is also home to the Augusta University Medical Center, which is a major healthcare provider in the area.

According to the 2015 US American Community Services (ASC) census data, the Burke County Georgia AA includes six CTs which is comprised of five moderate-income and one middle-income CTs. The AA does not have any low- or upper-income CTs. The AA meets the requirements of the CRA regulation and does not arbitrarily exclude low-or moderate-income CTs. Additionally, 2015 US ACS Census data, shows the population of the bank's AA at 23 thousand with six thousand families. Approximately 38.5 percent of the families in the AA are low-income and 18.7 percent are moderate-income. Approximately 27.1 percent of the families live below the poverty level. For the evaluation period, the median family income in the AA was \$58,059.

The evaluation considers the input from recent community contacts. The community contacts are from one affordable housing and one economic development organization. The identified credit needs are down payment assistance for first time low- and moderate-income homebuyers and an increase in affordable housing inventory. The economic development organization notes the need to provide start-up capital for small businesses and various small business financing products.

The following table provides a summary of the demographic information for FNB's AA.

Burke County AA

Table A – Demographic Information of the Assessment Area

Assessment Area: Burke County AA 2020

Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	6	0.0	83.3	16.7	0.0	0.0
Population by Geography	23,007	0.0	76.1	23.9	0.0	0.0
Housing Units by Geography	9,832	0.0	77.5	22.5	0.0	0.0
Owner-Occupied Units by Geography	5,724	0.0	75.9	24.1	0.0	0.0

Occupied Rental Units by Geography	2,378	0.0	78.1	21.9	0.0	0.0
Vacant Units by Geography	1,730	0.0	82.0	18.0	0.0	0.0
Businesses by Geography	1,359	0.0	71.2	28.8	0.0	0.0
Farms by Geography	146	0.0	73.3	26.7	0.0	0.0
Family Distribution by Income Level	5,656	38.5	18.7	12.0	30.8	0.0
Household Distribution by Income Level	8,102	37.5	16.7	13.9	32.0	0.0
Median Family Income MSA - 12260 Augusta-Richmond County, GA-SC MSA		\$58,059	Median Housing Value			\$86,844
			Median Gross Rent			\$520
			Families Below Poverty Level			27.1%
<i>Source: 2015 ACS and 2020 D&B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

Scope of Evaluation in Georgia

This analysis reflects a full-scope review of the bank's AA in its Burke County, Georgia AA, which is located in the Augusta-Richmond County, GA-SC MSA. Refer to the table in Appendix A: Scope of Examination for additional information.

LENDING TEST

The bank's performance under the Lending Test in Georgia is rated Satisfactory.

Conclusions for Area Receiving Full-Scope Review

Based on a full-scope review, the bank's performance in the Burke County AA is good.

Distribution of Loans by Income Level of the Geography

The bank exhibits reasonable geographic distribution of mortgage loans in Georgia.

Home Mortgage Loans

Refer to Table O in the State of Georgia section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

The bank's level of home mortgage loans to borrowers in moderate-income geographies was reasonable during the evaluation period. The bank's level of home mortgages was slightly below both the demographic data and aggregate performance for moderate-income geographies. There were no low-income geographies in the AA.

Distribution of Loans by Income Level of the Borrower

The bank exhibits a reasonable distribution of loans to individuals of different income levels given the product lines offered by the bank.

Home Mortgage Loans

Refer to Table P in the State of Georgia section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations.

During the evaluation period, the bank's level of home mortgages to low-income borrowers was below the demographic data but slightly above the aggregate performance. The bank's level of home mortgages to moderate-income individuals was slightly below the demographic data and slightly above aggregate performance. When assessing the bank's mortgage lending performance, examiners considered the affordability of housing for low- and moderate-income borrowers in the AA given median housing value and the median family income.

Responses to Complaints

Neither FNB nor the OCC received complaints related to the bank's CRA performance, since the prior CRA examination.

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 MSAs and non-MSAs 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:	01/01/2018 to 12/31/2020	
Bank Products Reviewed:	Home Mortgage Loans	
Affiliate(s)	Affiliate Relationship	Products Reviewed
None	N/A	N/A
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
Augusta-Richmond County, GA, SC MSA	Full-Scope	All CTs in Burke County
State: Georgia		
Augusta-Richmond County, GA, SC MSA	Full-Scope	All CTs in Burke County

Appendix B: Summary of State Ratings

RATINGS	First National Bank of Waynesboro
Overall Bank:	Lending Test Rating
Satisfactory	Satisfactory
State: Georgia	Satisfactory

Appendix C: Definitions and Common Abbreviations

The following terms and abbreviations are used in 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. For example, a bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Aggregate Lending (Aggt.): The number of loans originated and purchased by all reporting lenders (HMDA or CRA) in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

Census Tract (CT): A small, relatively permanent statistical subdivision of a county delineated by a local committee of census data users for the purpose of presenting data. Census tracts nest within counties, and their boundaries normally follow visible features, but may follow legal geography boundaries and other non-visible features in some instances, Census tracts ideally contain about 4,000 people and 1,600 housing units.

Combined Statistical Area (CSA): A geographic entity consisting of two or more adjacent Core Based Statistical Areas with employment interchange measures of at least 15. An employment interchange measure is a measure of ties between two adjacent entities. The employment interchange measure is the sum of the percentage of workers living in the smaller entity who work in the larger entity and the percentage of employment in the smaller entity that is accounted for by workers who reside in the larger entity.

Community Development (CD): 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 Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; or activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas.

Community Reinvestment Act (CRA): The statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its entire community, including LMI areas, 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, 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 householder’ and no wife present) or ‘female householder’ (a family with a female householder and no husband present).

Full-Scope 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 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 conduct business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants, the amount of loan requested, the disposition of the application (e.g., approved, denied, and withdrawn), the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

Home Mortgage Loans: A closed-end mortgage loan or an open-end line of credit as these terms are defined under 12 CFR 1003.2, and that is not an excluded transaction under 12 CFR 1003.3(c)(1) through (c)(10) and (c)(13).

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-Scope 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: Individual income that is less than 50 percent of the area median income.

Low Income Geography: A census tract with a median family income that is less than 50 percent.

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 state/assessment area.

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. The median is the point at which half of the families have income above, and half below, a range of incomes. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) 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, and half below, a range of incomes.

Metropolitan Division: As defined by Office of Management and Budget, a county or group of counties within a Core Based Statistical Area that contains an urbanized population of at least 2.5 million. A Metropolitan Division consists of one or more main/secondary counties that represent an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area: An area, defined by the Office of Management and Budget, as a core based statistical area associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

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.

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.

Rating Area: A rated area is a state or multi-state metropolitan statistical 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 statistical area, the institution will receive a rating for the multi-state metropolitan statistical 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) 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.

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 at least 120 percent of the area median income, or a median family income that is at least 120 percent, in the case of a geography.

Appendix D: Tables of Performance Data

Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan statistical areas, if applicable, are presented in one set of 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: (1) purchased are treated as originations; and (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all HMDA or CRA-reporting lenders in the MMSA/assessment area. Deposit data are compiled by the FDIC and are available as of June 30th of each year. Tables without data are not included in this PE.

The following is a listing and brief description of the tables included in each set:

Table O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography - 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 aggregate peer data for the years the data is available.

Table P. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower - 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 MMSA/assessment area. The table also presents aggregate peer data for the years the data is available.

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography **2018-20**

Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	
Burke County	112	14,959	100.0	373	0.0	0.0	0.0	75.9	54.5	70.0	24.1	45.5	30.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	112	14,959	100.0	373	0.0	0.0	0.0	75.9	54.5	70.0	24.1	45.5	30.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Source: 2015 ACS Census; 01/01/2018 - 12/31/2020 Bank Data, 2019 HMDA Aggregate Data, "--" data not available.
 Due to rounding, totals may not equal 100.0%

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2018-20	
	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers			
Assessment Area:	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	
Burke County	112	14,959	100.0	373	38.5	7.1	6.2	18.7	17.0	16.6	12.0	11.6	19.8	30.8	49.1	40.2	0.0	15.2	17.2	
Total	112	14,959	100.0	373	38.5	7.1	6.2	18.7	17.0	16.6	12.0	11.6	19.8	30.8	49.1	40.2	0.0	15.2	17.2	

*Source: 2015 ACS Census ; 01/01/2018 - 12/21/2020 Bank Data, 2019 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%*