

PUBLIC DISCLOSURE

October 2, 1996

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**First National Bank of Grady County
Charter Number 15947**

**420 North Broad Street, P.O. Box 58
Cairo, Georgia 31728**

Office of the Comptroller of the Currency

**Southeastern District
Marquis One Tower, Suite 600
245 Peachtree Center Avenue, N.E.
Atlanta, Georgia 30303**

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 Grady County prepared by the **Office of the Comptroller of the Currency**, the institution's supervisory agency, as of October 2, 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 **SATISFACTORY.**

The following factors provide support for First National Bank of Grady County's CRA rating:

- The loan-to-deposit ratio is more than reasonable considering the bank's size, condition, and the credit needs of individuals and businesses within the bank's assessment area.
- A substantial majority of the bank's loans are made within its assessment area.
- The distribution of loans reflects reasonable penetration among individuals of different income levels and throughout all geographic sections of the assessment area.

The following table indicates the performance level of First National Bank of Grady County with respect to each of the five performance criteria. The bank's level of performance under each of the criteria is indicated by the inclusion of an "x" in the appropriate column.

SMALL INSTITUTION ASSESSMENT CRITERIA	<u>First National Bank of Grady County</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	No complaints have been received since the last examination.		

DESCRIPTION OF INSTITUTION

First National Bank of Grady County (FNBGC) is a \$93 million institution located in southwestern Georgia. The bank operates out of the main office in Cairo, Georgia and has a branch facility in Whigham, Georgia. There is also a separate drive thru facility located within Cairo. The loan portfolio is dispersed among real estate loans, commercial loans, consumer installment loans and agricultural loans. There are no impediments that would prevent the bank from meeting credit needs within its assessment area.

DESCRIPTION OF THE GRADY COUNTY ASSESSMENT AREA

FNBGC has chosen Grady County as its assessment area. This area consists of six block numbering areas (BNA's) within the county including the incorporated cities of Cairo and Whigham. The assessment area meets the regulation's technical requirements and does not arbitrarily exclude low- and moderate- income areas. Based on information provided by the Grady County Chamber of Commerce, the county has a population of 21,826. Annual median family income based on the 1990 census totaled \$25,069 and employment is considered stable. Major employers include Wight Nurseries, the W.B. Roddenberry/Dean Company and several large manufacturers with local plants. Agriculture and timber also play a major role in the local economy. Banking competition includes 2 community banks, 1 savings and loan, 1 credit union and a branch office of a regional institution.

DISCUSSION OF INSTITUTION'S PERFORMANCE

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

The bank's loan-to-deposit ratio is more than reasonable given the bank's size, financial condition, and competition. The average loan-to-deposit ratio over the nine quarters ending since the last CRA exam, in March, 1994, is 82%. This greatly exceeds the approximately 75% attained by similar institutions in Southwest Georgia.

A substantial majority of the bank's loans are originated within its assessment area. The bank tracks loans by BNA within the assessment area. Therefore all loans outside the area are those not in a BNA. As of this review, 81% of the bank's loans are within the assessment area.

The geographic distribution of the bank's loans reflects a reasonable dispersion throughout the county. Out of the \$71 million in total loans, the bank has made at least \$6 million in loans in each of the BNA's within the assessment area, with no one area having more than \$20 million in loans. The two BNA's which include the cities of Cairo and Whigham have higher lending dollar volume, which is reasonable in light of the higher population densities within those areas.

The distribution of borrowers by income category also appears reasonable. Data supplied by the bank indicates that approximately 8% of consumer loans are made to borrowers in the low-and moderate income category. The bank has loan activity in all income groups. In addition, loans for business and agricultural purposes to borrowers of all sizes were evident.

The bank has not received any complaints concerning its performance under the Community Reinvestment Act. Our review of fair lending laws did not reveal any violations or any evidence of discriminatory practices.