



Comptroller of the Currency
Administrator of National Banks

PUBLIC DISCLOSURE

April 18, 1997

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**First National Bank of Wiggins
Charter Number 16204**

**Post Office Box 307
Wiggins, Mississippi 39577-0307**

Comptroller of the Currency

**1600 Lincoln Plaza
500 North Akard
Dallas, Texas 75201-3394**

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 **the First National Bank of Wiggins** prepared by the **Office of the Comptroller of the Currency**, the institution's supervisory agency, as of April 18, 1997. 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."

Factors supporting First National Bank's CRA rating are:

- o The bank has a more than reasonable loan-to-deposit ratio given its asset size, financial condition, and economic and lending opportunities in its assessment area. The loan to deposit ratio was 88.6% as of December 31, 1996.
- o A substantial majority of the bank's loans are to customers in its assessment area.
- o Credit is well distributed to borrowers of different income levels and businesses of varying sizes.

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

SMALL INSTITUTION ASSESSMENT CRITERIA	First National Bank of Wiggins 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 Applicable		
Response to Complaints	No complaints were received since the prior examination.		

DESCRIPTION OF INSTITUTION

The First National Bank of Wiggins (FNB) is a \$50 million institution chartered in 1973, and located in Wiggins, Mississippi. Wiggins is the county seat and largest community in Stone County. FNB operates its full service main office with no branches, but serves all of Stone County and portions of contiguous counties. The area served is rural and the economy is dependent on timber and related industries. The population of Stone County has doubled since the 1990 census, to 18,800 persons, and this area has seen an increase in economic activity because of its proximity to the Mississippi Gulf Coast.

The bank continues to meet the credit needs within its assessment area. The bank offers a variety of retail and commercial products and services that are commensurate with the bank's size and financial capacity. No legal impediments exist that should prevent the bank from continuing to meet the credit needs of its entire assessment area. FNB experienced \$5 million or 15% loan growth, and \$6 million or 15% deposit growth, in 1996. Loans represent 80%, and investment securities 14%, of the bank's asset mix. The loan portfolio is well diversified with approximately 34% residential real estate, 11.5% non residential real estate, 40% consumer, and 14% commercial loans.

DESCRIPTION OF ASSESSMENT AREA

FNB's assessment area consists of Stone County and contiguous portions of George County east to the Pascagoula River, and Forrest and Perry Counties north to the border of the DeSoto National Forest. These portions of the contiguous counties are similarly populated and economically associated with Wiggins and Stone County. Excluded from the assessment area are those northern portions of Forrest and Perry Counties, including the City of Hattiesburg which is a Metropolitan Statistical Area (MSA) 40 miles from Wiggins, and separated from Wiggins by sparsely populated national forest lands. Also excluded is the western portion of George County. These geographies are excluded because they are served by other banks and are not closely associated with the city of Wiggins.

The total population of the four counties of which the assessment area is part approximates 106.6 thousand persons with a 1990 census MSA/non-MSA median family income of \$23,747. However, these figures include the MSA of Hattiesburg, Mississippi, which is excluded from the assessment area. The 1996 Housing and Urban Development (HUD) median family income equals \$28,300. All of the census tracts within the assessment area are middle income. The Stone County unemployment rate is 5.6%, which is slightly higher than the national average but has improved in each of the past three years.

FNB serves Stone County and Wiggins along with the Bank of Wiggins, and a branch

of the statewide thrift institution, Magnolia Federal Bank. Competition is only moderate in the area, with each institution serving various segments of the market.

One community contact was made in Stone County but did not identify any unmet credit needs of the community. The two Wiggins banks were named as responsible partners in economic development and in ensuring credit availability in the area. Assistance to small business owners in the form of expertise in preparing business plans and other paperwork is a community need, primarily met through the local community college.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA :

FNB is performing in an outstanding manner in meeting the credit needs of its assessment area, including low- and moderate-income individuals, consistent with its resources and capabilities.

Loan-to-Deposit Ratio

FNB’s strong loan-to-deposit ratio of 88.6% at December 31, 1996, exceeds the 58.2% average of 26 Mississippi banks of similar size and resources. The bank’s average loan-to-deposit ratio for the last eight quarters is also 88.6%. During this period, the average loan-to-deposit ratio of FNB’s closest competitor, the Bank of Wiggins, is 72.2%. The bank’s ratios are exceptional in relationship to other financial institutions, demographics, and economic factors present in the assessment area.

Lending in Assessment Area

A substantial majority of the bank’s dollar volume and number of loans are originated in its assessment area. A sample of FNB’s loans was reviewed during the examination and the results of that review are shown in the following charts:

TOTAL SAMPLE REVIEWED		LOANS MADE IN AREA	
#	\$	#	\$
174	2,097,145	80.5%	77%

Different loan types are represented in the sample and in the bank’s portfolio as shown in the next chart:

LOAN TYPE	# IN SAMPL E	# IN AREA	% IN AREA	% OF TOTAL SAMPLE	% OF BANK PORTFOLI O
CONSUMER PURPOSE	101	82	81%	58%	40%
RESIDENTIAL REAL ESTATE	44	38	86%	25%	34%
BUSINESS PURPOSE	24	16	66.7%	14%	20%
FARM/AGRICULTURE	5	4	80%	3%	5%
TOTALS	174	140	80.5%		

Management prepares and reviews reports on a quarterly basis which show the number and dollar volume of loans originated inside and outside its assessment area, and in various income ranges, to ensure all segments of the community are served.

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

The distribution of borrowers reflects good penetration among individuals of different income levels and businesses of different sizes. The loan sample reviewed during the examination indicated that 58% of the number and 27% of the dollar amount of loans were extended to low- and moderate-income persons. The results of the sample review are detailed below:

Median Family Income Classification	Income Breaks	Number In Area	# Percent In Area	Dollars in Area	\$ Percent In Area
Low-income	<14,150	33	29%	123,722	10.6% *
Moderate-income	14,150-22,640	33	29%	191,506	16.4% *
Middle-income	22,640-33,960	18	15.8%	373,413	31.9% *
Upper-income	>34,000	30	26.3%	482,206	41.2% *

* percentage is that of consumer and residential real estate loans only in assessment area, totaling \$1,170,847, or 55.8% of the sample dollar amount, excluding small business and small farm loans.

Virtually all of FNB's commercial loans and farm loans are to small enterprises, defined

as businesses with annual revenues less than \$1 million and farms with annual revenues less than \$500 thousand. In the sample, all farm loans were to small operators, and all but one business loan were to small businesses. The bank also originates loans for any requested loan amount, as the following chart shows:

Loan Amount	In Sample		In Portfolio				In Area (sample)	
	#	%	#	%	\$	%	#	%
Loans <\$1,000	28	16	not available				23	82
Business/Farm Loans < \$100,000	27	91	284	95.6	5,324	67	19	70

Geographic Distribution of Loans

A geographic distribution analysis was not performed since it would not be meaningful. As noted earlier, there are no low or moderate income block numbered areas in the bank's assessment area.

Response to Complaints

The bank has not received any complaints regarding its CRA performance. No violations of the substantive provisions of the anti-discrimination laws and regulations were identified.