



PUBLIC DISCLOSURE

December 3, 2001

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**First National Bank of Johns Creek
Charter Number 23820
3838 St. Johns Parkway
Suwanee, Georgia 30024**

Office of the Comptroller of the Currency

**Southeastern District
Georgia Field Office
1117 Perimeter Center West, Suite W-401
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 Johns Creek (FNB/C)**; Suwanee, Georgia prepared by **The Office of the Comptroller of the Currency**, the institution's supervisory agency, as of **December 3, 2001**. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.*

GLOSSARY OF TERMS AND COMMON ABBREVIATIONS

The following terms and abbreviations are used throughout this Performance Evaluation.

Metropolitan Statistical Area (MSA) - Area consisting of one or more counties, including large population centers and nearby communities that have a high degree of interaction.

Census Tract (CT) - Small, locally defined statistical areas within a **MSA**. These areas are determined by the U. S. Census Bureau in an attempt to group homogeneous populations. A **CT** has defined boundaries per ten-year census and an average population of 4,000.

Median Family Income (MFI) - The median income as determined by the U. S. Census Bureau. This amount is based on estimates developed by the Department of Housing and Urban Development and is updated annually.

Low-Income - Income levels which are less than 50% of the **MFI** of the **MSA**.

Moderate-Income - Income levels which are less than 80% of the **MFI** of the **MSA**.

Middle-Income - Income levels which are less than 120% of the **MFI** of the **MSA**.

Upper-Income - Income levels which are 120% or greater of the **MFI** of the **MSA**.

Community Reinvestment Act (CRA) - This statute requires federal regulators to evaluate a financial institution's lending performance in light of the credit needs in the institution's local community. The regulator must also evaluate whether the institution's defined community is reasonable. This is a general description of the bank's requirements and not a legal explanation of the requirements contained in 12 USC 2901 and 12 CFR 25 as amended, respectively.

Home Mortgage Disclosure Act (HMDA) - This statute requires certain mortgage lenders that do business or have banking offices in a **MSA** to file annual summary reports of their lending activity. The reports include such data as the race, gender, and the income of applicant(s), the amount of loan requested and its disposition (e.g. made, denied, or withdrawn). The types of loan applications reported include governmentally-guaranteed home purchase and home improvement loans, conventional home purchase and home improvement, refinancing of home purchase and home improvement loans and loans for the purchase of multi-family (5 or more units) dwellings. This is a general description of the bank's requirements and not a legal explanation of the requirements contained in 12 USC 2801 and 12 CFR 203 as amended, respectively.

INSTITUTION'S CRA RATING: This institution is rated “**Satisfactory Record of Meeting Community Credit Needs.**”

FNBIC’s performance rating is supported by the following:

- a very good loan-to-deposit ratio;
- a substantial majority of loans are in the assessment area, reflecting exceptionally good performance;
- lending to businesses of different sizes is very reasonable; and,
- a reasonable distribution of loans throughout the assessment area.

DESCRIPTION OF INSTITUTION

First National Bank of Johns Creek is a community bank that opened for business September 1, 1999 in Forsyth County, Georgia. The bank has one office location at 3838 John's Creek Parkway in Suwanee, Georgia. As of September 30, 2001, the bank had total assets of \$72 million with a loan portfolio of approximately \$55 million. Lending activity is centered in consumer loans (4%), non-farm and non-residential loans (37%), residential real estate loans (11%), construction and land development loans (38%), and commercial and industrial loans (11%). Total bank deposits are approximately \$61 million with capital accounts aggregating \$9 million.

The bank offers a variety of traditional deposit and loan products with an emphasis on small businesses. The bank also has one automated teller machine (ATM) at its only office location for customer convenience. Presently, there are no financial conditions, legal constraints, or other factors hindering the bank's ability to meet the credit needs of its assessment area.

This is the first CRA examination of FNB--John's Creek since commencing business on September 1, 1999.

DESCRIPTION OF ASSESSMENT AREA

The bank's assessment area meets the technical requirements of the Act and does not arbitrarily exclude low- or moderate-income census tracts. The assessment area is part of the greater Atlanta Metropolitan Statistical Area (MSA) and is better described as all of those census tracts (15) that comprise Forsyth County and portions of North Fulton and Gwinnett counties. According to the 2000 United States Census, the population of this defined area is approximately 124 thousand people. The census median family income for the assessment area is \$48,902. The Department of Housing and Urban Development's (HUD) updated median family income estimate for the Atlanta MSA is \$66,500.

The assessment area is approximately 40 miles north of downtown Atlanta. Currently, it is experiencing some of the overflow from the rapid residential development of northern Fulton County. Most of this growth has occurred around the city of Cumming, Lake Lanier, and Georgia Highway 400.

With the rapid residential developments, many single-family subdivisions, as well as a few multi-family developments were built, and the labor force increased. Forsyth County had a 2000 labor force of 55,727. The county's top employers are Tyson Foods (1400), Siemens Industrial Division (900), Amoco Polymers Group (375), Scientific Games (350), and Panduit Corporation (225).

The assessment area has very good access to and from Metropolitan Atlanta via Georgia Highway 400. Additionally, the area has over 20 county public schools with 899 teachers, 15,560 students, and

607 high school graduates. Health services in the assessment area are provided by several regional medical centers.

Unemployment in the assessment area is approximately 1.6%. Owner occupied housing is satisfactory in the assessment area at 67.86% and the median housing value is \$115,000.

COMMUNITIES CONTACTS - As part of our examination, we obtained information from community leaders regarding local economic conditions and community credit needs. Based on the information obtained through this review, the primary banking needs in the assessment area are being satisfactorily met.

The following highlights the demographic composition of the bank's assessment area.

Demographic and Economic Characteristics of Assessment Area (AA)	
<i>Population</i>	
Number of Families	35,414
<i>Geographies</i>	
Number of Census Tracts	15
% Low Income Census Tracts	0%
% Moderate Income Census Tracts	7%
% Middle Income Census Tracts	60%
% Upper Income Census Tracts	33%
<i>Median Family Income (MFI)</i>	
1990 MFI for AA	\$48,902
2000 HUD Adjusted MFI	\$66,500
<i>Economic Indicators</i>	
Unemployment Rate	1.92%
1990 Median Housing Value	\$115,530
% of Households Below Poverty Level	6.11%

In addition to FNB/C, competition for financial services is keen and includes several branches of multi-national and regional banks, local community banks, savings banks, credit unions, and other nonbank financial service providers.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA:

Loan-To-Deposit Ratio

FNBJC's loan-to-deposit ratio is more than reasonable in view of the community's credit needs, demand for credit, keen competition among area financial institutions, and length of time since commencing business. The bank's average loan-to-deposit ratio over the last eight quarters is approximately 84% as compared to peer averages for the same period of 75%. This peer group of banks consists of those banking institutions with less than \$100 million in total assets and is located in the assessment area. The bank's current loan-to-deposit ratio is 89%.

Lending in the Assessment Area

A substantial majority of the bank's loans are within its defined assessment area. Lending levels reflect excellent responsiveness to the community credit needs. A sample analysis of 35 new business loans originating between September 1, 1999 through December 3, 2001 reveals that all the loans were granted within the assessment area (AA) and is detailed as follows:

Assessment Area Lending								
	In Assessment Area				Out of Assessment Area			
Loan Type	#	%	\$000's	%	#	%	\$000's	%
Business Loans	35	100	8,367	100	0	0	0	0

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

With respect to the bank's primary product lines, business loans were the only product reviewed for analytical purposes. Presently, the bank does not have a significant loan portfolio regarding any residential-related, consumer, or farm loans to perform a meaningful analysis of lending to borrowers of different income levels.

Overall, the bank's lending to businesses of different sizes is very reasonable. A random sample of 35 business loans originating since September 1, 1999 was reviewed and analyzed. These loans totaled \$8.4 million and ranged in amounts from \$10 thousand to \$1.1 million. In the sample reviewed, a significant majority of the business loans by dollar volume were loans to small businesses. It was determined that 86% of the number and 89% of the dollar amount of loans were to small businesses with annual revenues of less than \$1 million.

The bank's performance compares favorably to the demographic data that reveals businesses with annual revenues less than \$1 million represent 82% of all businesses in the assessment area. In the assessment area, businesses having annual revenues of less than \$1 million total 12,766. In addition, fourteen loans representing 40% of the loans sampled were originated in amounts of \$100 thousand or less. The bank considers its primary market to be small businesses and other commercial customers and, as a result, has targeted its marketing efforts to reach those consumers.

Geographic Distribution of Loans

There is a reasonable distribution of business loans extended within the assessment area. The following table reflects the distribution of sampled loans within the bank's assessment area by income designation of census tract.

Geographic Analysis of Loans Originating between September 1, 1999 to December 3, 2001 By Number and Dollar Amount ('000)																
Census Tracts	LOW				MODERATE				MIDDLE				UPPER			
# of Census Tracts	0				1				9				5			
Business Demographic Data by number	0 (0%)				891 (6%)				8,445 (55%)				6,072 (39%)			
Loan Type	#	%	\$	%	#	%	\$	%	#	%	\$	%	#	%	\$	%
Business Loans	0	0	0	0	0	0	0	0	28	80	5,970	71	7	20	2,397	29

While the sample did not identify any significant loan extensions in moderate-income census tracts, the bank's performance tends to mirror and more closely correlate to its location. The bank is located in and surrounded by middle and upper income census tracts between South Forsyth and North Fulton Counties. Small businesses in this area are growing rapidly and are the ones most likely to initially do business with the bank as it expands its lending efforts throughout the assessment area. The small size of the bank coupled with the fact that it does not have a branch in a moderate income census tract limits its ability to readily reach all census tracts in the community.

The current distribution is reasonable given the demographics of the assessment area, target market customers, and the amount of time since the bank has been open for business. The geographic distribution is also considered reasonable and consistent with the bank's available financial and human resources, and types of families and households within the assessment area.

Response to Consumer Complaints

FNBJC has not received any consumer complaints since opening for business.

Fair Lending

An analysis of 2001 public comments and consumer complaint information was performed according to the OCC's risk based fair lending approach. The analysis of this data revealed no basis for the OCC to conduct a comprehensive fair lending examination in connection with the CRA evaluation this year. The bank has not had a comprehensive fair lending examination performed since opening for business.