

PUBLIC DISCLOSURE

March 20, 1997

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**West Georgia National Bank
Charter # 14599**

**201 Maple Street
Carrollton, Georgia 30117**

**Office of the Comptroller of the Currency
Atlanta Duty Station
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 performance of **West Georgia National Bank** prepared by the **Office of the Comptroller of the Currency**, the institution's supervisory agency, as of **March 20, 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:

West Georgia National Bank's CRA performance is rated Outstanding. The CRA rating for the bank is based on its excellent loan-to-deposit ratio; the significant majority of lending within its assessment area, excellent loan distribution to borrowers of different income levels and different size businesses; and the excellent dispersion of its lending activities throughout the assessment area during the evaluation period.

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

SMALL INSTITUTION ASSESSMENT CRITERIA	WEST GEORGIA NATIONAL BANK 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 were received during the evaluation period.		

DESCRIPTION OF INSTITUTION

West Georgia National Bank (“WGNB” or “the bank”) is a \$176.3 million banking institution wholly owned by WGNB Corp. The bank’s financial condition is characterized by gross loans of \$129.7 million, total deposits of \$155.7 million, and net income of \$2.9 million as of December 31, 1996. The main office is located at 201 Maple Street in Carrollton, Georgia with another branch in Carrollton and two branches in the cities of Villa Rica and Bowdon. The bank also has a motor office in Carrollton. All of these offices are located in Carroll County. There are no known financial or legal impediments that should hinder the bank from meeting the credit needs of its assessment area.

WGNB is a retail banking institution that offers traditional financial services including commercial loans, residential mortgage loans, home equity loans, consumer loans, and deposit accounts. Its loan portfolio composition as of December 31, 1996 was 44 percent real estate loans, 41 percent commercial loans, 14 percent consumer loans, and 1 percent agriculture loans. Two other financial institutions have their headquarters in the assessment area.

The bank is a member of several ATM networks, which offer the convenience of nationwide banking through ten ATMs located in Carrollton (7), Villa Rica (1), Bowdon (1), and Bremen (1). Additionally, the bank has a 24-hour automated bank information system that allows customers to obtain account information or transfer funds between their accounts by telephone.

DESCRIPTION OF ASSESSMENT AREA

Carroll County is WGNB’s assessment area. Carroll County consists of 12 census tracts, three of which were designated as middle-income and nine of which were designated as moderate-income by the U.S. Census Bureau in 1990. Total population in the bank’s assessment area in 1990 was 71,422, with 19,152 families.

Carroll County is included in the Atlanta Metropolitan Statistical Area (MSA). The 1990 Census reports Median Family Income for the Atlanta MSA as \$41,047. This income statistic is used to determine Low, Moderate, Middle, and High income tracts within the bank’s assessment area. Income definitions and distribution by tract and family within the assessment area are summarized below:

Income Designation	Percentage of MSA Median Family Income	Number of Tracts in Assessment Area	Percent of Families in Assessment Area
Low	Less than 50%	0	30.22%
Moderate	50 to 80%	9	25.65%
Middle	80 to 120%	3	25.04%
High	Greater than 120%	0	19.09%
TOTAL:		12	100.00%

According to the department of housing and urban development (HUD), the 1996 median family income for the Atlanta MSA was \$52,100. This income statistic is used to assess the bank's performance in lending to borrowers of different income levels later in this evaluation.

Manufacturing is the leading industry in Carroll County. Major employers include Southwire Company, Sony Music, Tanner Medical Center, and State University of West Georgia.

COMMUNITY CONTACTS

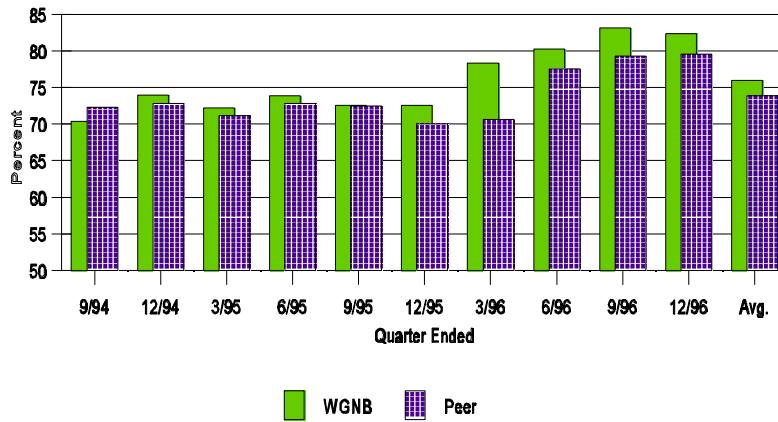
As part of our examination, we contacted a local organization and reviewed community contact information obtained by another regulatory agency regarding local economic conditions, and community credit needs. Organizations contacted included the Carroll County Chamber of Commerce and a local Certified Public Accountant. Based on information provided by these contacts, small business lending is a need in the community. Our contacts indicated that they believe local banks are meeting this need.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA :

Loan-to-Deposit Ratio

WGNB's loan-to-deposit ratio is very good given the bank's size, financial condition, and assessment area credit needs. Since the most recent CRA exam, the bank's 10-quarter average loan-to-deposit ratio is 75.97 percent. This percentage exceeds the average of 73.85 percent for all community banks that are based within the assessment area. As the graph below indicates, WGNB's loan-to-deposit ratio exceeded the peer group average nine of the ten quarters in the assessment period.

Quarterly Loan/Deposit Ratio



Lending in Assessment Area

A majority of WGNB’s loans and other lending-related activities are in its assessment area. The bank tracks all loans extended as either inside or outside its assessment area. The loans extended outside the assessment area are further tracked by county. During 1996, the bank made 2,306 consumer installment & real estate loans in Carroll County totaling \$26 million. In addition, the bank made 1,112 commercial & agricultural loans in the county in 1996 totaling almost \$69 million. We reviewed and validated the bank’s analysis as part of our review. The table below details WGNB’s record of lending in its assessment area:

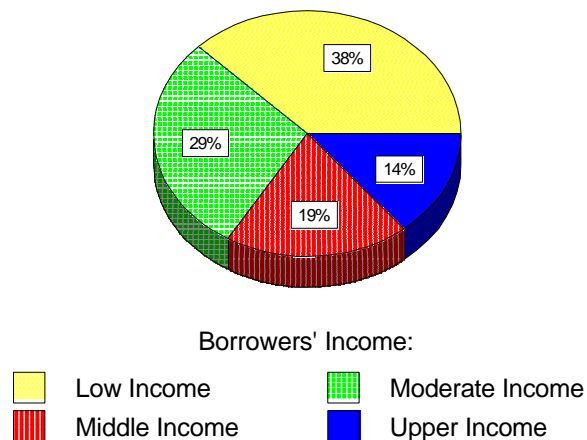
Loans Originated - 1996	Number	Percentage	Dollars (000s)	Percentage
INSIDE Assessment Area	3418	81%	\$ 95,107	70%
OUTSIDE Assessment Area	815	19%	39,817	30%
TOTAL	4233	100%	\$134,924	100%

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

The bank's distribution of borrowers reflects, given the demographics of the assessment area, excellent penetration among individuals of different income levels (including low- and moderate-income) and businesses of different sizes. WGNB tracks the income level of all of its consumer borrowers. We analyzed the bank's internal tracking report of 2,306 consumer loans originated in 1996 in Carroll county to assess its performance in lending to borrowers of different incomes. Incomes of these borrowers were compared to the 1996 Median Family Income (\$52,100) as reported by HUD for the Atlanta MSA which was discussed earlier in the **Description of Assessment Area** section of this report. In the assessment area, 30 percent of families are low-income, 26 percent of families are moderate-income, 25 percent of families are middle-income, and 19 percent of families are high-income. The dispersion of the assessment area loans in 1996 among the four income groups was very good, especially among low- and moderate-income borrowers, given the demographic characteristics of the assessment area. Almost 56 percent of the families in Carroll County are considered low- or moderate-income based on 1990 information. In 1996, 67 percent of the bank's consumer loans were made to low- or moderate-income borrowers based on 1996 income information. While these are different time periods, these percentages reflect the bank's excellent penetration among individuals of different income levels. The chart below illustrates the distribution of these loans among the four income groups:

Distribution of Credit

WGNB Consumer Loans - 1996

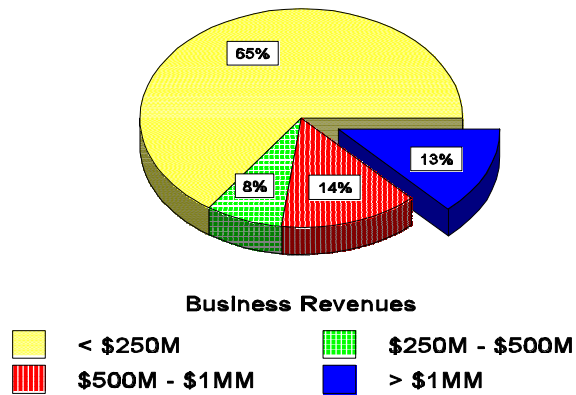


The bank also extended a large number of consumer loans in amounts of \$1,000 or less. In 1995 and 1996, the bank made 269 and 294 loans, respectively, with original amounts of \$1,000 or less. This indicates the bank's responsiveness to the need for small consumer loans. Many of these loans are extended to low- and moderate-income individuals.

The bank also provided a report of all 1,112 commercial loans made in 1996 in the assessment area, grouped according to the annual revenue of the business borrower. This report was used to assess WGNB's performance in lending to businesses of different sizes. Based on this analysis, we concluded that the bank does a very good job of lending to businesses of different sizes, particularly small businesses. About 87 percent of the commercial loans made by the bank in Carroll County in 1996 were to "small business," which are those with revenues of less than \$1 million. In fact, almost 65% were to businesses with annual revenues of less than \$250,000 as indicated below.

Distribution of Credit

WGNB Commercial Loans - 1996



Geographic Distribution of Loans

The geographic distribution of loans reflects excellent dispersion throughout the assessment area. Census data indicates that 67 percent of households in the assessment area are in moderate-income census tracts and that 33 percent are in middle-income census tracts. Correspondingly, 74 percent of loans originated in the assessment area in 1996 were to households in moderate-income census tracts and 26 percent were to households in middle-income tracts. The distribution of credit throughout the different tracts is reasonable and consistent with the bank's ability to meet the credit needs of its community, including moderate-income neighborhoods.

Response to Consumer Complaints

There have been no complaints relative to the bank's CRA performance during the evaluation period.

Record of Compliance with Antidiscrimination Laws

A fair lending examination was performed in conjunction with our CRA review. No violations of the substantive provisions of antidiscrimination laws and regulations were noted during that examination.