



SMALL BANK

Comptroller of the Currency
Administrator of National Banks

PUBLIC DISCLOSURE

September 08, 2003

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Community National Bank
Charter Number 22035**

**561 East Washington Avenue
Ashburn, GA 31714**

**Comptroller of the Currency
North Florida Field Office
8375 Dix Ellis Trail, Suite 403
Jacksonville, FL 32256**

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, 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.

TABLE OF CONTENTS

<i>INSTITUTION'S CRA RATING</i>	<i>1</i>
<i>DESCRIPTION OF INSTITUTION</i>	<i>1</i>
<i>DESCRIPTION OF TURNER AND CRISP COUNTIES.....</i>	<i>2</i>
<i>CONCLUSIONS ABOUT PERFORMANCE CRITERIA.....</i>	<i>4</i>

INSTITUTION'S CRA RATING

This institution is rated Satisfactory.

Community National Bank's performance rating is supported by the following:

- The loan to deposit ratio exceeds satisfactory standards;
- The majority of loans are in the bank's assessment area;
- The distribution of borrowers reflects a more than reasonable penetration among individuals of different income levels and businesses of different sizes; and
- The geographic distribution of loans reflects a reasonable penetration throughout the assessment area.

DESCRIPTION OF INSTITUTION

As of June 30, 2003, Community National Bank (CNB) was a \$164 million dollar retail banking institution headquartered in Turner County, Georgia. The bank serves the credit and deposit needs of its customers from a main office and two branches. The main office offers full service banking and is located at 561 East Washington Avenue in the city of Ashburn. The Turner County branch is located at 131 Industrial Drive in the city of Ashburn. The Crisp County branch is located at 702 South Pecan Street in the city of Cordele. Both branches offer full service banking, including an automated teller machine for customer convenience. The bank is 100% owned by Community National Bancorporation, a \$245 million dollar multi-bank holding company located at 561 East Washington Avenue, Ashburn, Georgia 31714. CNB's affiliate bank is First National Bank headquartered in Tarpon Springs, Florida. CNB's other affiliate bank, Cumberland National Bank (St. Marys, Georgia), was sold in September 2003.

CNB is primarily an agricultural lender; however, the bank offers a wide variety of financial products and services to farmers, small businesses and consumers. This includes various farm, commercial, residential mortgage and consumer loans along with business and consumer checking, savings and time deposit accounts. As of June 30, 2003, net loans of \$138 million comprised 84% of total assets. The composition of the loan portfolio is centered in farmland and other agricultural loans totaling \$52.0 million, or 37% of total loans; commercial real estate and other commercial loans totaling \$46.3 million, or 33%; residential real estate loans totaling \$27.8 million, or 20%; consumer loans totaling \$10.6 million, or 8%; construction and land development loans totaling \$1.7 million, or 1%; lease financing totaling \$800 thousand, or 0.5%; and other loans totaling \$700 thousand, or 0.5%. There are no known financial or legal impediments that should hinder the bank from meeting the credit needs of its assessment area.

The last CRA examination of CNB commenced on March 2, 1998 and used financial information through December 31, 1997. The bank received a Satisfactory rating at that time. This evaluation covered the period from January 1998 to August 2003.

DESCRIPTION OF TURNER AND CRISP COUNTIES

CNB designates the geographic boundaries of Turner and Crisp Counties in Georgia as its assessment area. Turner County includes the cities of Ashburn, Rebecca and Sycamore. Crisp County is comprised of two municipalities that include the City of Cordele and the Town of Arabi. The assessment area meets the requirements of the regulation and does not arbitrarily exclude low- or moderate-income geographies.

Turner and Crisp Counties are located in a non-Metropolitan Statistical Area (MSA). The 2003 Housing and Urban Development estimate of the non-MSA median family income for Georgia was \$44,300. According to the U.S.Census Bureau of 2000, Turner County has two block numbering areas (BNA's) and Crisp County has five BNA's. Turner County has one moderate-income and one middle-income BNA, while Crisp County has two moderate-income and three middle-income BNA's. Within the bank's assessment area, moderate-income tracts represent 43% of the BNA's and middle-income tracts represent 57% of the BNA's. Based on family income levels within the bank's assessment area, 32% of families were considered low-income, 17% were considered moderate-income, 18% were considered middle-income, and 33% were considered upper-income families.

The following table highlights the demographic composition of Turner and Crisp Counties:

ALL CENSUS TRACTS BY INCOME LEVELS					
County	Low	Moderate	Middle	Upper	Total
Turner	0	1	1	0	2
Crisp	0	2	3	0	5
Total AA	0	3	4	0	7
# of Households	0	6,582	5,214	0	11,796
% of Households	0%	56%	44%	0%	100%
# of Families	0	4,775	3,726	0	8,501
% of Families	0%	56%	44%	0%	100%

HOUSEHOLDS WITHIN CENSUS TRACTS					
Income Tracts	Turner County	% of Income Tracts	Crisp County	% of Income Tracts	TOTALS
Moderate	2,236	34%	4,346	66%	6,582
Middle	1,214	23%	4,000	77%	5,214
Total	3,450		8,346		11,796
% of AA	29%		71%		100%

FAMILIES WITHIN CENSUS TRACTS					
Income Tracts	Turner County	% of Income Tracts	Crisp County	% of Income Tracts	TOTALS
Moderate	1,600	34%	3,175	66%	4,775
Middle	969	26%	2,757	74%	3,726
Total	2,569		5,932		8,501
% of AA	30%		70%		100%

Turner County is located along U.S. Interstate 75 approximately 160 miles south of Atlanta, Georgia, and 80 miles north of the Florida border. Based on 2000 Census Bureau information, the population of Turner County is 9,504. The median housing value is \$58,016 and 62% of the housing units are owner-occupied. For 2002, the annual average unemployment rate in Turner County was 6.1% compared to the state of Georgia average of 5.1%.

Turner County's economy is heavily dependent on agriculture and other agriculture-related businesses. Crops and livestock are the chief sources of revenue for this farm-based economy. Turner County has the largest stockyard, Turner County Stockyards, and peanut processor, Golden Peanut Company, in the state of Georgia. The four largest private sector employers in Turner County include Golden Peanut Company, Kelly Services, Inc., Piggly Wiggly and Universal Forest Products.

Crisp County is located 20 miles north of Turner County. Based on 2000 Census information, the population of Crisp County is 21,996. The median housing value is \$74,960 and 52% of the housing units are owner-occupied. For 2002, the annual average unemployment rate in Crisp County was 6.3% compared to the state of Georgia average of 5.1%.

Crisp County has a more diversified economic base than Turner County. The primary sources of employment come from the service producing and manufacturing industries along with government sector jobs. While only 3% of the Crisp County's employment is in the agriculture industry, agriculture and other agriculture-related businesses are still an important part of the local economy. Approximately 65% of the land area of Crisp County is utilized in the production of food, fiber and forestry products. The four largest private sector employers in Crisp County include Best Manufacturing, Crisp Regional Hospital, Crispaire Corporation and Walmart Associates, Inc.

The information in the previous four paragraphs was obtained from the 2000 Census Bureau and published demographic and economic reports.

Financial institution competition within the assessment area consists of two other community banks headquartered in the assessment area, two branches of one community bank and two branches of one regional bank. Colony Bank Ashburn, with total assets of \$217 million, is headquartered in Ashburn and has three offices within the assessment area. Central Bank & Trust, with total assets of \$58 million, is headquartered in Cordele and has one office within the assessment area. Additionally, PlantersFIRST has two banking offices and Regions Bank, headquartered in Alabama, has two branches within the assessment area. As part of our

examination, we met with a representative from the community regarding local economic conditions and community credit needs. Based on information provided by a representative from the Coastal Plain Area Economic Opportunity Authority, Inc., the primary lending needs in the area include affordable housing and home improvement loans. Our contact indicates that the area financial institutions are positively perceived for their involvement in the local community and that the area banking needs are being adequately met.

CONCLUSIONS ABOUT PERFORMANCE CRITERIA

Loan-to-Deposit Ratio – Exceeds the Standard for Satisfactory Performance

The bank's loan-to-deposit (LTD) ratio is outstanding based on its size and assessment of area credit needs. The average net LTD ratio using quarter-end information from March 31, 1998 to June 30, 2003 was 91%. This compares very favorable to the only other bank headquartered within the assessment bank, Central Bank & Trust, that has an 81% LTD ratio during the same time period. Additionally, the bank's LTD ratio compares very favorable to a peer group of all commercial banks headquartered in the state of Georgia with assets less than \$200 million. This peer group's twenty-two quarter LTD ratio is 78%.

Lending in the Assessment Area - Meets the Standard for Satisfactory Performance

A majority of the bank's lending is within its defined assessment area. The bank obtains and monitors the borrower's income level during the origination of all loans. The bank performs an annual self-assessment of this information. A sample of twenty loans was reviewed to validate the accuracy of bank reports. Our review found no errors with internal reports for this analysis. From January 1998 to August 2003, the bank originated 78% of the number of loans and 71% of the dollar amount of loans to borrowers located within the bank's assessment area. The following two tables detail loans made within and outside the assessment area for the year-ends 1998 through 2002 and for the eight months in 2003 along with a breakdown of the aggregate of loans made within Turner and Crisp Counties.

Lending in the Assessment Area (AA) – All Loans					
	# of loans originated	%	\$ of loans (000s)	%	
1998: Inside AA	2,412	80%	\$61,795	78%	
1998: Outside AA	617	20%	\$17,895	22%	
1999: Inside AA	2,088	79%	\$54,287	75%	
1999: Outside AA	541	21%	\$18,171	25%	
2000: Inside AA	2,389	78%	\$60,583	72%	
2000: Outside AA	656	22%	\$23,561	28%	
2001: Inside AA	2,584	77%	\$80,057	73%	
2001: Outside AA	780	23%	\$29,722	27%	
2002: Inside AA	2,298	76%	\$70,731	64%	
2002: Outside AA	745	24%	\$39,265	36%	
1/03 – 8/03: Inside AA	1,232	77%	\$38,477	67%	
1/03 – 8/03: Outside AA	365	23%	\$18,819	33%	

Aggregate Totals				
Inside Assessment Area	13,003	78%	\$365,930	71%
Outside Assessment Area	3,704	22%	\$147,433	29%

LENDING WITHIN EACH COUNTY OF THE ASSESSMENT AREA						
County	# of Loans	%	\$ of Loans (000s)	%	Households %	Families %
Turner	9,257	71%	\$214,529	59%	29%	30%
Crisp	3,746	29%	\$151,403	41%	71%	70%
Inside AA	13,003	100%	\$365,932	100%	100%	100%

Lending to Borrowers of Different Incomes and to Businesses of Different Sizes – Exceeds the Standard for Satisfactory Performance

The distribution of loans among borrowers of different income levels and businesses of different sizes exceeds the standards for a satisfactory performance. The internal analysis of retail and business loans originated from January 1998 to August 2003 further reflects the bank has a more than reasonable dispersion of loans among borrowers of different incomes. Our sample of loans did not find any differences with internal reports.

The bank’s CRA self-assessment does not separate residential real estate and consumer loans; therefore, this analysis used the aggregate total of all retail loans. For this analysis, business loans include commercial and farm loans. The analyses of the retail loans originated from January 1998 to August 2003 were compared to the percentage of households and families that live within the bank’s assessment area based on 2000 Census Bureau information. The analyses of business (and farm) loans originated from January 1998 to August 2003 were compared to the percentage of businesses that reported sales revenue figures based on 1990 Census Bureau information. The software used for the business loan analysis was not available for the 2000 Census Bureau information. The following two tables detail our findings:

Distribution of Consumer and Residential Loans by Borrower Income Level in Assessment Area Loans that originated from January 1998 to August 2003				
Income Level	% of Households in Assessment Area	% of Families in Assessment Area	% of Loans by Number	% of Loans by Dollar
Low	34%	32%	28%	12%
Moderate	16%	17%	30%	22%
Middle	16%	18%	24%	26%
Upper	34%	33%	18%	40%
Total	100%	100%	100%	100%

Lending to Businesses based on Businesses that Reported Annual Revenue			
Loans that originated from January 1998 to August 2003			
Annual Revenue	% of Business in Assessment Area	% of Loans by Number	% of Loans by Dollar
Less than \$1 Million	93%	99%	97%
Greater than \$1 Million	7%	1%	3%

Geographic Distribution of Loans - Meets the Standard for Satisfactory Performance

The geographic distribution of loans reflects satisfactory penetration throughout the assessment area. The bank performs an annual self-assessment of this information. A sample of twenty loans was reviewed to validate the accuracy of bank reports. Our review found no errors with internal reports for this analysis. The two tables below reflect the distribution of all types of loans within the bank's assessment area by the income designation of the BNA tract. This distribution is reasonable given the geographic size of the bank's assessment area that comprises two counties and seven BNA tracts. There are no gaps or areas of low penetration in the bank's lending patterns.

Geographic Distribution of Loans						
All Loans Originated within the Assessment Area						
From January 1998 to August 2003						
BNA Income Level	Number of BNAs	% of Assessment Area	% of Households within BNA	% of Families within BNA	% of Loans by Number	% of Loans by Dollar
Low	0	0%	NA	NA	NA	NA
Moderate	3	43%	56%	56%	59%	50%
Middle	4	57%	44%	44%	41%	50%
Upper	0	0%	NA	NA	NA	NA
Total	7	100%	100%	100%	100%	100%

Geographic Distribution of Loans						
All Loans Originated within each Block Number Area						
From January 1998 to August 2003						
BNA	County	Income Level	Loans by Number		Loans by Dollar	
			Number	%	\$ (000s)	%
9702	Turner	Moderate	6,595	51%	\$147,261	40%
9801	Crisp	Moderate	554	4%	\$12,926	4%
9802	Crisp	Moderate	570	4%	\$21,675	6%
9703	Turner	Middle	2,662	20%	\$67,268	18%
9803	Crisp	Middle	698	5%	\$26,615	7%
9804	Crisp	Middle	933	7%	\$50,118	14%
9805	Crisp	Middle	991	8%	\$40,069	11%
TOTALS			13,003	100%	\$365,932	100%

Response to Consumer Complaints

From January 1998 to August 2003, CNB has not received any written complaints concerning its performance in helping to meet the credit needs within its assessment area.

Fair Lending

An analysis of January 1998 through July 2003 public comments and consumer complaint information was performed according to the OCC's risk based fair lending approach. Based on its analysis of information, the OCC decided that a comprehensive fair lending examination would not need to be conducted in connection with the CRA evaluation this year. The latest comprehensive fair lending examination was performed in March 1998.