



**Comptroller of the Currency
Administrator of National Banks**

Jacksonville Duty Station
8382 Baymeadows Road, Suite #1
Jacksonville, FL 32256

PUBLIC DISCLOSURE

May 2, 1997

**COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION**

**First National Bank
Charter Number 22852**

**300 North Second Street
Folkston, Georgia 31537**

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

The following factors provide support for First National Bank's (FNB) rating:

- ▶ The loan-to-deposit ratio is reasonable considering the bank's size, financial condition, and characteristics of the assessment area.
- ▶ A substantial majority of loan originations are to individuals residing within the assessment area.
- ▶ The distribution of loans reflects a reasonable volume of credit extended to borrowers of different income levels and throughout all sections of the assessment area.

The table on the following page indicates the performance level of First National Bank 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.



First National Bank Performance Criteria

SMALL INSTITUTION ASSESSMENT CRITERIA	First 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 have been received since the last examination.		



DESCRIPTION OF INSTITUTION

First National Bank is a \$12 million institution located in Charlton County, Georgia. The bank serves the credit and deposit needs of its customers from a single facility located in the city of Folkston. This facility offers full-service banking, including drive-up and ATM service. FNB offers a variety of credit to consumers and businesses. The loan portfolio is comprised of Real Estate (46%), Commercial (40%), and Installment (14%). The financial condition of the bank is satisfactory, and there are no significant impediments that would inhibit the bank's ability to meet community credit needs. FNB is 100% owned by First National Corporation.

DESCRIPTION OF THE BRANTLEY, CHARLTON, CAMDEN COUNTY GEORGIA AND NASSAU COUNTY, FLORIDA ASSESSMENT AREA

Charlton, Camden and Brantley Counties are located in a Non-metropolitan Statistical Area (NMSA). The 1996 median family income for NMSAs in the state of Georgia is \$32,500. Nassau County, Florida is located in the Jacksonville, Florida Metropolitan Statistical Area. The median income for census tracts in the county is \$33,888.

First National Bank's assessment area consists of the geographic boundaries of Charlton, Brantley, and Camden County, Georgia, and Nassau County, Florida. This area meets the requirements of the regulation and does not arbitrarily exclude low- and moderate- income areas. These counties include the cities of Folkston, Kingsland, St. Marys, Hillard and a number of small rural communities. The 1990 U.S. Census approximates the population of the four county area at 93,681. The largest employers in the assessment area include Gilman Paper Company, Kings Bay Naval Submarine Base, Rayonier, Inc., Union Camp Corporation, and Camden County and Nassau County Schools. Competition in the assessment area includes branches of five regional banks headquartered in the Southeast, two Federal Credit Unions, and four community banks.

We performed a community contact during this examination. The individuals contacted were local civic leaders. These individuals stated that the most pressing credit need in the assessment area is business and industrial loans.



DISCUSSION OF INSTITUTION'S PERFORMANCE

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

FNB's loan to deposit ratio is reasonable given the bank's size, financial condition, and competition in the assessment area. The bank operates from a single facility and a majority of loans and deposits are a result of contacts made by bank directors throughout the four county area. The quarterly average of the bank's loan-to-deposit ratio is 67%. According to the December 31, 1996 Uniform Bank Performance Report, this ratio is comparable to the 70% achieved by similar size institutions throughout the country.

A substantial majority of loans originated since the bank opened are to individuals and businesses located within the assessment area. The bank tracks the geographic distribution of loans in the portfolio according to the zip code of the borrower. As of March 31, 1997, this information disclosed that approximately 88% of the total dollar amount of loans were made within the assessment area. The results of a separate fair lending sample of 20 loans substantiated the bank's reports with all of the loans reviewed being granted to borrowers residing within the assessment area.

FNB does not track the geographic distribution of loans among borrowers of different income levels. As a result, we used a sample of 15 loans of various sizes and a sample of 30 consumer loans to reach our conclusion for this performance criteria. This sample concluded that the bank is extending credit to borrowers of low, moderate, middle, and upper incomes. Based on the sample, 30 loans (66%) were made to low and moderate income borrowers, 3 loans (7%) were made to middle income borrowers, and 12 loans (27%) were made to upper income borrowers. A review of the loan trial also indicates that the size of loans the bank is extending are those which are typically made to borrowers of different levels of income. These loans are dispersed throughout the assessment area.

The bank has not received any complaints concerning its performance under the CRA. The fair lending review did not reveal any violations or any instances of disparate treatment. Adequate policies and procedures are in place to ensure compliance with fair lending laws and regulations.