



SMALL BANK

Comptroller of the Currency
Administrator of National Banks
Washington, DC 20219

PUBLIC DISCLOSURE

September 11, 2006

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Flint River National Bank
Charter Number 24505
260 U.S. Highway 19 North
Camilla, GA 31730**

**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.

INSTITUTION'S CRA RATING: This institution is rated Satisfactory.

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

- The loan-to-deposit ratio exceeds the standard for satisfactory performance given the bank's size, financial condition, and the credit needs within the community.
- The majority of loans and other lending activities were in the bank's assessment area.
- The bank's lending to businesses and farms of different sizes are satisfactory.

DESCRIPTION OF INSTITUTION

As of September 11, 2006, Flint River National Bank (FRNB) was a \$30 million retail banking institution located in Camilla, Georgia. The bank is owned by Flint River Bancshares, Inc., a one bank shell holding company. FRNB services the credit and deposit needs of its customers from its one office located at 260 U.S. Highway 19 North, in Camilla, Georgia. The facility offers full service banking, including drive up and ATM services. FRNB's primary lending focus is commercial and agricultural lending. There are no known financial or legal impediments that would hinder the bank from meeting the credit needs of its assessment area.

FRNB offers a wide variety of financial products including commercial loans, agricultural loans, residential mortgage loans, consumer loans and deposit accounts. As of June 30, 2006, net loans of \$19 million comprised 76% of assets. The composition of the loan portfolio was as follows: commercial/commercial real estate, \$8 million or 42%; agricultural lending, \$6 million or 32%; residential real estate, \$4 million or 21%, and consumer lending, \$1 million or 5%.

FRNB opened for business on September 8, 2004. This is the bank's first CRA evaluation. The evaluation period for this review is from September 2004 to August 2006.

DESCRIPTION OF MITCHELL COUNTY

FRNB designates the geographic boundaries of Mitchell County, Georgia as its Assessment Area (AA). The AA meets the requirements of the regulation and does not arbitrarily exclude low- or moderate-income census tracts. The city of Camilla is the Mitchell County seat and the county's largest municipality. Other incorporated areas include Baconton, Pelham and Sale City. As of the 2000 Census, Mitchell County was located in a Non-Metropolitan Statistical Area (NMSA). The 2006 Housing and Urban Development estimate of the NMSA median family income for Georgia was \$43,400.

Mitchell County is located in Southwest Georgia, approximately 55 miles north of Tallahassee, Florida. The estimated 2000 population for the county was 23,932. As of July 2006, the average

unemployment rate for Southwest Georgia was 5.3% compared to the state average of 5.1%. According to the 2000 Census, 28% of households in Mitchell County receive Social Security and 13% were retired. Additionally, 91% of housing units in the area were occupied while 65% were owner-occupied. Agriculture is the major industry in Mitchell County. The largest employers in the county are Cagle Foods, Darwood Manufacturing, Diversified Personnel Management, Mitchell County Hospital and the State Correctional Institution.

According to the 2000 census, there were five Block Numbering Areas (BNAs) in Mitchell County. Two were designated moderate-income and three were designated middle-income. There were no low-income BNAs and there were no upper-income BNAs. Also in Mitchell County, 30% of families were considered low-income, 18% moderate-income, 18% middle-income and 34% were considered upper-income.

The following table highlights the demographic composition of the AA.

Demographic and Economic Characteristics of Mitchell County Assessment Area	
Total Population	23,932
Number of Families	5,964
Number of Households	8,040
Geographies	
Number of BNA's	5
% Low-Income Block Numbering Tracts	0%
% Moderate-Income Block Numbering Tracts	40%
% Middle-Income Block Numbering Tracts	60%
% Upper-Income Block Numbering Tracts	0%
Median Family Income (MFI)	
2000 MFI for AA	\$37,320
2005 HUD-Adjusted MFI	\$43,400
Economic Indicators	
Unemployment Rate	5.3%
2000 Median Housing Value	\$55,502
% Households Below Poverty Level	25%

Source: 2000 Census data and HUD updated income data.

All of these county figures are based on published demographic information.

There are four other community banks in the county and SunTrust is represented by a branch in nearby Pelham. The bank also competes with financial institutions in neighboring counties. As part of our examination, we spoke with a representative from the community regarding local economic conditions and community credit needs. Based on information provided by a representative of the Southwest Georgia Regional Development Center in Camilla, Georgia, the financial institutions in the local area were meeting the credit needs of the community.

CONCLUSIONS ABOUT PERFORMANCE CRITERIA

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

The bank's loan-to-deposit (LTD) ratio exceeds the standard for satisfactory performance based on its size and assessment of area credit needs. The average net LTD ratio using quarter end information from September 2004 to August 2006 was 101%. The bank's ratio was compared to four other institutions of similar size and structure in the AA whose ratios averaged 65% during the same time period. As of September 11, 2006, FRNB's loan-to-deposit ratio was 106%.

Lending in Assessment Area- Meets the Standard for Satisfactory Performance

A majority of the bank's lending is within its defined AA. Since the bank focuses on commercial and agricultural loans, we selected a sample of 46 of those types of loans originated by the bank between September 2004 and August 2006. We found that 38 loans in the sample were originated within the bank's AA as detailed below.

Loan Type	Number of Loans					Dollars of Loans (000's)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Commercial	19	95%	1	5%	20	\$2,931	99	\$37	1	\$2,968
Agriculture	19	73%	7	27%	26	\$2,532	65	\$1,346	35	\$3,878
Totals	38	83%	8	17%	46	\$5,463	80	\$1,383	20	\$6,846

Source: sample of loans.

Lending to Borrowers of Different Incomes and to Businesses of Different Sizes- Meets the Standard for Satisfactory Performance

The dispersion of loans to agricultural and business borrowers of different income levels and sizes is satisfactory. For this criterion, we used the same sample of commercial loans originated within the AA discussed in the previous performance criterion. We obtained annual revenue information for the business loans used in our analysis. Our sample indicated that the bank is making loans to small businesses defined as those with annual revenues of less than \$1 million.

Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Businesses	47%	4%	49%	100%
% of Bank Loans in AA by #	100%	0	0	100%
% of Bank Loans in AA by \$	100%	0	0	100%

Source: Loan sample

FRNB has a satisfactory record of lending to agricultural borrowers of different sizes. We obtained income information on the agricultural loans in our sample and determined that the bank was making loans to small farms (those with annual revenues less than \$1 million.)

Borrower Distribution of Loans to Farms in Mitchell County				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Businesses	89%	7%	4%	100%
% of Bank Loans in AA by #	89%	11%	0	100%
% of Bank Loans in AA by \$	86%	14%	0	100%

Source: Loan sample

Geographic Distribution of Loans

The bank does not track geographic information internally. Due to the limited information available, a meaningful analysis could not be performed.

Response to Complaints

FRNB has not received any CRA related complaints during this evaluation period.

Fair Lending or Other Illegal Credit Practices Review

We found no evidence of illegal discrimination or other illegal practices.