



Comptroller of the Currency
Administrator of National Banks

Small Bank

PUBLIC DISCLOSURE

April 30, 2000

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Atlantic National Bank
Charter Number 23563
710 Gloucester Street
Brunswick, Georgia 31521**

Office of the Comptroller of the Currency

**Southeastern District
North Florida Field Office
8382 Baymeadows Road, Suite 1
Jacksonville, Florida 32256**

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 **Atlantic National Bank (ANB)**, Brunswick, Georgia, prepared by **The Office of the Comptroller of the Currency**, the institution's supervisory agency, as of **April 30, 2000**. 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 Record of Meeting Community Credit Needs.**”

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

- C The loan to deposit ratio is reasonable;
- C The majority of loans and other lending activities are in the bank's assessment area;
- C The distribution of borrowers reflects reasonable penetration among individuals of different income levels and businesses of different sizes; and,
- C Reasonable dispersion of its lending activities throughout the assessment area during the evaluation period.

DESCRIPTION OF INSTITUTION

As of April 30, 2000, Atlantic National Bank (ANB) is a \$82.7 million retail banking institution located in Brunswick, Georgia. The main office is located at 710 Gloucester Street in downtown Brunswick. There is an additional branch located at 1663 Frederica Road, St. Simons Island, Georgia, which contains an ATM. The bank is not part of a holding company. ANB's primary lending focus is residential real estate and commercial lending. There are no known financial or legal impediments that should hinder the bank from meeting the credit needs of its assessment area.

ANB offers a wide variety of financial products including commercial loans, residential mortgage loans, home equity loans, consumer loans and deposit accounts. As of April 30, 2000, net loans comprised 60% of assets. The composition of the loan portfolio is as follows: Commercial/commercial real estate (42%), residential real estate (52%), and consumer lending (6%).

ANB opened for business on August 28, 1998. The evaluation period for this review is from August 1998 to April 2000. This is the bank's first CRA evaluation.

DESCRIPTION OF ASSESSMENT AREA

ANB designates all of Glynn County, Georgia, as its assessment area. This area meets the requirements of the regulation and does not arbitrarily exclude low or moderate income geographies. Glynn County consists of 11 Block Numbering Areas (BNAs). One BNA is not rated as either low, moderate, middle or upper income blocks. Of the 10 remaining BNAs, one is designated moderate income, three are designated middle income and six are designated upper income by the U.S. Census Bureau of 1990. None of the BNAs are designated low income. According to the Census, 16.16% of families in the county were considered low income, 14.49% were moderate income, 18.37% were middle income, and 50.98% were upper income. The 1999 Housing and Urban Development estimate of the non-MSA median family income for Georgia was \$37,500.

Glynn County, Georgia is a coastal community located approximately 75 miles south of Savannah, Georgia, and 65 miles north of Jacksonville, Florida. The City of Brunswick is the only incorporated area of the county. St. Simons Island, Jekyll Island, Sea Island and Little St. Simons Island make up the greater portion of the remainder of the county. According to the Census, 30% of households receive Social Security and 19% are retired. Additionally, 86% of housing units were occupied while 56% were owner occupied. Glynn County's estimated 1999 population was 67,779. The unemployment rate was approximately 2.5%. These figures were based on published demographic information and

Brunswick Chamber of Commerce data. Tourism is the major industry. Other major employers in the area include the Federal Law Enforcement Training Center, Glynn County Board of Education, Georgia Pacific Corp., Rich-Sea Pak Corp., and Sea Island Company.

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

Type of BNA	Number of BNAs	Percentage of Total Number of BNAs	Number of Households in BNA	Percentage of Households in BNA
Low (less than \$18,750)	0	0%	0	0%
Moderate (\$18,751 to \$30,000)	1	10%	1,577	6.58%
Middle (\$30,001 to \$45,000)	3	30%	8,602	35.87%
Upper (greater than \$45,000)	6	60%	13,801	57.55%

The Glynn County banking industry is highly competitive. In addition to ANB, financial services are offered by branches of multi-national and regional banks such as Bank of America, SunTrust, Synovus and Premier Banks. Local community banks such as First Georgia Bank and First Bank of Brunswick, along with other local saving banks and credit unions in the area, afford community residents alternatives for meeting their particular banking needs. As part of our examination, we met with a representative from the Brunswick/Golden Isle Chamber of Commerce regarding local economic conditions and community credit needs. Based on the information provided by the representative, the primary lending needs in the area are centered in funding industry, small business, and city and county infrastructure.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA:

LOAN-TO-DEPOSIT RATIO - Meets the standard for Satisfactory Performance

The bank's loan-to-deposit ratio is adequate based on its size, recent entry into its market, and assessment of area credit needs. The average net loan-to-deposit ratio using quarter-end information from September 30, 1998 to March 30, 2000, was 40.04%. Local peer banks, chosen for comparison due to similar market and assessment areas, and range of services, averaged 90.55% during the same time period. National peer group banks averaged 68.63% during this time period. While ANB's average appears low in comparison to peer, it is offset by the fact that it is a new institution in process of establishing its niche

in the highly competitive service area. Additionally, deposit growth has been substantially more than management had anticipated. As a result, ANB's loan-to-deposit ratio is distorted by a broad range between the 8.23% it attained in the first quarter after opening in August 1998, to the 66.99% it had attained as of March 31, 2000. As of April 30, 2000, the loan-to-deposit ratio was 60%.

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

A substantial majority of the bank's lending is within its defined assessment area. An analysis of a sample of 21 residential real estate loans originated by the bank between August 28, 1998 and April 30, 2000 found that all the loans were granted within the bank's assessment area (AA) and is detailed as follows:

Lending in the Assessment Area Residential Real Estate					
	# of Loans in sample	%	\$ of Loans (>000)	%	
Inside AA	21	100	4,002	100	
Outside AA	0	0			
Totals	21	100	4,002	100	

Since the bank also focuses on commercial lending, we also performed an analysis of the distribution of these loans. The results of the analysis are detailed as follows:

Lending in the Assessment Area Commercial Lending					
	# of Loans in sample	%	\$ of Loans (>000)	%	
Inside AA	19	90.5	3,777	81.1	
Outside AA	2	9.5	880	18.9	
Totals	21	100	4,657	100	

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

The dispersion of loans to borrowers of different income levels and businesses of different sizes is reasonable. We sampled a total of 21 residential real estate loans to determine the income levels of borrowers. As the following table indicates, ANB’s lending to borrowers of low and moderate income levels is satisfactory in view of the demographics of the assessment area and newness of the bank. Approximately 38% of the number of loans and 13% of the dollar volume of loans were granted to low and moderate income borrowers. Distribution at other income levels is considered reasonable.

Distribution of Loans by Borrower Income Level in Assessment Area				
Income Level	% Families in Assessment Area	% of Loans by Number	% of Loans by Dollar	Average Loan (\$'000)
Low	16.16%	14.28%	3.7 %	50
Moderate	14.49%	23.81%	9.3%	74
Middle	18.37%	23.81%	8.8%	70
Upper	50.98%	38.10%	78.2%	392
Total	100%	100%	100%	

The bank’s lending volume regarding loans to small businesses is satisfactory. We chose a sample of 19 business loans made within the bank's assessment area. Of that number, 13 loans or 68% were made to businesses having annual revenues less than \$1 million.

Total Annual Revenue	Percentage of Total Business Loans Sampled	
	Number of loans	Dollar Volume
<\$500 thousand	52%	55%
\$500 to \$999 thousand	<u>16%</u>	<u>20%</u>
<\$1 million (small Business)	68%	75%
>\$1 million (large Business)	32%	25%

Geographic Distribution of Loans - Meets the standard for Satisfactory Performance

There is a reasonable distribution of loans extended within the assessment area. Our analysis used the same residential real estate related loans within the assessment area discussed in the previous performance criteria. The following table reflects the distribution of these loans within the bank's assessment area by income designation of BNA.

Geographic Analysis of Loans Sampled by Percentage Originating Between August 28, 1998 and April 30, 2000			
Type Of BNA	Number of Loans Within the Type of BNA	Dollar Amount of Loans Within the Type of BNA	Owner Occupied Units Within the Type of BNA
Low Income	0	0	0
Moderate Income	14%	8%	34.38%
Middle Income	19%	6%	48.42%
Upper Income	67%	86%	63.29%

The sample analysis disclosed that ANB has originated loans in all but one upper-income BNA. This distribution is considered reasonable and consistent with the location of the bank's offices, financial and human resources, and families within the respective areas.

Response to Consumer Complaints

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

Fair Lending

A fair lending review was conducted during this examination. There were insufficient files from which to choose a sample in order to perform a comparative review. As a result, a technical review of Fair Lending regulations was performed. No discrimination or disparate treatment was noted from this review. Satisfactory policies and procedures have been adopted and are in place.