

PUBLIC DISCLOSURE

November 18, 1998

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Eagle National Bank
Charter # 23184**

**850 Eagles Landing Parkway
Stockbridge, Georgia 30281**

**Office of the Comptroller of the Currency
Georgia Field Office
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.

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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 CRA performance of Eagle National Bank prepared by the Office of the Comptroller of the Currency, the institution's supervisory agency, as of November 18, 1998. 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 Eagle National Bank CRA rating is based on the institution's good loan-to-deposit ratio, adequate proportion of lending in its assessment area, satisfactory distribution of lending to borrowers of different income levels and businesses of different sizes and, finally, adequate geographic distribution of loans.

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

SMALL INSTITUTION ASSESSMENT CRITERIA	Eagle 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 by Eagle National Bank since operations began on December 2, 1997.		

DESCRIPTION OF INSTITUTION

Eagle National Bank (ENB) opened for business on December 2, 1997, in Stockbridge, Georgia. This new community banking institution serves Henry County. The bank's financial condition is characterized by total assets of \$19 million, total loans of \$9 million, total deposits of \$14 million and a negative net income of \$335 thousand, as of the quarter ended September 30, 1998. ENB operates one office which includes an automated teller machine (ATM) located at 850 Eagles Landing Parkway, Stockbridge, Georgia 30281. ENB is a publicly held company with approximately 250 shareholders.

The bank is headquartered in an area of consistent growth with a highly competitive market. Competition consists of two new state chartered community banks, two additional state chartered community banks, a loan production office for a thrift institution, plus offices of multinational and regional banks. ENB considers its target market to be small to medium sized businesses and residential real estate developers. However, ENB also offers traditional products and services such as consumer construction loans, home equity lines, other types of consumer loans, and various deposit products. At September 30, 1998, ENB's loan portfolio consisted of fifty-one percent (51%) construction and land development, twenty percent (20%) commercial and industrial, twelve (12%) nonfarm nonresidential properties, five percent (5%) consumer-related, two percent (2%) home equity lines of credit, one percent (1%) first and junior mortgages on 1-4 family, and nine percent (9%) other.

Eagle National Bank complies with the Community Reinvestment Act. No known legal impediments exist that would restrain ENB from meeting the credit needs of its assessment area. However, it is noted that the bank is in its first year of operations in a highly competitive market.

DESCRIPTION OF ASSESSMENT AREA

ENB is in the Atlanta Metropolitan Statistical Area (MSA). Management has identified eleven census tracts within this MSA as the bank's assessment area. This assessment area encompasses all of Henry County. According to the U.S. Census Bureau, this designated area does not contain any low- or moderate-income census tracts; however, it is apparent ENB has not arbitrarily excluded any low- or moderate income census tracts. The designated area contains ten middle-income tracts and one upper-income tract. According to the Department of Housing and Urban Development, 1998 median family income for the Atlanta MSA is \$54,700.

ATLANTA MSA - The Atlanta MSA is a twenty-county area surrounding the city of Atlanta with a total of 504 census tracts. Metro Atlanta is internationally recognized as the transportation, communication, industrial and cultural center of the Southeastern United States. The Atlanta MSA has one of the strongest economies of any major urban area. Due to its location and extensive transportation network, Atlanta has become a major distribution center for the Southeast. As

distribution and associated industrial activities gradually transfer to other urban centers in the South, Atlanta is evolving into a major provider of technological and financial support services.

The Atlanta MSA has a diverse industrial base including manufacturing, transportation, distribution, retailing, wholesaling, finance, government, research, education, medicine and technical support. Ninety percent (90%) of the Fortune 500 companies maintain regional offices in the Atlanta area. In addition, ninety-eight of the nation's top industrial firms maintain some type of operational facility in metro Atlanta. Foreign trade has played a significant role in the area's growth over the last two decades. More than 200 foreign firms have established their U.S. headquarters in Atlanta. Of these companies, thirty-one are foreign-based banks with offices in Atlanta.

HENRY COUNTY - Henry County is experiencing steady growth. Major employers include Snapper, Nestle, Toys R Us, Bugle Boy, Sunglass Hut, and Pep Boys. According to the Georgia Department of Labor, Henry County's average unemployment rate for the first ten months of 1998 was low at two and one-half percent (2.5%). Population for Henry County based on the 1990 Census was 58,741. The Henry County Chamber of Commerce estimates the current county population to be 104,000. High growth is expected to continue.

COMMUNITY CONTACTS - As part of our examination, we obtained information from community leaders regarding local economic conditions and community credit needs. According to our contacts, general banking and credit needs are being adequately met by local banks in Henry County.

INCOME DEFINITIONS

Throughout this evaluation, we use the following definitions for the various income levels. These levels are defined in the Community Reinvestment Act.

Low-Income - An individual income, or median family income for geographies, that is less than 50% of the area median income.

Moderate-Income - An individual income, or median family income for geographies, that is at least 50% but less than 80% of the area median income.

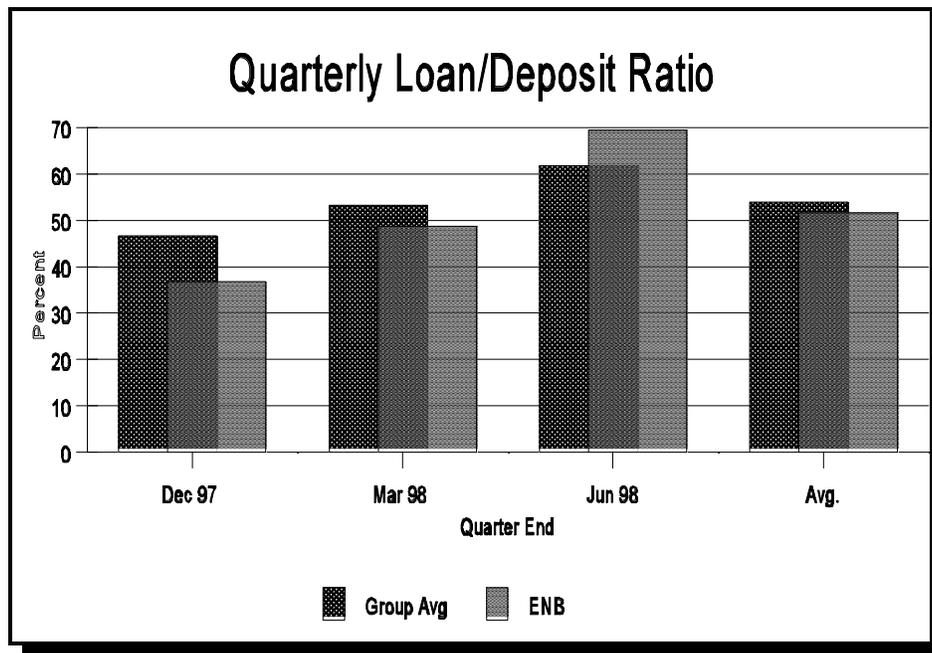
Middle-Income - An individual income, or median family income for geographies, that is at least 80% but less than 120% of the area median income.

Upper-Income - An individual income, or median family income for geographies, that is 120% or more of the area median income.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Loan-to-Deposit Ratio

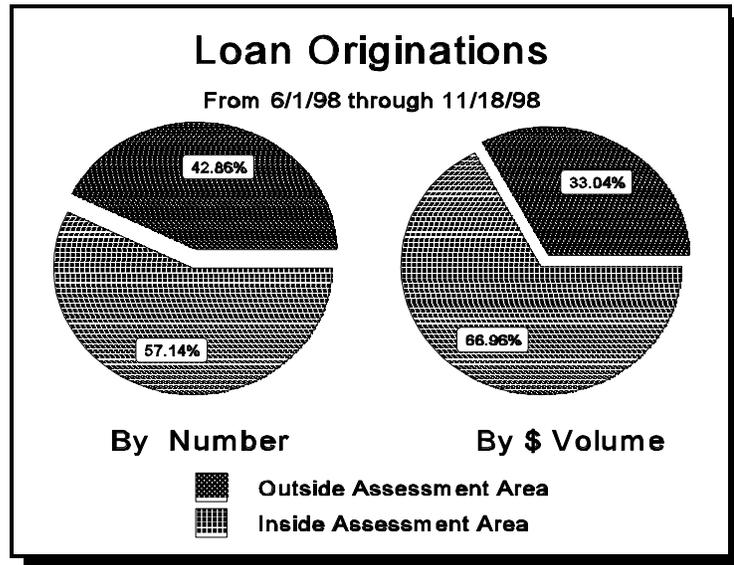
For the first three quarters of the bank's operations, ENB's quarterly average loan-to-deposit (LTD) ratio was fifty-two percent (52%) compared to the average LTD ratio of fifty-four percent (54%) for the six banks established in Georgia after September 30, 1997. These six banks include national, state and non-member banks. As *Graph 1* below shows, the bank's LTD ratio has generally increased over the first three quarters of operations. Although no peer group data was available, for quarter ended September 30, 1998, and for month ended October 31, 1998, ENB's LTD ratio was sixty-one percent (61%) and sixty-three percent (63%), respectively. This indicates a positive trend as well as illustrating the ratio continued to exceed fifty percent (50%) in the latter part of 1998.



Graph 1

Lending in Assessment Area

Overall lending levels reflect an adequate responsiveness to community credit needs. Based on a review of the loans originated by ENB from June 1, 1998, through November 18, 1998, fifty-one percent (51%) by number and sixty-seven (67%) by dollar volume of loans originated were within the bank's assessment area. This is illustrated in *Graph 2*.



Graph 2

ENB's loan portfolio is centered in construction and land development, and commercial and industrial loans. This is based on September 30, 1998, call report information and is summarized below in *Table 1*. At that date, approximately, seventy-one (71%) percent of the bank's portfolio was centered in construction and land development, and commercial and industrial loans.

Types of Loans Outstanding as of September 30, 1998		
Loan Type	Amount (000's)	Percent
Construction and Land Development	\$4,405	50.97%
Commercial and Industrial	\$1,776	20.54%
Nonfarm Nonresidential	\$1,005	11.63%
1 - 4 Family Residential and Consumer	\$707	8.18%
Other	\$750	8.68%
TOTAL LOANS	\$8,643	100.00%

Table 1

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

To analyze ENB’s lending patterns we reviewed consumer and business purpose loans originated by the bank inside its assessment area from June 1, 1998, to November 18, 1998.

Lending to Borrowers of Different Incomes

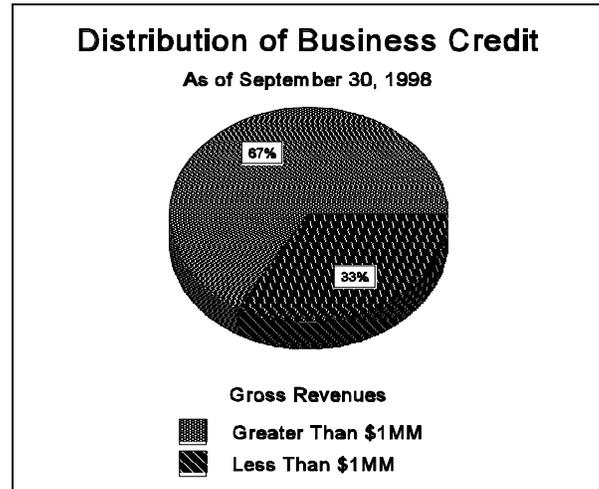
Lending to consumer borrowers of different incomes is considered marginally satisfactory. We reviewed the fifteen (15) consumer purpose loans originated by ENB during the above noted time period to determine the income level classifications of borrowers. Borrower income classifications were assigned in accordance with the definitions outlined earlier in this report using the Department of Housing and Urban Development’s updated median family income figure for the Atlanta MSA. As *Table 2* indicates, ENB’s volume of loans to borrowers of low- and moderate-income (LMI) levels was twenty percent (20%) of total consumer loans reviewed. Approximately thirty-five percent (35%) of families in the bank’s assessment area were at those levels as of the 1990 Census, the most recent data available. Given the level of competition for consumer lending in the bank’s assessment area, the relatively small sample size, and the bank’s age and target market, ENB’s performance with respect to lending to borrowers of different incomes is passable.

Distribution of Loans by Borrower Income Level in Assessment Area			
Income Level	% Families in Assessment Area	# of Loans	% of Loans
Low Income	15.49%	1	7%
Moderate Income	19.83%	2	13%
Middle Income	29.95%	2	13%
Upper Income	34.73%	10	67%
Total	100%	15	100%

Table 2

Lending to Businesses of Different Sizes

Lending to businesses of different sizes is satisfactory. We reviewed the twenty-one commercial loans originated between June 1, 1998, and November 18, 1998, to determine gross revenue levels of the businesses. For CRA purposes, small businesses are defined as those with gross annual revenues less than \$1 million. It is noted that most of the bank's commercial borrowers are home builders and developers. As shown in *Graph 3*, our sample indicated that thirty-three percent (33%) of ENB's commercial loans are to small businesses.



Graph 3

Geographic Distribution of Loans

ENB has a satisfactory record of lending to all segments of its assessment area. We utilized the same sample of loans originated by the bank from June 1, 1998, through November 18, 1998, to determine the distribution of lending activity by census tracts. *Table 3* illustrates this distribution. The last row of this table also shows the distribution by income levels of the census tracts in ENB's assessment area. As discussed earlier in this report, Henry County, the bank's assessment area, does not have any census tracts designated low- and moderate-income. Given the bank's size and age, the bank's level of penetration throughout its assessment area is considered to be satisfactory. Eighty-three (83%) of the bank's originations were in the census tract in which the bank is located or in one of the four adjacent census tracts.

ENB originated loans in all but two census tracts. One tract is one of the furthest from the bank's location and the other includes the town of McDonough, where a number of other lenders are located. While all the census tracts in the assessment area are middle- or upper-income tracts, distribution of credit throughout the various tracts is reasonable and consistent with the bank's ability to help meet the credit needs of its community.

Loans Within Each Tract Income Level for the Assessment Area										
	Low Income*		Moderate Income*		Middle Income		Upper Income		Total	
	#	%	#	%	#	%	#	%	#	%
Total Loans	0	0%	0	0%	30	83%	6	17%	36	100%
Tracts	0	0%	0	0%	10	91%	1	9%	11	100%

Table 3

*Henry County, the bank’s assessment area, does not have any census tracts designated low- and moderate-income.

Response to Consumer Complaints

ENB has not received any CRA-related complaints since operations began on December 2, 1997.

Record of Compliance with Antidiscrimination Laws

We conducted a concurrent compliance and fair lending examination. We did not identify any discriminatory lending practices or violations of the substantive provisions of federal antidiscrimination laws and regulations.