



SMALL BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

PUBLIC DISCLOSURE

February 14, 2011

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Flint River National Bank
Charter Number 24505

260 U.S. Highway 19 North
Camilla, GA 31730-0000

Office of the Comptroller of the Currency

Georgia Field Office
Three Ravinia Drive Suite 550
Atlanta, GA. 30346

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:

- a reasonable loan-to-deposit ratio;
- a majority of loans inside the assessment area; and,
- a reasonable penetration of loans to borrowers of different incomes and to businesses of different sizes.

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

SMALL INSTITUTION ASSESSMENT CRITERIA	Flint River 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	
Response to Complaints	No complaints were received since the prior CRA examination.		

DESCRIPTION OF INSTITUTION

As of February 14, 2011, Flint River National Bank (FRNB) was a \$32 million retail banking institution located in Camilla, Georgia. The bank is owned by Flint River Bancshares, Inc., a one bank 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 small business/farm and consumer lending. There are no known financial or legal impediments that would hinder the bank from meeting the credit needs of its assessment area. There are only three banks in Mitchell County.

FRNB offers a variety of financial products including commercial loans, residential mortgages, agricultural loans, consumer loans, and deposit accounts. As of December 31, 2010, gross loans of \$21 million comprised 66 percent of assets. The loan portfolio composition was as follows: commercial real estate 31 percent, residential real estate 17 percent, farmland 13 percent,

agricultural lending 12 percent, construction and land development 11 percent, commercial loans 11 percent, and consumer loans 5 percent.

FRNB opened for business on September 8, 2004. The evaluation period for this review is from October 2006 to December 2010.

DESCRIPTION OF ASSESSMENT AREA(S)

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, Georgia is in Mitchell County, the county's largest municipality. Other incorporated areas include Baconton, Pelham, and Sale City. Mitchell County is located in a Non-Metropolitan Statistical Area (NMSA). The updated 2008 Housing and Urban Development estimates of the NMSA median family income for the county was \$37,500.

Mitchell County is in Southwest Georgia, approximately 55 miles north of Tallahassee, Florida. As of the of 2000 census, there were 23,932 people, 8,063 households, and 5,934 families residing in the county. There were 8,880 housing units in Mitchell County, Georgia. The primary racial makeup of the county was 49.6 percent White, 47.9 percent Black or African American, 0.2 percent Native American, and 0.3 percent Asian.

Of the 8,063 households, 34 percent included children under the age of 18, 47 percent included married couples living together, 23 percent included a female householder with no husband present, and 26 percent were non-families. Also, 23 percent of all households were made up of individuals and 10 percent had someone living alone who was 65 years of age or older. The average household size was 2.72 and the average family size was 3.19.

The age of the county's population was diverse with 27 percent under the age of 18, 10 percent from 18 to 24, 29 percent from 25 to 44, 22 percent from 45 to 64, and 12 percent who were 65 years of age or older. The median age was 34 years.

The median income for a household in the county was \$26,581 and the median income for a family was \$31,943. Males had a median income of \$25,130 versus \$19,582 for females. The per capita income for the county was \$13,042. About 22 percent of families and 26 percent of the population were below the poverty line, including 39 percent of those under age 18 and 20 percent of those aged 65 or over.

As of September 2010, the unemployment rate for Mitchell County was 10 percent as compared to the State rate of 9.7 percent. Agriculture is the major industry in Mitchell County. The largest employers in the county are First United Ethanol, LLC, Equity Group Georgia Division, LLC (Keystone Foods), Southeast Milk, Inc., 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* or upper-income BNAs. Also, in Mitchell County, 30 percent of families were considered low-income, 18 percent moderate-income, 18 percent middle-income, and 34 percent upper-income.

COMMUNITY CONTACTS – As part of the examination, a discussion was held with a representative from the community regarding local economic conditions and community credit needs. Based on information provided by a representative from the Southwest Georgia Regional Development Center in Camilla, Georgia, the financial institutions in the local area were meeting the credit needs of the community.

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 (<i>census tracts</i>)	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	\$31,943
2009 HUD-Adjusted MFI	\$37,580
Economic Indicators	
2010 Unemployment Rate	10%
2009 Median Housing Value	\$82,389
% Households Below Poverty Level	26.4%

Source: Updated 2000 census and HUD data. All of these county figures are based on published demographic information.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Loan-to-Deposit Ratio

FRNB's loan-to-deposit ratio is reasonable in view of the community's credit needs, demand for credit, and competition among area financial institutions. The bank's average loan-to-deposit ratio from December 2006 to December 2010 is 85 percent as compared to peer bank averages of 62 percent. The bank's loan-to-deposit ratio as of December 31, 2010 is 75 percent.

Lending in Assessment Area

A majority of the bank’s loans are inside its defined assessment area. An analysis was conducted on all new and renewed loans originating in calendar years 2009 and 2010. The bank originated 161 loans during this period in which 58 loans were extended outside the AA. The analysis segmented loans into residential, small business/farm, and consumer categories.

Lending in Mitchell County										
Loans	Number of Loans					Dollars of Loans (000’s)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Residential	10	71%	4	29%	14	1,869	92%	172	8%	2,041
Small Business/Farm	60	60%	40	40%	100	5,680	42%	7,735	58%	13,415
Consumer	33	70%	14	30%	47	412	61%	263	39%	675
Totals	103	64 %	58	36%	161	7,961	49%	8,170	51%	16,131

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

Lending to borrowers of different incomes is reasonable. We analyzed the 43 consumer and residential purpose loans to determine the income levels of borrowers. Residential loans were not analyzed separately because of the low volume of residential loans available. As the following table indicates, FRNB’s lending to borrowers of low- and moderate-income is reasonable with approximately 37 percent in number of loans granted to low- and moderate-income borrowers. This level of lending is comparable to the percent of households in the AA having income levels considered low and moderate. When analyzing this data further, this satisfactory performance is achieved in spite of the fact that 25 percent of all households in the assessment area are below the poverty level.

Borrower Distribution of Consumer and Residential Loans in the AA								
Borrower Income Level	Low		Moderate		Middle		Upper	
	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans
Consumer /Residential Loans*	30.1	18.6	18.1	18.6	17.9	9.3	33.9	34.9

Source: Loan sample *Eighteen per-cent of the loans sampled had unknown income levels.

The dispersion of loans to businesses of different income levels and sizes reflects a reasonable

penetration. The analysis of 60 business loans made inside the AA and originated between January 20, 2009 and December 22, 2010 revealed that 50 loans, or 83 percent of loans, were extensions to businesses having annual revenues of less than \$1 million. Further, 78 percent of the business loans were for less than \$100 thousand.

Borrower Distribution of Loans to Businesses in the AA				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/Unknown	Total
% of AA Businesses	79.06%	3.34%	17.60%	100%
% of Bank Loans in AA by #	83%	15	2	100%
% of Bank Loans in AA by \$	80%	16	4	100%

Source: Loan sample

Borrower Distribution of Loans to Businesses by Loan Size in the AA				
Loan Size (000's)	Number of Loans	Percent of Number	Dollar Volume of Loans	Percent of Dollar Volume
\$0 - \$100,000	47	78.33	1,720,616	30.29
\$100,001 - \$250,000	6	10.00	990,160	17.43
\$250,001 - \$500,000	6	10.00	2,389,743	42.07
\$500,001 - \$1,000,000	1	1.67	580,000	10.21
Over \$1,000,000	0	0	0	0

Source: Loan sample

Geographic Distribution of Loans

Overall, the geographic distribution of loans is reasonable. The distribution of consumer and residential loans reflects reasonable penetration within the moderate-income census tracts. The percentage of loans extended in either the moderate-or middle-income tracts is commensurate with the percentage of households living in a moderate- or middle-income tract. There are no low-income census tracts in the AA, so lending within low-income census tracts was not applicable. Our analysis of lending patterns found no conspicuous gaps of lending within the census tracts making up the AA.

Geographic Distribution of Consumer and Residential Loans in the AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans
Consumer/Residential Loans	0.0%	0.0%	41.3%	41.9%	58.7%	58.1%	0.0%	0.0%

Source: data reported under HMDA; U.S. Census data.

The percentage of loans extended to businesses in moderate-income census tracts is reasonable. The percentage of business loans made inside moderate-income census tracts is slightly higher than the percentage of businesses in moderate tracts. There are no low-income census tracts in the AA, so the geographic distribution of loans to low-income census tracts test was not applicable.

Geographic Distribution of Loans to Businesses in Whitfield County								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
Business Loans	0.0%	0.0%	42.5%	50.0%	57.5%	50.0%	0.0%	0.0%

Source Commercial Loan Sample

Responses to Complaints

FRNB has not received any consumer complaints since the last CRA examination.

Fair Lending or Other Illegal Credit Practices Review

We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.