

PUBLIC DISCLOSURE

January 25, 1999

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**First Colony Bank
Certificate Number: 25847**

**300 South Main Street
Alpharetta, Georgia 30201**

**Federal Deposit Insurance Corporation
One Atlantic Center, Suite 1500
1201 West Peachtree Street, N.E.
Atlanta, Georgia 30309-3415**

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 Community Reinvestment Act (CRA) performance of **First Colony Bank, Alpharetta, Georgia**, prepared by the **Federal Deposit Insurance Corporation**, the institution's supervisory agency, as of **January 25, 1999**. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 345.*

INSTITUTION RATING

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

A review of the bank's CRA performance reflects a satisfactory record of providing for the credit needs of the community. The bank offers a variety of lending products suitable for most segments of the community, but primarily focuses on commercial and construction lending. A review of the bank's commercial lending activity revealed that a majority of loans were extended within the assessment area. Additionally, the bank has extended a reasonable amount of credit to businesses with gross annual revenues less than \$1 million. The bank has not received any CRA-related complaints.

DESCRIPTION OF INSTITUTION

First Colony Bank, Alpharetta, Georgia, provides for the credit needs of its assessment area consistent with its size and financial capacity, location, and local economic conditions.

The bank has its main office in Alpharetta, Georgia, which is located in Fulton County, and two full service branches. One of these branches is in Roswell, Georgia, which is located in Fulton County, and the other branch is in Cumming, Georgia, which is located in Forsyth County. The bank also has a loan production office in Macon, Georgia, which is located in Bibb County. The bank's offices are reasonably accessible to

most segments of its assessment area. The bank offers a variety of credit products to meet the credit needs of its assessment area including commercial, construction, consumer, and residential loans. The bank is wholly owned by First Colony Bancshares, Inc., Alpharetta, Georgia, a one-bank holding company

As of September 30, 1998, the bank had total assets of \$170,139,000, total deposits of \$157,273,000, and gross loans of \$125,994,000. The bank's primary loan product is commercial-related loans when considering both dollar volume and number of loans extended. Refer to the table below for a complete breakdown of the bank's loan portfolio as of September 30, 1998.

LOAN TYPE	PERCENT OF AVERAGE GROSS LOANS
Real Estate Loans:	
Construction & Development	19%
1 - 4 Family Residential	9%
Home Equity	0%
Multi-family	0%
Non-farm Non-residential	39%
Agriculture	0%
Commercial & Industrial	15%
Individual	18%
Other	0%
TOTAL	100%

The bank has originated approximately 379 commercial-related loans totaling \$45,060,721 since January 1998. The bank's lending performance is based on a review of 47 of these loans totaling \$6,065,242.

DESCRIPTION OF ASSESSMENT AREA

The bank has designated all six census tracts in Forsyth County and the following twenty-one census tracts in the northern portion of Fulton County as its assessment area: 101.03; 101.05; 101.06; 101.07; 101.08; 102.03; 102.04; 102.05; 114.03; 114.04; 114.05; 114.06; 114.07; 114.08; 114.09; 114.10; 114.11; 115.00; 116.01; 116.02; and 116.03. The bank has offices in both Fulton and Forsyth counties. The assessment area is comprised of a total of twenty-seven census tracts of which nine (33 percent) are middle-income and eighteen (67 percent) are upper-income census tracts.

The bank's assessment area is located in the Atlanta Metropolitan Statistical Area (# 0520) which had a 1990 median family income of \$41,047. The income levels of the census tracts are based on percentages of this median family income figure as detailed in the table below.

INCOME LEVEL	% OF MEDIAN FAMILY INCOME	INCOME RANGE
Low-Income	0% to less than 50%	\$0 to less than \$20,524

Moderate-Income	50% to less than 80%	\$20,524 to less than \$32,838
Middle-Income	80% to less than 120%	\$32,838 to less than \$49,256
Upper-Income	120% and over	\$49,256 and over

The bank's assessment area has a total population of 194,557, total households of 77,229, and total families of 53,947, based on 1990 U.S. Census Bureau data. According to the 1990 data, there are 86,419 housing units in the assessment area of which 50,905 (59 percent) are owner-occupied, 26,287 (30 percent) are renter-occupied, and 9,227 (11 percent) are vacant. The bank's assessment area includes the following: 58,267 (67 percent) one-to-four family units; 23,833 (28 percent) five or more family units; 3,812 (4 percent) mobile homes; and 507 (1 percent) other units. The following table is a breakdown of the 53,947 families who reside in the assessment area.

DESCRIPTION OF ASSESSMENT AREA (continued)

Income Level of Family	Number of Families	Percent of Families
Low-income	5,043	9%
Moderate-income	7,113	13%
Middle-income	10,390	19%
Upper-income	31,401	58%
Total	53,947	100%

Of the 5,043 low-income families in the assessment area, 1,433 (28 percent) are below the poverty level.

According to the 1990 labor summary, the unemployment rates for individuals in the middle- and upper-income tracts are 3.7 percent and 2.7 percent, respectively. Overall, the assessment area has an unemployment rate of 3 percent based on 1990 data.

A conversation held on April 3, 1998, with an individual who represents an organization that oversees business development in Forsyth County revealed that the economic condition of Forsyth County is strong and that tremendous growth is taking place. The contact also stated that all the banks in the area were doing a good job of meeting the credit needs of the community.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Loan-to-Deposit Ratio

The bank's average loan-to-deposit ratio exceeds standards for satisfactory performance.

The bank's average loan-to-deposit ratio calculated using the eleven quarter-end ratios since the previous evaluation is 83.31 percent. This is a notable increase from the bank's average loan-to-deposit ratio of 71 percent noted in the February 13, 1996, evaluation. In addition, the bank's average ratio at the current evaluation exceeds the average loan-to-deposit ratio of its peer group which is 69.83 percent using the same eleven quarters.

It should also be noted that the bank must compete for loan business with numerous other financial institutions, credit unions, and finance companies due its location near a large urban area.

Lending Inside the Assessment Area

The bank's lending inside its assessment area meets standards for satisfactory performance.

The bank extends a majority of its loans inside its assessment area. A review of 47 commercial-related loans totaling \$6,065,242 revealed that 35 loans (74 percent) were made inside the assessment area. Refer to the table below for details.

COMMERCIAL-RELATED LOANS				
	Number of Loans	Percentage of Number of Loans	Dollar Volume of Loans	Percentage of Dollar Volume of Loans
Inside the assessment area	35	74%	\$ 5,222,008	86%
Outside the assessment area	12	26%	\$ 843,234	14%
Total	47	100%	\$ 6,065,242	100%

Lending to Businesses of Different Sizes

The bank's lending to businesses of different sizes meets standards for satisfactory performance.

The bank has extended a majority of the number of its commercial-related loans to businesses with gross annual revenues less than \$1 million. In fact, 29 percent of the number and 22 percent of the dollar volume of commercial-related loans sampled were extended to businesses with gross annual revenues less than \$250,000. This level of lending to businesses of different sizes appears reasonable considering the bank's location near a large urban area that has numerous businesses with gross annual revenues greater than \$1 million. Refer to the table below for details.

COMMERCIAL RELATED LOANS				
Gross Annual Revenue of Business	Number of Loans	Percentage of Number of Loans	Dollar Volume of Loans	Percentage of Dollar Volume of Loans
< \$250,000	10	29%	1,166,414	22%
\$250,000 < \$500,000	7	20%	336,386	6%
\$500,000 < \$750,000	4	11%	455,683	9%
\$750,000 < \$1,000,000	4	11%	203,604	4%
\$1,000,000 and greater	10	29%	3,059,921	59%
Total	35	100%	5,222,008	100%

Geographic Distribution of Loans

Since the bank's assessment area only consists of middle- and upper-income census tracts, a geographic distribution analysis would not be meaningful.

Response to Complaints

The bank has not received any CRA related complaints since its previous evaluation dated February 13, 1996.

Compliance with Anti-discrimination Laws and Regulations

No substantive violations of the anti-discrimination laws and regulations were identified during the evaluation.