



Comptroller of the Currency
Administrator of National Banks

Small Bank

PUBLIC DISCLOSURE

May 5, 1999

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

First National Bank of Wiggins
Charter Number 16204

Post Office Box 307
Wiggins, Mississippi 39577-307

Comptroller of the Currency
201 St. Charles Ave. Suite 3815
New Orleans, Louisiana 70170

<p>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.</p>

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 National Bank of Wiggins** prepared by the **Office of the Comptroller of the Currency**, the institution's supervisory agency, as of May 5, 1999. 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 "**Outstanding.**"

First National Bank of Wiggins (FNB of Wiggins) is responsive to its communities' needs, including low and moderate income individuals, and is based on the following:

- ! The bank's loan-to-deposit ratio is more than reasonable given its asset size, financial condition, and the economic and lending opportunities in its assessment area. The loan-to-deposit ratio was 87% as of December 31, 1998.
- ! A substantial majority of the bank's loans are to customers in its assessment area.
- ! Credit is well distributed to borrowers of different income levels and businesses of varying sizes.

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

SMALL INSTITUTION ASSESSMENT CRITERIA	FNB of Wiggins 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	Not Applicable		
Response to Complaints	No complaints filed during the review period.		

DESCRIPTION OF INSTITUTION:

The First National Bank of Wiggins (FNB) is a \$55 million institution chartered in 1973, and located in Wiggins, Mississippi. Wiggins is the county seat and largest community in Stone, County. FNB operates one full service main office and no branches. This office serves all of Stone County and portions of contiguous counties. The area served is rural and the economy is dependent on timber and related industries. The population of Stone County has more than doubled since the 1990 census, to 18,800 persons, and this area has seen an increase in activity because of its proximity to the Mississippi Gulf Coast.

The bank continues to meet the credit needs within its assessment area. The bank offers a variety of retail and commercial products and services that are commensurate with the bank's size and financial capacity. No legal impediments exist that would prevent the bank from continuing to meet the credit needs of its entire assessment area. Loans represent 79%, and investment securities represent 14%, of the bank's asset mix. The loan portfolio is diversified with approximately 38% residential real estate, 7% non-residential real estate, 36% consumer, and 9% commercial loans.

Below is a table depicting the breakdown of the bank's loan portfolio as of December 31, 1998.

LOAN PORTFOLIO BREAKDOWN by CATEGORY (In thousands)		
Secured by Real Estate	44.49%	\$19,546
Consumer & Other	35.80%	15,729
Secured by Farmland	10.95%	4,811
Commercial & Industrial	8.77%	3,852
Total Loans	100%	\$43,938

DESCRIPTION OF ASSESSMENT AREA

FNB's assessment area consists of Stone County and the contiguous portions of George County east to the Pascagoula River, and Forrest and Perry Counties north to the border of the Desoto National Forest. These portions of the contiguous counties are similarly populated and economically associated with Wiggins and Stone County.

Excluded from the assessment area are those northern portions of Forrest and Perry Counties, including the City of Hattiesburg which is a Metropolitan Statistical Area (MSA) 40 miles from Wiggins, and separated from Wiggins by sparsely populated national forest

lands. Also excluded is the Western portion of George County. These geographies are excluded because they are served by other banks and are not closely associated with the city of Wiggins.

The total population of the four counties of which the assessment area is part approximates 106.6 thousand persons with a 1990 census MSA/non-MSA median family income of \$23,747. However, these figures include the MSA of Hattiesburg, Mississippi, which is excluded from the assessment area. The 1998 Housing and Urban Development (HUD) median family income equals \$31,925. All of the census tracts within the assessment area are middle income. The area economy is heavily dependent on timber and related industries. The Stone County unemployment rate is 3.6% which is slightly better than the State of Mississippi average of 4.3%.

FNB serves Stone County and Wiggins along with the Bank of Wiggins, and a branch of First National Bank of Picayune. Competition is only moderate in the area, with each institution serving various segments of the market. The Bank of Wiggins is a \$92 million institution.

One community contact was made in Stone County that did not identify any unmet credit needs of the community. The two Wiggins banks were named as responsible partners in economic development and in ensuring credit availability in the area. Assistance to small business owners in the form of expertise in preparing business plans and other paperwork was identified as a community need, primarily met through the local community college.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA:

Loan to Deposit Ratio

For the last seven quarters starting in January 1997, FNB of Wiggins' loan to deposit ratio has averaged eighty-seven percent (87%). During this time, the ratio has remained over the eighty percent (80%) level. FNB of Wiggins' primary competitor, Bank of Wiggins, averaged a loan-to-deposit ratio of seventy percent (70%) during 1998. Net loans have grown by five percent (5%) for the last four quarters. As seen in the chart depicting the mix of the loan portfolio, FNB of Wiggins offers a wide variety of loans and strives to serve the credit needs of its community.

Based on the above information, FNB of Wiggins's loan to deposit ratio exceeds the standards for satisfactory performance.

Lending in the Assessment Area

A substantial majority of the bank's dollar volume and number of loans are originated in its assessment area. A sample of FNB of Wiggins' loans were reviewed during the examination and the results of that review are shown in the following charts:

TOTAL SAMPLE REVIEWED		LOANS MADE IN AREA	
#	\$	#	\$
112	2,068,848	80%	76%

Different loan types were represented in the sample and in the bank's portfolio as shown in the next chart:

LOAN TYPE	# IN SAMPLE	# IN AREA	% IN AREA	% OF TOTAL SAMPLE	% OF BANK PORTFOLIO
CONSUMER PURPOSE	72	65	81%	65%	37%
RESIDENTIAL REAL ESTATE	19	11	79%	17%	37%
BUSINESS PURPOSE	16	10	63%	14%	16%
FARM/AGRICULTURE	5	4	80%	4%	10%
TOTALS	112	90	80%		

Management prepares and reviews reports on a quarterly basis which show the number and dollar volume of loans originated inside and outside its assessment area, and in various income ranges, to ensure all segments of the community are served.

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

The distribution of borrowers reflects good penetration among individuals of different income levels and businesses of different sizes. The loan sample reviewed during the

examination indicated that 52% of the number and 26% of the dollar amount of loans were extended to low- and moderate-income persons. The results of the sample review are detailed as follows:

Median Family Income Classification	Income Breaks	Number In Area	# Percent In Area	Dollars in Area	\$ Percent In Area
Low-income	< 14,150	13	21%	129,616	6%
Moderate-income	14,150-22,640	31	31%	403,939	20%
Middle-income	22,640-33,960	28	28%	453,289	22%
Upper-income	> 34,000	32	29%	1,082,004	52%

Virtually all of FNB's commercial loans and farm loans are to small enterprises, defined as businesses with annual revenues less than \$1 million and farms with annual revenues less than \$500 thousand. In the sample, all farm loans were to small operators, and all but one business loan were to small businesses. The bank also originates loans for any requested loan amount, many for under \$1,000.

Geographic Distribution of Loans

A geographic distribution analysis was not performed since it would not be meaningful. As noted earlier, there are no low or moderate income block numbered areas in the bank's assessment area.

Response to Complaints

There have been no complaints filed against the bank concerning the bank's CRA performance during the current evaluation period. Furthermore, no violations of anti-discrimination laws and regulations were identified during the most recent compliance examination. Fair lending practices are applied by bank personnel and periodic audits are conducted to ensure compliance with all laws and regulations.