

PUBLIC DISCLOSURE

June 23, 2003

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**The Citizens Bank of Cochran
Cochran, Georgia**

RSSD ID Number: 278733

**FEDERAL RESERVE BANK OF ATLANTA
1000 Peachtree Street, N.E.
Atlanta, Georgia 30309-4470**

<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 the institution does not represent an analysis, conclusion of opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.</p>

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DEFINITIONS

Income Definitions

Throughout this evaluation, the following definitions are used for the various income levels. These levels are defined in the CRA.

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

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

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

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

Other Definitions

ATM - Automated Teller Machine
BNA- Block Numbering Area
HMDA - Home Mortgage Disclosure Act
HUD - Department of Housing and Urban Development
LTD - Loan-to-Deposit
MSA - Metropolitan Statistical Area
REIS - Regional Economic Information System

ROUNDING CONVENTION

Because the percentages presented in tables were rounded to the nearest tenth in most cases, some columns may not total exactly 100 percent.

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 The Citizens Bank of Cochran (Citizens Bank) prepared by the Federal Reserve Bank of Atlanta, the institution's supervisory agency, as of June 23, 2003. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 228.

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

Citizens Bank's average loan-to-deposit ratio for the eighteen quarters ending March 31, 2003, is **MORE THAN REASONABLE** given the institution's asset size, financial condition, and competition within its assessment area. A **SUBSTANTIAL MAJORITY** of the bank's loans were extended to small businesses and to individuals located inside its assessment area. Lending to businesses of different revenue size is **EXCELLENT** and lending borrowers of different income levels is **EXCELLENT**. The geographic distribution of loans was not evaluated because there are no low- and moderate-income BNAs in the assessment area. No CRA-related complaints have been received by the bank since the previous evaluation. In addition, the bank is in compliance with the substantive provisions of the antidiscrimination laws and regulations.

DESCRIPTION OF INSTITUTION

The Citizens Bank of Cochran (Citizens Bank) is a small, traditional community bank with one office in Cochran, Georgia. The bank is a wholly owned subsidiary of Putnam-Greene Financial Corporation. Putnam-Greene Financial Corporation is a multi-bank holding company, which owns four other small banks in rural Georgia. Putnam-Greene purchased Citizens from Synovus at the end of 2002. The bank became a state member bank on March 16, 2003.

According to the Consolidated Reports of Condition and Income (Call Report), between December 31, 1998 through March 31, 2003, the bank's total assets grew from \$60.5 million to \$74.9 million. During this same time period, gross loans outstanding grew from \$46.0 million to \$59.0 million and total deposits increased from \$55.3 million to \$68.1 million.

Citizens Bank offers a variety of credit products to meet the community's credit needs. The types of credit offered, as listed in the bank's public file, include home construction loans, first and second mortgages, home improvement loans, installment and single payment loans, business loans, and business lines of credit. The bank is not subject to the reporting requirements of Regulation C – Home Mortgage Disclosure Act.

The composition of the loan portfolio as of the March 31, 2003 Consolidated Reports of Condition and Income is as follows:

COMPOSITION OF LOAN PORTFOLIO						
Loan Type	3/31/2003		12/31/2002		12/31/2001	
	\$ (000s)	Percent	\$ (000s)	Percent	\$ (000s)	Percent
Construction and Development	\$2,875	4.8%	\$489	0.8%	\$895	1.4%
Secured by One- to Four- Family Dwellings	\$27,885	46.7%	\$30,853	51.5%	\$28,186	44.3%
Other Real Estate:						
Farmland	\$48	0.1%	\$926	1.5%	\$1,248	2.0%
Multifamily	\$266	0.4%	\$1,250	2.1%	\$1,284	2.0%
Nonfarm nonresidential	\$9,081	15.2%	\$5,821	9.7%	\$6,182	9.7%
Commercial and Industrial	\$4,251	7.1%	\$6,476	10.8%	\$6,891	10.8%
Loans to Individuals	\$14,136	23.7%	\$13,492	22.5%	\$18,465	29.0%
Agricultural Loans	\$1,123	1.9%	\$569	1.0%	\$444	0.7%
Total	\$59,665	100.00%	\$59,876	100.00%	\$63,595	100.00%

* This table does not include the entire loan portfolio. Specifically, it excludes loans to depository institutions, bankers acceptances, lease financing receivables, obligations of state and political subdivisions, and other loans that do not meet any other category. Contra assets are also not included in this table.

DESCRIPTION OF INSTITUTION (Continued)

The bank's loan portfolio as of March 31, 2003 consisted primarily of loans secured by one-to-four family dwellings (46.7 percent), loans to individuals (23.7 percent) and nonfarm nonresidential loans (15.2 percent). Citizens Bank's assessment area complies with the CRA. No known legal or financial impediments exist that would restrain the bank from meeting the credit needs of its assessment area. The bank received a "Satisfactory" CRA rating at its previous evaluation conducted by the Federal Deposit Insurance Corporation (FDIC) dated March 27, 1998.

DESCRIPTION OF ASSESSMENT AREA: Bleckley County, Georgia

Overview

Citizens Bank's assessment area consists of Bleckley County, Georgia in its entirety. Bleckley County is not located in an MSA. Cities located within Bleckley County include the following: Cochran (the county seat) and Salem. The bank's assessment area consists of three BNAs, all of which are middle-income.

During the review period, small business loans by number and dollar volume exceeded the number and dollar volume of residential real estate loans. Therefore, small business loans were given more weight in analyzing the bank's CRA performance.

Demographic Data by Census Tract

The table on the following page provides demographic information that was used in analyzing the bank's CRA performance. Certain components of the data in the table are discussed in the report as they apply to particular parts of the analysis.

DESCRIPTION OF ASSESSMENT AREA: Bleckley County, Georgia (Continued)

BLECKLEY ASSESSMENT AREA									
DEMOGRAPHICS									
2002 HUD Median Family Income (MSA): \$42,200 Income Categories Low Moderate Middle Upper NA Total	Tract Distribution		Families by Tract		Families		Families by Family Income		
	#	%	#	%	#	%	#	%	
	0	0.0%	0	0.0%	0	0.0%	612	21.2%	
	0	0.0%	0	0.0%	0	0.0%	415	14.3%	
	3	100.0%	2,892	100.0%	437	15.1%	575	19.9%	
	0	0.0%	0	0.0%	0	0.0%	1,290	44.6%	
	0	0.0%	0	0.0%	0	0.0%	-	-	
	3	100.0%	2,892	100.0%	437	15.1%	2,892	100.0%	
	Housing Units by Tract								
	Total Units	Owner Occupied		Rental Occupied		Vacant			
	#	#	%	#	%	#	%	#	%
	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%
	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%
4,268	2,866	100.0%	67.2%	950	22.3%	452	10.6%		
0	0	0.0%	0.0%	0	0.0%	0	0.0%		
0	0	0.0%	0.0%	0	0.0%	0	0.0%		
4,268	2,866	100.0%	67.2%	950	22.3%	452	10.6%		
Total Businesses by Tract		Businesses by Tract and Revenue Size							
#	%	Under \$1 Million		Over \$1 Million		Revenue not Reported			
#	%	#	%	#	%	#	%		
0	0.0%	0	0.0%	0	0.0%	0	0.0%		
0	0.0%	0	0.0%	0	0.0%	0	0.0%		
575	100.0%	371	100.0%	24	100.0%	180	100.0%		
0	0.0%	0	0.0%	0	0.0%	0	0.0%		
0	0.0%	0	0.0%	0	0.0%	0	0.0%		
575	100.0%	371	100.0%	24	100.0%	180	100.0%		
Percentage of Total Businesses:			64.5%		4.2%		31.3%		

Sources: 1990 Census Data, 2002 Dun & Bradstreet business demographic data.
 NA Tracts are tracts without household or family income.

DESCRIPTION OF ASSESSMENT AREA: Bleckley County, Georgia (Continued)

Population

At the time of the 2000 Census, Bleckley County's population was 11,666, which represented 0.1 percent of the state of Georgia's population of 8,186,453. According to the U.S. Census Bureau, Bleckley County's population increased 11.9 percent from the 1990 Census level of 10,430.

Income Characteristics

At the time of the 1990 U.S. Census, there were 2,892 families in the assessment area. Of the total families, 21.2 percent were low-income, 14.3 percent were moderate-income, 19.9 were middle-income, and 44.6 percent were upper-income. Also, 15.1 percent of the families in the assessment area had incomes below the poverty level. According to the 1990 Census, the 1990 median family income for the bank's assessment area was \$29,127 and the state of Georgia's median family income was \$33,529.

Housing Data

According to 1990 Census data, the majority (67.2 percent) of the housing units in the bank's assessment area were owner-occupied and the median housing value for owner-occupied units in the assessment area was \$40,522. Housing in the assessment area was primarily comprised of one- to four-family units (73.2 percent) and the median age of the housing stock was 22 years.

Employment Statistics

A review of data from the U. S. Bureau of Labor Statistics as of 1996 indicates that manufacturing industries are the largest employers in Bleckley County, followed by the service industries and government entities. According to Regional Economic Information Systems (REIS) data, from 1990 to 1995, Bleckley County experienced a 20.4 percent increase in total full- and part-time employment, with the greatest increases in a combination of finance, insurance and real estate, construction, and services (52.8 percent, 36.2 percent and 35.9 percent, respectively). According to the U.S. Bureau of Labor Statistics, the average annual unemployment rate for Bleckley County increased from 4.4 percent in 1999 to 4.7 percent for 2002.

DESCRIPTION OF ASSESSMENT AREA: Bleckley County, Georgia (Continued)

Business Size Characteristics

The demographic table earlier in this report provides key demographic business data by BNA within Citizens Bank's assessment area. The Dun and Bradstreet information for 2002 indicates that 64.5 percent of the businesses in the bank's assessment area had total revenues less than \$1 million, and were therefore considered to be small businesses.

Competition

Citizens Bank is located in a relatively competitive market. However, the local competition does not seem to have adversely affected the bank's ability to serve the credit needs of its assessment area. As of June 30, 2002, there were three financial institutions, including Citizens Bank, operating three offices in Bleckley County. According to the FDIC / OTS market share report, Citizens Bank's market deposit share in Bleckley County is 45.05 percent.

Community Contacts

As a part of the CRA examination, information was obtained from a local leader regarding local economic conditions and community credit needs. The contact stated that the local banks provide adequate financial services to the community.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Loan-to-Deposit Ratio

Citizens Bank's average LTD ratio is considered **MORE THAN REASONABLE** considering its asset size and the economic conditions of the assessment area. Based on the information from the bank's Consolidated Reports of Condition and Income, the bank's average LTD ratio for the eighteen quarters ended March 31, 2003, was 92.07 percent. The LTD ratio has fluctuated for the past eighteen quarters between a low of 82.32 percent as of March 31, 1999, to a high of 100.44 percent as of September 30, 2001. Citizens Bank's average LTD ratio was compared with the average LTD ratios of two financial institutions of similar asset size within Bleckley County. The average LTD ratios for the same period of time (eighteen quarters ended March 31, 2003) for these two banks were 74.26 percent and 91.44 percent.

Assessment Area Concentration

A sample of 1,068 small business loans and 110 residential real estate loans originated from January 1999 through December 2002 were analyzed to determine the extent of the bank's lending inside the assessment area. As illustrated in the following table, a **SUBSTANTIAL MAJORITY** of number and dollar volume of the bank's small business loans and residential real estate loans were originated within the assessment area.

LENDING INSIDE AND OUTSIDE ASSESSMENT AREA				
Loan Type	IN			
	Number	Percent	\$ (000s)	Percent
Small Business	836	78.3%	\$28,830	81.8%
Residential	90	81.8%	\$4,538	87.5%
<i>Total In</i>	<i>926</i>	<i>78.6%</i>	<i>\$33,368</i>	<i>82.6%</i>
	OUT			
	Number	Percent	\$ (000s)	Percent
Small Business	232	21.7%	\$6,396	18.2%
Residential	20	18.2%	\$651	12.5%
<i>Total Out</i>	<i>252</i>	<i>21.4%</i>	<i>\$7,047</i>	<i>17.4%</i>

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA (Continued)

Lending to Businesses of Different Sizes and Borrowers of Different Incomes

To assess Citizens Bank's performance relative to this criterion, 836 small business loans and 90 residential real estate loans secured by property located within the bank's assessment area were analyzed. Borrower income classifications were assigned in accordance with the definitions outlined earlier in this report. For this analysis, the distribution of small business lending by revenue size and residential real estate loans by borrower income levels was compared with available demographic information.

Lending to Businesses of Different Sizes

Citizens Bank's record of lending to businesses of different sizes is considered outstanding given the business demographics of the bank's assessment area. Of the sample of 836 loans, 96.9 percent were originated to businesses with gross annual revenues of less than \$1 million. In addition, 93.4 percent of the dollar volume of small business loans originated were amounts of \$100,000 or less. As noted earlier, 64.5 percent of the businesses in the assessment area are considered to be small businesses.

BLECKLEY ASSESSMENT AREA SMALL BUSINESS LOANS		
Business Revenue:	#	%
\$1 Million or Less	810	96.9%
Over \$1 Million	26	3.1%
Not Available	0	0.0%
Loan Size:		
\$100,000 or Less	781	93.4%
\$100,001 - \$250,000	42	5.0%
\$250,001 - \$1 Million	13	1.6%
<i>Total</i>	836	100.0%

Lending to Borrowers of Different Incomes

Citizens Bank's distribution of lending by income levels of borrowers is also outstanding. Of the 90 loans originated in the assessment area during the review period, income was not available on four loans. The first two rows of the table following indicate that 17.8 percent and 23.3 percent of the bank's residential real estate loans sampled were originated to low- or moderate-income borrowers, respectively. These levels are **EXCELLENT** considering the demographics of the assessment area.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA (Continued)

As indicated earlier, approximately 21.2 percent of the families in the bank's assessment area were considered low-income. 15.1 percent (437) of the total families in the bank's assessment area were below the poverty level. Assuming these 437 families were also classified as low-income, there are 175 non-poverty, low-income families in the assessment area, representing 6 percent of total families. The bank's lending to low-income families far exceeded this percentage. The bank's lending to moderate-income families at 23.3 percent far exceeded the percentage of moderate-income families in the assessment area at 14.3 percent.

BLECKLEY ASSESSMENT AREA		
Residential Loans by Borrower Income		
Borrower Income Level	#	%
Low-Income	16	17.8%
Moderate-Income	21	23.3%
Middle-Income	20	22.2%
Upper-Income	29	32.2%
Income Not Available	4	4.4%
<i>Total</i>	<i>90</i>	<i>100.0%</i>

Geographic Distribution of Loans

The bank's assessment area does not contain any low- or moderate-income BNAs. Therefore, an analysis of the geographic distribution of loans was not performed. However, a review of addresses of loan customers indicated that the bank originated loans throughout its assessment area.

Complaints

No CRA-related complaints have been received since the preceding performance evaluation.

Compliance with Antidiscrimination Laws

Citizens Bank is in compliance with the substantive provisions of the antidiscrimination laws and regulations. No evidence of discrimination or the use of illegal credit practices was noted during the review of bank policies and procedures. No practices were noted that have the intent or the effect of discouraging applicants for credit.