

PUBLIC DISCLOSURE

February 22, 2005

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Community Bank of West Georgia
Villa Rica, Georgia**

RSSD ID Number: 3119163

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

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.

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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
FDIC - Federal Deposit Insurance Corporation
HUD - Department of Housing and Urban Development
LTD - Loan-to-Deposit Ratio
MSA - Metropolitan Statistical Area

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 CRA performance of Community Bank of West Georgia prepared by the Federal Reserve Bank of Atlanta, the institution's supervisory agency, as of February 22, 2005. 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 Satisfactory.

The bank's average LTD ratio for the eight quarters ended December 31, 2004, was **REASONABLE** given the institution's length of time in operation, size, financial condition, and competition within its assessment area. The bank is primarily a commercial lender; therefore, commercial loans were the only loan type reviewed in analyzing the bank's CRA performance. A **MAJORITY** of the bank's loans were extended to businesses inside its assessment area. Lending to businesses of different revenue sizes is considered **REASONABLE**. The geographic distribution of loans reflects an **EXCELLENT** dispersion in the assessment area. In assessing CRA performance, particularly with regard to lending volume, consideration was given to the fact that Community Bank of West Georgia is new and in the process of establishing itself. The bank has received no CRA related complaints. In addition, the bank is in compliance with the substantive provisions of the antidiscrimination laws and regulations.

DESCRIPTION OF INSTITUTION

Community Bank of West Georgia is a de novo (new) bank that opened for business on March 25, 2003. The bank operates one branch office in Carroll County, Georgia. According to the Consolidated Reports of Condition and Income (Call Report), between March 31, 2003 and September 30, 2004, total assets increased significantly from \$9.9 million to \$61.2 million. During this same time period, total loans outstanding increased from \$1.8 million to \$47.7 million and total deposits increased from \$3.5 million to \$53.0 million.

Community Bank of West Georgia is a full service community bank that offers a wide variety of credit products to meet community credit needs. However, the bank’s primary focus is to operate as a commercial bank focusing on small business and small commercial real estate loans. The bank also offers traditional consumer loan products including home improvement loans, automobile loans, personal and overdraft protection lines of credit, and home equity lines of credit.

The composition of the loan portfolio according to the September 30, 2004 Call Report is as follows:

C O M P O S I T I O N O F L O A N P O R T F O L I O				
Loan Type	9/30/2004		12/31/2003	
	\$ (000s)	Percent	\$ (000s)	Percent
Construction and Development	\$12,936	27.1%	\$8,465	27.5%
Secured by One- to Four- Family Dwellings	\$11,259	23.6%	\$8,298	27.0%
Other Real Estate: Farmland	\$0	0.0%	\$0	0.0%
Multifamily	\$0	0.0%	\$0	0.0%
Nonfarm Nonresidential	\$17,271	36.2%	\$9,785	31.8%
Commercial and Industrial	\$5,133	10.8%	\$3,643	11.9%
Loans to Individuals	\$1,133	2.4%	\$542	1.8%
Agricultural Loans	\$0	0.0%	\$0	0.0%
Total	\$47,732	100.0%	\$30,733	100.0%

* 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.

As indicated by the table above, the bank’s loan portfolio as of September 30, 2004, consisted primarily of commercial real estate loans followed by construction and development loans. This is consistent with the bank’s strategy. Additionally, non-residential real estate loans and commercial and industrial loans, which made up 47.0 percent of the loan portfolio as of September 30, 2004, were combined for the CRA analysis. These loans will be referred to as “commercial loans” throughout the analysis. In evaluating the bank’s performance, the examiner took into consideration the bank’s de novo status. No known legal impediments exist that would restrain the bank from meeting the credit needs of its assessment area.

DESCRIPTION OF ASSESSMENT AREA: Community Bank of West Georgia

Overview

Community Bank of West Georgia's assessment area consists of Carroll, Cobb, Douglas and Paulding counties of Georgia, which are also part of the Atlanta MSA. This assessment area consisted of 124 census tracts; two of which were low-income, 28 were moderate-income, 58 were middle-income, and 36 were upper-income. The bank operates one branch office in Villa Rica, Georgia, which is located in a moderate-income census tract. The bank chose these four counties because it has a loan production office in Cobb County and plans to apply for its first branch during the second quarter of 2005, which will also be in Cobb County. Douglas and Paulding counties are contiguous to both Cobb and Carroll counties, and are situated between them. Community Bank of West Georgia's assessment area does not arbitrarily exclude any low- or moderate-income census areas.

As indicated earlier in this report, Community Bank of West Georgia focuses primarily on commercial loans. Because of this, commercial loans were the only loan product reviewed to determine the bank's performance under the CRA. For this reason, the discussion of the assessment area primarily focuses on the business-related characteristics of the assessment area. Other statistical data are offered in this section of the report to provide a general impression of the demographics and economic environment of the area.

DESCRIPTION OF ASSESSMENT AREA Community Bank of West Georgia (Continued)

Demographic Data by Census Tract

The following table 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.

Assessment Area Demographics

Assessment Area: Community Bank of West GA (2000 Census)

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	2	1.6	1,586	0.7	476	30.0	37,933	16.6
Moderate-income	28	22.6	43,740	19.1	4,713	10.8	40,311	17.6
Middle-income	58	46.8	115,194	50.3	5,183	4.5	53,151	23.2
Upper-income	36	29.0	68,633	30.0	1,252	1.8	97,758	42.7
Total Assessment Area	124	100.0	229,153	100.0	11,624	5.1	229,153	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied		Rental		Vacant		
		#	%	%	#	%	#	%
Low-income	3,354	670	0.3	20.0	2,463	73.4	221	6.6
Moderate-income	71,773	34,050	15.0	47.4	33,012	46.0	4,711	6.6
Middle-income	171,110	117,442	51.9	68.6	45,497	26.6	8,171	4.8
Upper-income	89,451	74,110	32.8	82.8	12,722	14.2	2,619	2.9
Total Assessment Area	335,688	226,272	100.0	67.4	93,694	27.9	15,722	4.7
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	457	1.8	354	1.6	91	2.8	12	1.5
Moderate-income	5,047	19.6	4,250	19.6	651	20.0	146	17.9
Middle-income	12,896	50.1	10,714	49.5	1,774	54.4	408	49.9
Upper-income	7,329	28.5	6,334	29.3	744	22.8	251	30.7
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	25,729	100.0	21,652	100.0	3,260	100.0	817	100.0
	Percentage of Total Businesses:			84.2		12.7		3.2

DESCRIPTION OF ASSESSMENT AREA Community Bank of West Georgia (Continued)

Population

The bank's assessment area population has increased within the review period. According to the 2000 census, the assessment area population is 868,871, which represents 21.1 percent of the Atlanta MSA's population of 4,112,198. The following table represents the population for the assessment area according to the U.S. Census Bureau. According to the estimated census data, as of July 1, 2003, the total population of the assessment area had increased by 9.5 percent to 951,638.

POPULATION 2000 – 2003			
Year	2000	July 2003	% Increase
Carroll County	87,268	98,525	12.9%
Cobb County	607,751	651,027	7.9%
Douglas County	92,174	102,015	10.7%
Paulding County	81,678	100,071	22.5%
Assessment Area	868,871	951,638	9.5%

Income Characteristics

According to the 2000 census, there are 229,153 families in the assessment area. Of these, 16.9 percent are low-income, 17.9 percent are moderate-income, 23.4 percent are middle income, and 41.8 percent are upper income. Of total families, 5.1 percent have incomes below the poverty level. Median family income is \$61,805, which is above that of the state of Georgia at \$49,208.

Housing Characteristics

According to the 2000 census data there are 335,688 housing units in the bank's assessment area, 67.4 percent of which are owner-occupied units. In addition, 73.0 percent of the housing units in the assessment area are one-unit detached dwellings and the median age of housing stock is 17 years. The median housing value in the assessment area is \$130,153, which is slightly lower than the median housing value for the Atlanta MSA at \$132,600 but significantly higher than the median housing value for the state of Georgia at \$100,600.

DESCRIPTION OF ASSESSMENT AREA Community Bank of West Georgia (Continued)

Employment Statistics

A review of data from the Bureau of Economic Analysis indicates that as of 2003, the educational, health, and social services industries were the largest employers in the assessment area, followed by retail trade and manufacturing. The following table shows the unemployment rates for the assessment area and the state of Georgia from 2003 to 2004, according to the Bureau of Labor Statistics. The unemployment rates for both Carroll and Douglas counties are higher than the unemployment rates for the state of Georgia.

UNEMPLOYMENT RATES 2003 – 2004		
Area	2003	December 2004
Carroll County	5.3%	4.5%
Cobb County	4.2%	3.5%
Douglas County	4.8%	4.9%
Paulding County	4.1%	4.1%
State of Georgia	4.7%	4.1%

Business Size Characteristics

The demographic table on page 4 provides key demographic business data by census tract income level within Community Bank of West Georgia’s assessment area. The table illustrates that according to the 2000 census, 84.2 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

The assessment area has a very competitive banking market. There are 40 other financial institutions operating 252 offices in the assessment area. Many of these banks are statewide or multi-regional. According to the June 30, 2004 FDIC Market Share Report, Community Bank of West Georgia had a market share of 0.46 percent. However, local competition does not seem to have adversely affected the bank’s ability to serve the credit needs of its assessment area.

DESCRIPTION OF ASSESSMENT AREA Community Bank of West Georgia (Continued)
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Community Contacts

As part of the CRA examination, information was obtained from one community contact regarding local economic conditions and community credit needs. The contact was helpful and had a good level of knowledge of the economic conditions and needs of area businesses in Carroll County. The contact generally had positive comments regarding the degree of involvement of the financial institutions in the community and had very positive comments regarding Community Bank of West Georgia.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Scope of Examination

As noted in the Description of Institution section of this report, commercial loans were selected for analysis. Accordingly, a statistical sample of such loans originated from March 31, 2003 through September 30, 2004 was selected for review. For the analysis of these commercial loans, 2000 census demographic data were used to analyze the bank's performance in the assessment area. The bank was subject to the reporting requirements of Regulation C – Home Mortgage Disclosure Act in 2004 only. However, the HMDA loans were too few to perform an analysis.

The following tables contain the loan data used in the analysis:

Loan Distribution Table

Assessment Area: Community Bank of West GA 2003

Income Categories	COMMERCIAL LOANS			
	#	%	\$(000s)	%
	By Tract Income			
Low	0	0.0%	0	0.0%
Moderate	8	36.4%	2,006	33.3%
Middle	13	59.1%	3,436	57.0%
Upper	1	4.5%	581	9.6%
Unknown	0	0.0%	0	0.0%
<i>Total</i>	<i>22</i>	<i>100.0%</i>	<i>6,023</i>	<i>100.0%</i>
	By Loan Size			
\$100,000 or less	10	45.5%	481	8.0%
\$100,001 - \$250,000	6	27.3%	1,130	18.8%
\$250,001 - \$1 Million	4	18.2%	1,865	31.0%
Over \$1 Million	2	9.1%	2,548	42.3%
<i>Total</i>	<i>22</i>	<i>100.0%</i>	<i>6,024</i>	<i>100.0%</i>
	By Revenue			
\$1 Million or Less	13	59.1%	3,999	66.4%
Over \$1 Million	3	13.6%	1,250	20.8%
Not Known	6	27.3%	775	12.9%
<i>Total</i>	<i>22</i>	<i>100.0%</i>	<i>6,024</i>	<i>100.0%</i>

Originations and Purchases

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA (Continued)

Loan Distribution Table

Assessment Area: Community Bank of West GA 2004

Income Categories	COMMERCIAL LOANS			
	#	%	\$(000s)	%
	By Tract Income			
Low	1	3.0%	596	7.4%
Moderate	10	30.3%	2,374	29.5%
Middle	20	60.6%	4,727	58.8%
Upper	2	6.1%	339	4.2%
Unknown	0	0.0%	0	0.0%
<i>Total</i>	<i>33</i>	<i>100.0%</i>	<i>8,036</i>	<i>100.0%</i>
	By Loan Size			
\$100,000 or less	17	51.5%	931	11.6%
\$100,001 - \$250,000	5	15.2%	802	10.0%
\$250,001 - \$1 Million	11	33.3%	6,304	78.4%
Over \$1 Million	0	0.0%	0	0.0%
<i>Total</i>	<i>33</i>	<i>100.0%</i>	<i>8,037</i>	<i>100.0%</i>
	By Revenue			
\$1 Million or Less	21	63.6%	4,147	51.6%
Over \$1 Million	4	12.1%	1,438	17.9%
Not Known	8	24.2%	2,452	30.5%
<i>Total</i>	<i>33</i>	<i>100.0%</i>	<i>8,037</i>	<i>100.0%</i>

Originations and Purchases

Loan-to-Deposit Ratio Analysis

Commercial Bank of West Georgia's average loan-to-deposit (LTD) ratio for the eight-quarter period ended December 31, 2004, was 84.6 percent. The bank's average net LTD ratio could not be compared to the ratios of any of the financial institutions in its assessment area because of the lack of similarity in asset size and the fact that Commercial Bank of West Georgia is a de novo bank. The bank's loan to deposit ratio is **REASONABLE** given the bank's size, age, financial condition, and assessment area credit needs.

Assessment Area Concentration

A **MAJORITY** of Community bank of West Georgia's commercial loans are **IN** the bank's assessment area. An analysis of the bank's record of lending inside its assessment area was conducted. The review consisted of an analysis of a sample of 77 commercial loans originated during the review period. As illustrated in the following table, 71.4 percent of the bank's commercial loans were made inside the bank's assessment area. Also, 73 percent of the loan volume by dollar amount were inside the bank's assessment area.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA (Continued)

Lending Inside and Outside the Assessment Area

Loan Type	Inside				Outside			
	#	%	\$(000s)	%	#	%	\$(000s)	%
Total Commercial	55	71.4	\$14,060	73.0	22	28.6	\$5,200	27.0
TOTAL LOANS	55	71.4	\$14,060	73.0	22	28.6	\$5,200	27.0

Lending to Businesses of Different Sizes

Analysis Based on 2003 Data

To assess Community Bank of West Georgia's performance relative to this criterion, the 22 commercial loans in the sample that were located within the bank's assessment area and originated in 2003 were analyzed. For this analysis, the distribution of small business lending by business revenue sizes was compared with available demographic information. Performance context issues, primarily the limited number of loans originated due to the de novo status of the bank, were also considered. Borrower revenue classifications were assigned in accordance with the definitions outlined earlier in this report.

Of the 22 loans originated in the assessment area during 2003, 59.1 percent were extended to businesses with gross annual revenues of \$1 million or less compared to the 84.2 percent of businesses in the bank's assessment area that are considered to be small businesses. In addition, 10 (45.5 percent) of the small business loans originated were in amounts of \$100,000 or less.

Analysis Based on 2004 Data

To assess Community Bank of West Georgia's performance relative to this criterion, the 33 commercial loans in the sample that were located within the bank's assessment area and originated in 2004 were analyzed. For this analysis, the distribution of small business lending by business revenue sizes was compared with available demographic information. Performance context issues, primarily the limited number of loans originated due to the de novo status of the bank, were also considered. Borrower revenue classifications were assigned in accordance with the definitions outlined earlier in this report.

Of the 33 loans originated in the assessment area during 2004, 63.6 percent were extended to businesses with gross annual revenues of \$1 million or less compared to the 84.2 percent of businesses in the bank's assessment

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA (Continued)

area considered to be small businesses. In addition, 17 (51.5 percent) of the small business loans originated were in amounts of \$100,000 or less.

Based on these factors, particularly the fact that between 2003 and 2004 the bank demonstrated a positive trend in its small business lending, Community Bank of West Georgia's record of lending to businesses of different sizes is considered **REASONABLE**.

Geographic Distribution of Loans

Analysis Based on 2003 Data

Of the 22 commercial loans originated in 2003 in the sample that were in the assessment area, none were in low-income census tracts, compared to 1.8 percent of the small businesses in low-income census tracts. 36.4 percent of the loans were extended to businesses in moderate-income census tracts, which is significantly above the percentage of businesses in moderate-income census tracts at 19.6 percent.

Analysis Based on 2004 Data

Of the 33 commercial loans originated in 2004 in the sample that were in the assessment area, 3.0 percent were in low-income census tracts, compared to 1.8 percent of the small businesses in low-income census tracts. 30.3 percent of the loans were extended to businesses in moderate-income census tracts, which is significantly above the percentage of businesses in moderate-income census tracts at 19.6 percent.

Based on the above factors plus the de novo status of the bank, the geographic distribution of commercial loans reflects **EXCELLENT** dispersion throughout the assessment area.

Complaints

No CRA-related complaints have been received since the bank opened for business.

Compliance with Antidiscrimination Laws

The 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 have the intent or the effect of discouraging applicants for credit.