



SMALL BANK

Comptroller of the Currency
Administrator of National Banks
Washington, DC 20219

PUBLIC DISCLOSURE

January 10, 2004

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

First National Bank West Metro
Charter Number 24261

68 First National Drive
Dallas, GA 30157

Comptroller of the Currency
Georgia Field Office
1117 Perimeter Center West Suite W401
Atlanta, GA 30338-5417

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.

We assigned the rating based on the following information:

- The bank's loan-to-deposit ratio is more than reasonable.
- A majority of the bank's loans were originated in its assessment area.
- Analysis reflects reasonable penetration among individuals of different income levels and businesses of different sizes.
- The geographic distribution of loans reflects reasonable dispersion throughout the bank's assessment area.
- No public complaints related to CRA have been filed during the evaluation period.

DESCRIPTION OF INSTITUTION

First National Bank West Metro (FNB) is an intrastate bank that opened March 25, 2002. FNB is a wholly owned subsidiary of West Metro Financial Services, Inc., a one-bank holding company. This is the bank's first CRA performance evaluation. There are no legal or financial impediments to FNB's ability to meet the credit needs of its assessment area.

FNB's main office is located in Dallas, GA. The bank's permanent main office facility was completed in June 2004. A full-service branch office was opened in Douglasville, GA in January 2003. FNB currently has a non-depository ATM at each of its offices.

As of September 30, 2004, FNB's assets totaled \$114 million, of which net loans comprised 87 percent. The following table reflects the composition of FNB's loan portfolio based on the September 30, 2004 call report.

Product Category	Gross Loans as of September, 2004*	
	Dollar (000's)	Percent
Commercial & Industrial Including Commercial Real Estate	27,282	26
Residential Mortgage Loans	12,226	12
Individuals	2,438	2
Construction & Land Development	61,596	59
All Other	43	0
Farmland and Agriculture	0	0
<i>Total</i>	<i>103,585</i>	<i>100</i>

* Data obtained from Call report

Since FNB is located in a Metropolitan Statistical Area (MSA), home mortgage loan originations are tracked on a Home Mortgage Disclosure Act (HMDA) loan application register (LAR).

Management does not formally track other loan originations. We chose construction loans as an additional primary loan type based on outstanding balances as indicated in the table above and discussions with management.

DESCRIPTION OF THE ASSESSMENT AREA

The bank's assessment area (AA) includes the contiguous counties of Paulding and Douglas, and contains the cities of Dallas, Hiram, and Douglasville. The area is located approximately 30 miles northwest of Atlanta, Georgia. The AA is part of the 28-county Atlanta-Sandy Springs-Marietta, GA Metropolitan Statistical Area (MSA) and is subdivided into census tracts. The AA meets the requirements of the regulation and does not arbitrarily exclude any low- or moderate-income geographies.

The total population for the assessment area was 173,852 as of the 2000 census. Average unemployment rate in 2003 for the combined area was 4.44 percent, compared to the state average of 4.69 percent. The largest employers in the area are located in the adjacent counties of Cobb and Fulton. Almost 69 percent of the residents of Paulding and 62 percent of the residents of Douglas County are employed outside of the assessment area. The five largest employers in Paulding County (excluding all government agencies, public schools, railroads and the U.S. Postal Service) are:

- Aiken Grading Co;
- Bellsouth Telecommunications Inc;
- Target Stores;
- Wal-Mart Associates, Inc; and
- Wellstar Health Systems, Inc.

The five largest employers in Douglas County (excluding all government agencies, public schools, railroads and the U.S. Postal Service) are:

- Inner Harbor Hospitals;
- Red Lobster Inc;
- Silver Line Building Products Corp;
- Wal-Mart Associates, Inc; and
- Wellstar Health Systems, Inc.

Competition in the assessment area is very strong. Forty-eight branches of 17 financial institutions compete for \$1.7 billion of deposits in the two counties. FNB had a 5.15 percent deposit market share in the assessment area as of June 30, 2004. Home building activity is very strong in the AA and residential construction is the primary credit need as a result. For the 12 months ending December 8, 2004, FNB was ranked 6th among construction lenders in the AA. FNB made 166 construction loans during the period in the AA totaling over \$30 million.

The following table includes general demographic data describing the assessment area.

DEMOGRAPHIC AND ECONOMIC CHARACTERISTICS OF AA	
Population	
Number of Families	48,048
Number of Households	61,038
Geographies	
Number of Census Tracts	21
% Low-Income Census Tracts	0.00%
% Moderate-Income Census Tracts	19.05%
% Middle-Income Census Tracts	80.95%
% Upper-Income Census Tracts	0.00%
<i>Median Family Income (MFI)</i>	
2000 MFI for AA	\$55,369
2000 Census MFI for MSA	\$58,537
2004 HUD-Adjusted MFI for MSA	\$67,900
Economic Indicators	
2003 Unemployment Rate	4.44%
2004 Median Housing Value	\$104,035
% of Households Below Poverty Level	7.00%

Source: 2000 U.S. Census, 2004 HUD updated MFI, and unemployment data from the GA Dept of Labor.

Community Contact

We conducted one community contact during this examination with a representative of the Paulding Chamber of Commerce. He stated that the banking industry is more than adequately serving the credit needs of the community and local businesses. He did not identify any unmet credit needs in the bank's AA.

CONCLUSIONS ABOUT PERFORMANCE CRITERIA

Loan-to-Deposit Ratio

Considering the size of the bank and strong competition in the AA, FNB's loan to deposit ratio is more than reasonable. A review of bank data reveals that FNB is similarly situated to Citizens & Merchants Bank, Community Trust Bank, Douglas County Bank, and First Commerce Community Bank. All institutions offer similar credit products, are of similar size, and operate primarily in the same assessment area. The following table reflects the average loan to deposit ratio of FNB and the similarly situated banks during the evaluation period:

Quarter Ending	FNB %	Average for 4 other Banks in the AA %	Citizens & Merchants %	Community Trust Bank %	Douglas County Bank %	First Commerce Community Bank %
3/02	43.73	94.56	103.12	95.89	84.66	N/A
6/02	122.21	99.79	113.27	96.15	89.96	N/A
9/02	114.53	97.06	108.85	94.59	87.75	N/A
12/02	111.73	94.51	101.81	90.35	91.37	N/A
3/03	95.47	92.24	104.21	91.26	88.90	84.59
6/03	100.51	97.77	100.63	84.92	92.04	113.50
9/03	107.20	94.93	103.45	89.14	93.17	93.94
12/03	110.39	97.29	104.15	96.34	94.26	94.40
3/04	96.59	96.68	99.71	95.29	98.84	92.88
6/04	102.82	96.25	102.67	96.73	98.14	87.44
9/04	100.78	96.78	105.14	96.43	96.49	89.05
Average during the period:	100.54	96.17	104.27	93.37	92.33	93.69

As reflected above, FNB's loan-to-deposit ratio has averaged over 100 percent since the bank opened and has exceeded the average for the four similarly situated banks in all but two quarters of the evaluation period.

Lending in Assessment Area

The bank originated a majority of its loans in the assessment area during the evaluation period. For home mortgage loans 70 percent were within the assessment area. For construction loans to builders 77 percent were made to construct houses within the assessment area.

The analysis of lending in the bank's assessment areas included a sample of two of the primary loan types, residential construction and home mortgage loans. Since FNB is a Home Mortgage Disclosure Act (HMDA) reporter, home mortgage loans were analyzed using the bank's 2003 and 2004 loan application registers (LARs). Construction loans were analyzed by taking a random sample of outstanding construction loans originated during the past 12 months. The table that follows provides details on the loan samples used in our analysis.

TOTAL LOANS REVIEWED (March 25, 2002 to December 1, 2004)								
LOAN TYPE	IN ASSESSMENT AREA				OUT OF ASSESSMENT AREA			
	#	%	\$ (000s)	%	#	%	\$ (000s)	%
Construction Loans	24	77.42%	\$3,833	79.33%	7	22.58%	\$998	20.67%
Residential Mortgage Loans	28	70.00%	\$2,632	72.27%	12	30.00%	\$1,010	27.73%
Total Reviewed	52	73.24%	\$6,465	76.30%	19	26.76%	\$2,008	23.70%

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

The distribution of loans, given the demographics of the assessment area, reflects reasonable penetration among borrowers of different income levels (including low- and moderate-income) and businesses of different sizes. The analysis of lending to borrowers of different income levels and businesses of different sizes was completed using all files inside the assessment area from the lending in the assessment area sample, excluding loans for which income information was not available. The following tables reflect the results for each primary loan type.

RESIDENTIAL REAL ESTATE (March 25, 2002 to December 1, 2004)								
Borrower Income Level	LOW		MODERATE		MIDDLE		UPPER	
% of AA Families ¹	17.44%		21.53%		27.99%		33.04%	
HMDA Loans	% of Number	% of Amount	% of Number	% of Amount	% of Number	% of Amount	% of Number	% of Amount
Total	20.00%	22.28%	28.00%	24.45%	28.00%	29.46%	24.00%	23.81%

The table above illustrates the distribution of home mortgage loans within the income levels compared to the percentage of families in each income level. The distribution of home mortgage loans to both low- and moderate-income borrowers is excellent.

BORROWER DISTRIBUTION OF SMALL LOANS TO BUSINESSES (March 25, 2002 to December 1, 2004)		
Business Revenues	≤\$1,000,000	>\$1,000,000
% of AA Businesses ³	95.45%	4.55%
% of Bank Loans in AA #	79.17%	20.83%
% of Bank Loans in AA \$	77.45%	22.55%

The table above illustrates the number and dollar volume of loans to builders compared to the percentage of small businesses in the assessment area. The distribution of loans to small builders (businesses with \$1 million or less in gross annual revenues) is below the percentage of small businesses in the assessment area, but still represents a majority of FNB's construction loans. Other mitigating factors include the small loan size of construction loans (sample loans averaged only \$160 thousand and no loans exceeded \$310 thousand) and the bank's excellent distribution of home mortgage loans discussed above.

Geographic Distribution of Loans

FNB's geographic distribution of loans reflects reasonable dispersion throughout the AA. The analysis of the geographic distribution of loans was completed using all files inside the AA from the lending in the AA sample.

We evaluated the lending distribution in the AA to determine if any unexplained conspicuous gaps existed. We used reports and maps to compare the geographies where loans were made to the geographies in the AA. We considered loan distributions, branch locations, competition, market conditions, and demographic information. No unexplained conspicuous gaps were identified.

RESIDENTIAL REAL ESTATE (March 25, 2002 to December 1, 2004)								
Census Tract Income Level	LOW		MODERATE		MIDDLE		UPPER	
% of AA Owner Occupied ⁴	0.00%		17.60%		82.40%		0.00%	
	% of Number	% of Amount	% of Number	% of Amount	% of Number	% of Amount	% of Number	% of Amount
HMDA Loans	0%	0%	32.14%	23.14%	67.86%	76.86%	0%	0%
Construction Loans	0%	0%	12.50%	9.53%	87.50%	90.47%	0%	0%
Totals	0%	0%	23.08%	15.07%	76.92%	84.93%	0%	0%

The table above illustrates the geographic distribution of home mortgage (HMDA) and construction loans among geographies of different income levels compared to the percentage of owner occupied housing. The distribution of loans in the moderate-income geographies compares favorably to the number of owner occupied units in the moderate-income geographies. There are no low-income geographies in the AA.

Responses to Complaints

FNB has not received any CRA-related complaints since it opened.

Fair Lending or Other Illegal Credit Practices Review

We found no evidence of illegal discrimination or other illegal credit practices.