

# **PUBLIC DISCLOSURE**

**October 4, 2004**

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

**BANK OF THOMAS COUNTY  
Certificate Number: 11293**

**2484 E. Pinetree Blvd  
Thomasville, Georgia 31792-4823**

**Federal Deposit Insurance Corporation  
Suite 800, 10 Tenth Street, N.E.  
Atlanta, Georgia 30309-3906**

**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 **BANK OF THOMAS COUNTY** prepared by the **Federal Deposit Insurance Corporation**, the institution's supervisory agency, as of **October 4, 2004**. The agency evaluates performance in assessment area(s), as they are delineated by the institution, rather than individual branches. This assessment area evaluation may include the visits to some, but not necessarily all of the institution's branches. 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**.

An assessment of the Bank of Thomas County's CRA performance revealed that the bank has demonstrated a satisfactory record of helping to meet the credit needs of its assessment area in a manner consistent with its resources and capabilities. Individual ratings for the Lending, Investment, and Service Test are displayed in the matrix on page 6.

### **Lending**

The bank's lending activity demonstrates an excellent responsiveness to its assessment area's credit needs. Since the bank's major focus is business lending, more weight is placed on the bank's small business lending performance.

A substantial majority of small business and home mortgage loans were extended within the assessment area. During the analysis period, 82.44 percent by number and 70.05 percent by dollar volume of these loan types were extended within the assessment area. Refer to page 10 for additional details.

The distribution of loans, by borrower's characteristics, reflects excellent penetration, given the demographic composition of the area and the bank's office locations. For the review period 82.56 percent by number of all small business loans originated were made to businesses with gross annual revenues of \$1 million or less. This performance greatly exceeds the level of businesses with revenues of \$1 million or less located within the assessment area. Refer to pages 10 and 11 for additional details.

The geographic distribution of loans, within the bank's assessment area, reflects reasonable penetration, given the demographic composition of the area and the location of the bank's offices. The bank originated 2.78 percent of its small business loans within the one moderate-income geography. Refer to pages 11 and 12 for additional details.

The bank's level of participation in innovative and flexible lending programs and community development lending is reasonable. Refer to page 12 and for additional details.

### **Investments**

The bank's level of qualified investments is adequate considering the limited opportunities for participation in the assessment area. The bank's qualified community development investments and grants for this period totaled \$93,950. Refer to page 13 for additional details.

## **Services**

The bank provides a reasonable level of community development services. The bank offers an array of financial and retail services to meet the needs of its assessment area. The bank offers alternative delivery services, including an ATM, Internet Banking, and telephone banking. Refer to pages 13 and 14 for additional details.

**LENDING, INVESTMENT, AND SERVICE TEST TABLE:**

*The following table indicates the performance level of the institution with respect to the lending, investment, and service tests.*

<b>PERFORMANCE LEVELS</b>	<b>BANK OF THOMAS COUNTY</b>		
	<b>PERFORMANCE TESTS</b>		
	<b>Lending Test</b>	<b>Investment Test</b>	<b>Service Test</b>
Outstanding			
High Satisfactory	X		
Low Satisfactory		X	X
Needs to Improve			
Substantial Noncompliance			

## DESCRIPTION OF INSTITUTION:

Bank of Thomas County is a state chartered financial institution that is not a member of the Federal Reserve. The bank supports the development of economic revitalization and growth within the bank's assessment area consistent with its size, financial capacity, location, and local economic conditions. As of June 30, 2004, assets totaled \$42,152,000.

According to management, the bank's primary business focus is small business lending. The bank offers a full range of loan and deposit products and broadly provides its lending services to individuals in its assessment area. In order to provide a higher level of service to its customers, the bank offers 24-hour telephone and internet banking services and an automated teller machine (ATM) at the main office. Hours and services are considered reasonable. No legal or financial impediments exist which would prohibit the bank from meeting the credit needs of the community. The bank is a subsidiary of ABC Bancorp, Inc., Moultrie, Georgia. The holding company had total consolidated assets of \$1,157,156,000 as of June 30, 2004.

Table A - Loan Distribution as of 6-30-2004		
Loan Type	Dollar Amount (000s)	Percent of Total Loans (%)
Construction and Land Development	1,635	5.64
Secured by Farmland	1,973	6.80
1-4 Family Residential	7,566	26.09
Multi-Family (5 or more) Residential	0	0.00
Nonfarm Nonresidential (Commercial)	7,092	24.46
<b>Total Real Estate Loans</b>	<b>18,266</b>	<b>62.99</b>
Agricultural	14	0.05
Commercial and Industrial	4,839	16.69
Consumer	3,172	10.94
Other	2,706	9.33
Less: Unearned Income		
<b>Total Loans</b>	<b>28,997</b>	<b>100</b>

Source: Report of Condition

Bank of Thomas County's main office is located in Thomasville, Georgia, in Thomas County. The bank maintains one branch in Coolidge, Georgia, in Thomas County. The main office is located in middle-income geography 9605.00 and the Coolidge Branch is located in middle-income geography 9603.00.

The bank operates in a very competitive banking environment. The bank competes with numerous financial institutions within its Thomas County, Georgia, assessment area. However, due to differences in asset size, branching networks, product lines, and areas served, there are no similarly situated financial institutions. Bank of Thomas County's average net loan-to-deposit ratio is 86.57 percent. The bank's average net loan-to-deposit ratio was determined by calculating the net loan-to-deposit ratio for each quarter since September 14, 1998, and averaging these ratios. The bank received an "Outstanding" rating during the September 14, 1998, FDIC evaluation. There are no legal or financial impediments which would hamper the bank's ability to adequately serve the credit needs of the community.

## **DESCRIPTION OF THOMAS COUNTY, GEORGIA**

### **Scope of Evaluation**

Bank of Thomas County's assessment area was reviewed using the Large Bank CRA evaluation procedures. Small business loans reported pursuant to the CRA data collection requirements for 2003 were included in the review of the bank's performance. Also, CRA small business loan data collected as of June 30, 2004 was reviewed. Additionally, a sample of 25 home mortgage loans totaling \$1,072,000 from the most recent 12 month period previous to this evaluation was reviewed. The sample of home mortgage loans was selected from a universe of 49 loans originated totaling \$2,072,525. Since the bank's major focus is business lending, more weight is placed on the bank's small business lending performance.

Small farm loans were not reviewed since the bank has very little activity for this loan type. Consumer loans were not reviewed since they did not constitute a significant portion of the bank's lending. A review of FDIC records, as well as the bank's CRA public file, did not reveal any complaints relating to the bank's CRA performance since the prior evaluation. As previously noted, the bank's main office is located in Thomasville, Georgia, and the branch is located in Coolidge, Georgia.

Note concerning tables contained in this evaluation: The FFIEC has adopted a standard set of data tables, sequentially numbered 1 through 15, for use in every large bank CRA public evaluation. All of the FFIEC adopted tables contained in this evaluation are referenced using the term Core Table followed by the table number. These tables are not in the narrative section of the report but can be found in Appendix E. Certain Core Tables were not included in the Appendix since the bank is not a HMDA reporter. Other Core Tables not included in the appendix were excluded because the loans did not constitute a significant portion of the bank's portfolio and were not evaluated. This evaluation excludes Core Tables 2,3,4,5,7, 8,9,10,12, and 13. Any other tables (not Core Tables) referenced in the narrative section of this evaluation are sequentially assigned alphabetic letters, such as Table A.

### **Demographic and Economic Data**

Bank of Thomas County's assessment area designation of Thomas County, Georgia, meets the technical requirements of the CRA regulation. The assessment area is composed of 1 moderate-income, 8 middle-income, and 2 upper-income geographies. Thomas County is located in southern Georgia. Thomasville is the county seat and the largest city in the county.

According to the 2000 U.S. Census, the population of the assessment area increased from 38,986 in 1990 to 42,737 in 2000. This population increase of 9.62 percent is significantly less than the 26.54 percent increase experienced by the entire State of Georgia.

In 2000, there were 11,446 families residing in the assessment area, of which 3.67 percent resided in the moderate-income geography. Of the 11,446 families residing in the assessment area, 13.65 percent lived below the poverty level. Additionally, 18.61 percent of the 16,305

households in the assessment area lived below the poverty level. These demographics are indicative of a somewhat limited opportunity for residential lending in these areas. Refer to Tables B and C for additional demographic and housing information.

<b>Table B – 2000 Demographic &amp; Economic Characteristics of the Assessment Area</b>		
Assessment Area Population	42,737	
Assessment Area Households	16,305	
<b>State Nonmetropolitan Median Family Income:</b>		
2000 Median Family Income	\$39,099	
2002 Estimated Median Family Income(*)	\$42,200	
2003 Estimated Median Family Income(*)	\$44,300	
2004 Estimated Median Family Income(*)	\$43,300	
<b>Percentage of Families by Income Level:</b>		
Low-Income	20.84	
Moderate-Income	17.51	
Middle-Income	19.99	
Upper-Income	41.66	
<b>Number of Total Housing Units:</b>		
	#	%
1-4 Family Residential	13,109	71.69
Multi-Family	1,018	5.57
Mobile Home or Trailer	4,124	22.55
Other	34	0.19
Total	18,285	100.0
Owner-Occupied Housing Units	11,409	62.39
Rental Housing Units	4,900	26.80
Vacant Housing Units	1,976	10.81
Total	18,285	100.0

Source: U.S. Census, \* Based on estimates from the Department of Housing and Urban Development (HUD).

<b>Table C – 2000 Selected Housing Characteristics by Income Category of the Geography</b>									
Geographic Income Category	Percentage						Median		
	Census Tracts	Families	Housing Units	Owner- Occupied	Rental Units	Vacant Units	Age*	Home Value*	Gross Rent**
Moderate	9.09	3.67	3.59	3.65	3.33	3.90	28	40,100	318
Middle	72.73	76.84	78.47	75.87	84.69	78.03	29	67,480	430
Upper	18.18	19.49	17.94	20.48	11.98	18.07	15	83,857	456
<b>Total or Median</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>27</b>	<b>69,492</b>	<b>429</b>

Source: U.S. Census, \* - Owner-Occupied Units, \*\* - Renter-Occupied Units.

According to Labor Bureau statistics, during the second quarter of 2004, the non-seasonally adjusted (NSA) unemployment rate for the assessment area was 3.4 percent, which is less than the statewide NSA unemployment rate of 4.0 percent. The unemployment rate of the assessment area reached a 2 year high of 4.3 percent during the fourth quarter of 2002. Major employers in the area include John D. Archbold Memorial Hospital, Thomas County Schools, Southwestern State Hospital, Flowers Industries, Inc., and Thomasville City Schools.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS:

### Lending Activity

Bank of Thomas County's lending performance reflects an excellent responsiveness to community credit needs. As indicated in Table D, a substantial majority of small business and home mortgage loans were originated within the assessment area.

Table D - Distribution of Loans Inside and Outside of the Assessment Area										
Loan Category or Type	Number of Loans					Dollars in Loans (000s)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Small Business	86	81.13	20	18.87	106	7,024	69.44	3,091	30.56	10,115
Home Mortgage	22	88.00	3	12.00	25	812	75.75	260	24.25	1,072
<b>Total</b>	<b>108</b>	<b>82.44</b>	<b>23</b>	<b>17.56</b>	<b>131</b>	<b>7,836</b>	<b>70.05</b>	<b>3,351</b>	<b>29.95</b>	<b>11,187</b>

Source: CRA data collection (2003 & 2004), Bank Records.

### Borrower Characteristics

**Overall Performance (all loan types):** The bank's overall distribution of small business loans and home mortgage loans reflects excellent penetration among businesses of different sizes and individuals of different income levels. The analysis includes only loans which were originated in the assessment area.

**Small Business Loans:** The bank's distribution of small business loans reflects excellent penetration among businesses of different sizes. Core Table 11 shows the distribution of small business loans according to revenue size of the businesses. For comparison, the percentage of businesses with revenues of \$1 million or less in the assessment area is shown. As indicated, 82.56 percent by number of all business loans originated during the review period were made to businesses with gross annual revenues of \$1 million or less. As noted in this table, this performance greatly exceeds the level of businesses with revenues of \$1 million or less located within the assessment, 60.77 percent.

Small business loans were also analyzed by loan size, as a proxy for the size of the business being financed. Core Table 11 further reflect the bank's focus on serving the needs of small businesses. As noted in this table, 91.86 percent of all small business loans had original balances of \$250,000 or less.

**Home Mortgage Loans:** The bank’s distribution of home mortgage loans reflects good penetration among borrowers of different income levels. Table E shows the bank’s distribution of sampled home mortgage loans by borrower income levels. Income characteristics of borrowers were based on the Department of Housing and Urban Development’s 2003 and 2004 estimated statewide non-metropolitan median family income of \$44,300 and 43,300, respectively.

Of the sampled home mortgage loans, 13.64 percent by number and 12.44 percent by dollar volume were made to low-income borrowers, as shown in Table E. Also, 22.73 percent by number and 13.06 percent by dollar volume of sampled home mortgage loans were made to moderate-income borrowers. Included in Table E is the percentage of families within each income level, based on 2000 Census Bureau statistics. The analysis includes only loans which were originated within the assessment area. By number, the bank’s level of lending exceeds the level of moderate-income families. The bank’s level of lending to low-income borrowers is lower than the level of families in this category; however, of the 11,446 families residing in the assessment area, 13.65 percent lived below the poverty level. Families in this category are typically not candidates for home mortgage loans. Less reliance was placed on dollar amounts since low- and moderate-income individuals typically borrow in smaller amounts than middle- or upper-income individuals.

<b>Table E – Distribution of Sampled 1-4 Family Home Mortgage Loans by Borrower Income</b>					
<b>Borrower Income Level</b>	<b>% of Total Families</b>	<b>Loans by Number</b>		<b>Loans by Dollar (000)</b>	
		<b>#</b>	<b>%</b>	<b>\$</b>	<b>%</b>
<b>Low</b>	<b>20.84</b>	3	13.64	101	12.44
<b>Moderate</b>	<b>17.51</b>	5	22.73	106	13.06
<b>Middle</b>	<b>19.99</b>	4	18.18	109	13.42
<b>Upper</b>	<b>41.66</b>	10	45.45	496	61.08
<b>Total</b>	<b>100</b>	<b>22</b>	<b>100</b>	<b>812</b>	<b>100</b>

*Source: U.S. Census and Bank Records*

### **Geographic Distribution of Lending**

**Overall Performance (all loan types):** The bank’s overall geographic distribution is reasonable. Only loans extended within the assessment area are included in the analysis.

**Small Business Loans:** The bank’s geographic distribution of small business loans reflects good penetration throughout the assessment area. Core Table 6 illustrates the distribution of small business loans by income category of the geography. For comparison, the number of businesses in the assessment area is shown. As noted Core Table 6, the bank’s lending performance is less than the percentage of businesses located within the moderate-income geography category; however, this performance is good considering the one moderate-income geography in the assessment area is located in the northwestern corner of the assessment area where a competing bank maintains a branch location.

**Home Mortgage Loans:** The bank’s geographic distribution of home mortgage loans reflects reasonable penetration throughout the assessment area. Table F illustrates the distribution of home mortgage loans by income category of the geography. Included in this table is the percentage of owner-occupied housing units within each geography category, based on 2000 Census Bureau statistics. As noted in Table F, the bank originated no loans in the one moderate-income geography the assessment area. This performance is reasonable considering this one geography is located in the northwestern corner of the assessment area and is not closely located to the main office or the Coolidge Branch.

<b>Table F – Distribution of Sampled 1-4 Family Home Mortgage Loans by Income of the Geography</b>					
<b>Geography Categories</b>	<b>% of Owner-occupied Units</b>	<b>Loans by Number</b>		<b>Loans by Dollar (000)</b>	
		<b>#</b>	<b>%</b>	<b>\$</b>	<b>%</b>
<b>Moderate</b>	3.65	0	0.00	0	0.00
<b>Middle</b>	75.87	15	68.18	622	76.60
<b>Upper</b>	20.48	7	31.82	190	23.40
<b>Total</b>	<b>100</b>	<b>22</b>	<b>100</b>	<b>812</b>	<b>100</b>

*Source: U.S. Census and Bank Records*

### **Community Development Lending**

The Bank has made an adequate level of community development loans consistent with the limited opportunities for participation in community development within the assessment area.

During 2003, the bank extended a community development loan totaling \$5,000,000 to a local development authority for the purchase and renovation of a manufacturing facility. This loan qualifies as a community development loan since the manufacturing facility, which was subsequently sold to a food processor, provides employment to local citizens, many who are low- and moderate-income individuals.

In addition, several other loans have been originated that have the characteristics of community development. However, the bank can not be given credit for these loans under this section because they were previously reported under the lending activity component.

### **Innovative and/or Flexible Lending Practices**

The bank uses innovative and/or flexible lending practices to serve the needs of the assessment area. Programs the bank currently participates in are listed below.

The bank originates loans under the Small Business Loan Administration (SBA). The bank currently has one SBA loan totaling \$426,000 in its loan portfolio.

The bank’s affiliate, ABC Bancorp Mortgage, originates loans under the flexible loan programs offered through Federal Housing Administration (FHA) and Veterans Administration (VA). The programs allow individuals to purchase affordable housing who, because of a lack of down payment or insufficient credit history, would not be able to do so.

## **INVESTMENT TEST**

**Overall Performance:** The bank's level of qualified investments reflects an adequate responsiveness to credit and community economic needs, given the limited opportunities for such investments within the rural assessment area, and are detailed below and in Core Table 14.

The bank purchased \$92,000 of a pool of mortgage-backed securities collateralized by residential mortgages of mainly low- and moderate-income borrowers.

During 2003, and 2004, the bank donated a total of \$1,950 to charitable organizations that support the needs of low- and moderate-income individuals. Examples are as follows:

- The bank donated a total of \$450 to the United Way of Thomas County. The organization provides funding to various charitable organizations which support the needs of low- and moderate-income individuals.
- During this period, the bank also contributed \$1,000 to the Boys and Girls Club. The organization provides program activities for children from low- and moderate-income families.

## **SERVICE TEST**

**Overall Performance:** The bank's retail banking services and community development services are reasonable considering the current size and structure of the bank.

### **Retail Banking Services**

#### **Accessibility of Delivery Systems**

The bank's systems are reasonably accessible to essentially all portions of the assessment area. As shown in Core Table 15, the bank maintains two locations in Thomas County, Georgia. All offices offer a variety of products to meet the needs of individuals of varying ages, income levels, and financial needs. The main office and the Coolidge Branch are both located in middle-income geographies.

#### **Alternative Delivery Systems**

The bank's alternative delivery systems are reasonably accessible to all portions of the assessment area. The bank maintains an ATM at the main office. The bank offers telephone banking that allows 24-hour access to checking, savings, and loan accounts. Customers can track account activity, as well as transfer funds between checking, savings, and loan accounts. The bank also offers internet banking, which allows 24-hour access to checking, savings, and loan accounts; the ability to pay bills; track account activity; and transfer funds within the bank. The bank offers the Visa Check Card. Additionally, the bank accepts the Electronic Benefits

Transfer (EBT) Card. The EBT Card allows recipients of government benefits to access their money from the bank’s ATM and point-of-sale terminals at local merchants.

**Changes in Branch Locations**

The bank has had no changes in branch locations since the last evaluation.

**Reasonableness of Business Hours and Services Meeting Assessment Area Needs**

Services, including business hours, do not vary in a way that inconveniences certain portions of the assessment area or any group of individuals. Banking hours are detailed in Table G.

<b>Table G - Distribution of Bank Offices and Drive-Thru Hours</b>		
<b>Bank Location</b>	<b>Lobby Hours</b>	<b>Drive-Thru Hours</b>
<b>Main Office 2484 E. Pinetree Blvd. Thomasville, GA</b>	8:30-4:00 Monday through Thursday 8:30-6:00 Friday 9:00-12 Saturday	7:30-5:00 Monday through Thursday 7:30-6:00 Friday 8:30-12 Saturday
<b>Coolidge Branch 1011 Pine St. Coolidge, GA</b>	9:00-4:00 Monday through Thursday 9:00-6:00 Friday	Not applicable

*Source: Bank Public File.*

The bank offers a no fee checking account for seniors age 50 and over. Additionally, the bank offers a flat rate checking account for a monthly fee of \$4 for 10 checks with unlimited debit card and ATM transactions.

**Community Development Services**

The bank’s level of community development services is reasonable for the current size and structure of the institution. All of the services listed below meet the definition of community development and relate to the provision of financial services, as required by the CRA regulation. Examples of the bank’s community development services are detailed below.

Senior management works closely with the City of Thomasville and other governmental entities to identify housing needs of low- and moderate-income families. During 2004, the bank committed up to \$30,000 for the City of Thomasville’s housing improvement programs that target low- and moderate-income families.

A bank officer serves on an advisory committee to the Boys and Girls Club. The organization provides program activities for children from low- and moderate-income families.

## APPENDIX A

**SCOPE OF EXAMINATION:**

<b>BANK OF THOMAS COUNTY</b>
<b>SCOPE OF EXAMINATION: Full Scope</b>
<b>TIME PERIOD REVIEWED: January 1, 2003 through June 30, 2004.</b>
<b>PRODUCTS REVIEWED: Small business and home mortgage loans. Also, qualified investments and services and community development loans and services.</b>

<b>LIST OF AFFILIATES AND PRODUCTS REVIEWED</b>		
<b>AFFILIATE(S):</b>	<b>AFFILIATE RELATIONSHIP:</b>	<b>PRODUCTS REVIEWED:</b>
None reviewed.		

<b>LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION</b>			
<b>ASSESSMENT AREA:</b>	<b>TYPE OF EXAMINATION:</b>	<b>BRANCHES VISITED:</b>	<b>OTHER INFORMATION:</b>
Thomas County, Georgia	Full Scope	Reviewed products and services of both locations.	

## APPENDIX B - GENERAL DEFINITIONS

### GEOGRAPHY TERMS

**Block:** Small areas bounded on all sides by visible features such as streets, roads, streams or rail road tracks, and invisible features like city or town boundaries or property lines. Blocks are subdivisions of census tracts or block numbering areas (BNA), and are assigned a unique three-digit number.

**Block Group:** Clusters of blocks within a census tract or BNA, having a four-digit number and a three-digit suffix. The four-digit number corresponds to the same number given to the census tract or BNA in which it is located.

**Block Numbering Areas (BNAs):** Statistical subdivisions of a county for grouping and numbering blocks in non-metropolitan counties where local census statistical area committees have not established census tracts. BNAs do not cross county lines.

**Census Tract:** Small subdivisions of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. They usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

**Metropolitan Area (MA):** One or more large population centers and adjacent communities that have a high degree of economic and social integration. Each MA must contain either a place with a minimum population of 50,000 of Census Bureau-defined urbanized area and a total MA population of at least 100,000 (75,000 in New England). An MA comprises one or more central counties and may include one or more outlying counties that have close economic and social relationships with the central county. In New England, MAs are composed of cities and towns rather than whole counties.

**Metropolitan Statistical Area (MSA):** One or more metropolitan areas that have economic and social ties.

**Primary Metropolitan Statistical Area (PMSA):** A large urbanized county or cluster of counties that demonstrate very strong internal economic and social links, in addition to close ties to other portions of the larger area. If an area qualifies as an MA and has more than one million persons, PMSAs may be defined within it.

**Consolidated Metropolitan Statistical Area (CMSA):** The larger area of which PMSAs are component parts.

**Non-Metropolitan Area:** All areas outside of metropolitan areas. The definition of non-metropolitan area is not consistent with the definition of rural areas. Urban and rural

classifications cut across the other hierarchies; for example, there is generally both urban and rural territory within both metropolitan and non-metropolitan areas.

**Urban Area:** All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, “urban” consists of territory, persons, and housing units in: places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin) but excluding the rural portions of “extended cities”; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.

**Rural Area:** Territories, populations and housing units that are not classified as urban.

## **HOUSING TERMS**

**Family:** Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family which is further classified into “male householder” (a family with a male householder and no wife present) or “female householder” (a family with a female householder and no husband present).

**Household:** Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

**Housing Unit:** Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

**Owner-Occupied Units:** Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

## **INCOME TERMS**

**Median Income:** The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

**Area Median Income:** The median family income for the MSA, if a person or geography is located in an MSA; or the statewide non-metropolitan median family income, if a person or geography is located outside an MSA.

**Family Income:** Includes the income of all members of a family that are age 15 and older.

**Household Income:** Includes the income of the householder and all other persons that are age 15 and older in the household, whether related to the householder or not. Because many households consist of only one person, median household income is usually less than median family income.

**Low-Income:** Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent in the case of a geography.

**Moderate-Income:** Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 and less than 80 percent in the case of a geography.

**Middle-Income:** Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 and less than 120 percent in the case of a geography.

**Upper-Income:** Individual income that is more than 120 percent of the area median income, or a median family income that is more than 120 percent in the case of a geography.

**HUD Adjusted Income Data:** The U.S. Department of Housing and Urban Development (HUD) issues annual estimates which update median family income from the metropolitan and non-metropolitan areas. HUD starts with the most recent U.S. Census data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

## **OTHER TERMS**

**Home Mortgage Disclosure Loan Application Register (HMDA LAR):** The HMDA LARs record all applications received for residential purchase, refinance, home improvement and temporary-to-permanent construction loans.

**Small Business Loan:** A loan included in “loans to small businesses” as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans.

**Small Farm Loan:** A loan included in “loans to small farms” as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

## APPENDIX C - INVESTMENT DEFINITIONS

**Community Development Corporation (CDC):** A CDC allows banks and holding companies to make equity type of investments in community development projects. The equity investments are subject to limits specified by the bank's regulator. Bank CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community as well as to the financial and marketing needs of the bank. A CDC may purchase, own, rehabilitate, construct, manage and sell real property. Also, it may make equity or debt investments in development projects and in local businesses. The CDC activities are expected to directly benefit low- and moderate-income groups, and the investment dollars should not represent an undue risk on the banking organization. Any real estate ownership should generally be temporary, with ownership reverting to members or organizations in the community.

**Community Development Financial Institutions (CDFIs):** CDFIs are private intermediaries (either for profit or nonprofit) with community development as their primary mission. They procure loans and investments that conventional financial institutions are unable to invest in, and they link financing to other developmental activities. A CDFI facilitates the flow of lending and investment capital into distressed communities and to individuals who have been unable to take advantage of the services offered by traditional financial institutions. CDFIs share a common mission and can be chartered as a credit union or bank. CDFIs can also be unregulated nonprofit institutions that gather private capital from a range of social investors for community development lending or investing. Some basic types of CDFIs include community development banks, community development loan funds, community development credit unions, microenterprise funds, and community development venture capital funds. A certified CDFI must meet eligibility requirements, which include: having a primary mission of promoting community development; serving an investment area or target population; providing development services; maintaining accountability to residents of its investment area or targeted population through representation on its governing board of directors, or by other means; and not constituting an agency or instrumentality of the United States, of any state or political subdivision of a state.

**Low Income Housing Tax Credits:** The Low-Income Housing Tax Credit Program is a housing program contained within the Internal Revenue Code of 1986, as amended, which is administered by the U.S. Department of the Treasury and the Internal Revenue Service. The U.S. Treasury Department, through the Internal Revenue Service, distributes low-income housing tax credits to housing credit agencies. The housing agencies allocate tax credits on a competitive basis. Developers who acquire, rehabilitate, or construct low-income rental housing may keep their tax credits or sell them to corporations or investor groups, who, as owners of these properties, will be able to reduce their own federal tax payments. The credit can be claimed annually for ten consecutive years. For a project to be eligible, the developer must set aside a specific percentage of units for occupancy by low-income residents. The set-aside requirement remains in place throughout the compliance period, usually 30 years.

**Qualified Investments:** A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development to support the following endeavors: 1) affordable housing; 2) community services targeting low- and moderate-income individuals; 3) activities that promote economic development by financing small farms and small businesses; and 4) activities that revitalize or stabilize low- and moderate-income geographies.

## **APPENDIX D - STANDARD PE LANGUAGE**

### **LENDING TEST**

#### **Scope of Test**

The lending test evaluates the institution's record of helping to meet the credit needs of its assessment area(s) by considering an institution's home mortgage, small business, small farm, and community development lending. The institution's lending performance is evaluated pursuant to the following criteria: 1) the volume of lending activity; 2) the proportion of lending within the assessment area(s); 3) the dispersion of loans and the number and amount of loans in low-, moderate-, middle- and upper-income geographies in the assessment area(s); 4) the distribution of loans among borrowers of low-, moderate-, middle- and upper-income levels and businesses (including farms) of different sizes; 5) the distribution of small business and small farm loans by loan amount at origination; 6) the volume of community development lending; and 7) the use of innovative or flexible lending practices. Performance under the lending test is weighted more heavily than the investment and service tests when arriving at an overall rating.

#### **Community Development Lending:**

##### **Performance Criteria**

The institution's community development lending activities are evaluated pursuant to the following criteria: 1) the extent to which community development lending opportunities have been made available to the institution; 2) the responsiveness of the institution's community development lending; and 3) the extent of leadership the institution has demonstrated in community development lending.

#### **Innovative and Flexible Lending Practices:**

##### **Performance Criteria**

The institution's innovative and flexible lending practices are evaluated pursuant to the following criteria: 1) the degree to which the loans serve low- and moderate-income creditworthy borrowers in new ways or serve groups of creditworthy borrowers not previously served by the institution; and 2) the success of each product serving low- and moderate-income borrowers, including the number and dollar volume of loans originated during the review period.

## **INVESTMENT TEST**

### **Scope of Test**

The investment test evaluates the institution's record of helping to meet the credit needs of its assessment area(s) through its use of qualified investments that benefit the assessment area(s) or a broader statewide or regional area that includes the institution's assessment area(s). Activities considered under the lending or service test may not be considered under the investment test. The institution's investment performance is evaluated pursuant to the following criteria: 1) the dollar amount of qualified investments; 2) the innovativeness or complexity of qualified investments; 3) the responsiveness of qualified investments to credit and community development needs; and 4) the degree to which the qualified investments are not routinely provided by private investors.

## **SERVICE TEST**

### **Scope of Test**

The service test evaluates the institution's record of helping to meet the credit needs of its assessment area(s) by analyzing both the availability and effectiveness of the institution's systems for delivering retail banking services and the extent and innovativeness of its community development services. The institution's retail banking services are evaluated pursuant to the following criteria: 1) the distribution of the institution's branches among geographies of different income levels; 2) the record of opening and closing branches, particularly branches located in low- and moderate-income geographies or that primarily serve low- or moderate-income individuals; 3) the availability and effectiveness of alternate systems for delivering retail banking services; and 4) the range of services provided in low-, moderate-, middle-, and upper-income geographies and the degree to which the services are tailored to meet the needs of those geographies.

In addition, the institution's community development services are evaluated pursuant to the following criteria: 1) the extent of community development services offered and used; 2) the innovativeness of community development services, including whether they serve low- and moderate-income customers in new ways or serve groups of customers not previously served; 3) the degree to which they serve low- and moderate-income areas or individuals; and 4) their responsiveness to available opportunities for community development services.

## APPENDIX E – CONTENT OF FFIEC CORE TABLES

The following is a listing and brief description of the tables included in each set:

**Table 1. Lending Volume** - Presents the number and dollar of reportable loans originated by the bank over the evaluation period in its assessment area.

**Table 2. Geographic Distribution of Home Purchase Loans** – This table was not included since this is not a HMDA reporter; however, a sample of home mortgage loans was analyzed and is included in Conclusions With Respect to Performance Test section.

**Table 3. Geographic Distribution of Home Improvement Loans** - See Table 2 comment.

**Table 4. Geographic Distribution of Refinance Loans** - See Table 2 comment.

**Table 5. Geographic Distribution of Multifamily Loans** – See Table 2 comment.

**Table 6. Geographic Distribution of Small Loans to Businesses** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses originated and purchased by the bank in low-, moderate-, middle- and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. The table also presents the distribution of the aggregate small business loans based on the most recent aggregate lending data available.

**Table 7. Geographic Distribution of Small Loans to Farms** – This table was not included since the bank originates few farm loans.

**Table 8. Borrower Distribution of Home Purchase Loans** – See Table 2 comment.

**Table 9. Borrower Distribution of Home Improvement Loans** - See Table 2 comment.

**Table 10. Borrower Distribution of Refinance Loans** - See Table 2 comment.

**Table 11. Borrower Distribution of Small Loans to Businesses** - Compares the distribution of small loans (less than or equal to \$1 million) originated and purchased by the bank to small businesses with revenues of \$1 million or less to the distribution of businesses with revenues of \$1 million or less. The table also compares the bank's distribution with the percentage of loans originated and purchased by all other small business reporters in the bank's AA to businesses with revenues of \$1 million or less and is based on the most recent aggregate market data available. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business.

**Table 12. Borrower Distribution of Small Loans to Farms** – See Table 7 comment.

**Table 13. Geographic and Borrower Distribution of Consumer Loans (OPTIONAL)** – This table was not used since consumer loans did not constitute a substantial majority of the bank's lending and were not evaluated.

**Table 14. Qualified Investments** - Presents the number and dollar amount of qualified investments made by the bank in each MSA/AA. The table separately presents investments made during prior evaluation periods that are still outstanding and investments made during the current evaluation period. Prior period investments are reflected at their book value as of the end of the evaluation period. Current period investments are reflected at their original investment amount even if that amount is greater than the current book value of the investment. The table also presents the number and dollar amount of unfunded qualified investment commitments. In order to be included, an unfunded commitment must have been reported on schedule RC-L of the Call Reports as an off-balance sheet item.

**Table 15. Distribution of Branch Delivery System and Branch Openings/Closings -**

Compares the percentage distribution of the number of the bank's branches in low-, moderate-, middle- and upper-income geographies to the percentage of the population within each geography in each MSA/AA. The table also presents data on branch openings and closings in each MSA/AA.

**Institution ID: 11293**  
**Table 1. Lending Volume**

LENDING VOLUME		Geography: THOMAS COUNTY				Evaluation Period: JANUARY 1, 2003 TO JUNE 30, 2004						
MA/Assessment Area (2004):	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
<b>Full Review:</b>												
Thomas County	100.00	22	812	86	7,024	12	992	1	5,000	98	8,016	100.00

Home mortgage loans include only the sampled loans that are inside the assessment area.

Small farm loans were not analyzed.

Total reported loans include only small loans to businesses and farms.

\* Loan Data as of June 30, 2004. Rated area refers to either the state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is From January 01, 2003 to June 30, 2004.

\*\*\* Deposit Data as of June 30, 2004. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

**Institution ID: 11293**  
**Table 6. Geographic Distribution of Small Loans to Businesses**

Geographic Distribution: SMALL LOANS TO BUSINESSES														Geography: THOMAS COUNTY				Evaluation Period: JANUARY 1, 2003 TO JUNE 30, 2004								
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%) by Tract Income*															
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	Low	Mod	Mid	Upp												
<b>Full Review:</b>																										
Thomas County	86	100.00	0.00	0.00	3.08	2.78	87.94	83.33	8.98	13.89	0.00	0.00	0.00	0.00												

Aggregate lending data was not available.

\* Based on Aggregate Small Business Data Only.

\*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\*\* Source Data - Dun and Bradstreet (2003).

**Institution ID: 11293**  
**Table11. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: SMALL LOANS TO BUSINESSES									
				Geography: THOMAS COUNTY			Evaluation Period: JANUARY 1, 2003 TO JUNE 30, 2004		
MA/Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Aggregate Lending Data*	
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
Thomas County	86	100.00	60.77	82.56	79.07	12.79	8.14	0	0

Aggregate lending data was not available.

\* Based on Aggregate Small Business Data Only.

\*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2003).

\*\*\*\* Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 5.81% of small loans to businesses originated and purchased by the bank.

**Institution ID: 11293**  
**Table 14. Qualified Investments**

QUALIFIED INVESTMENTS		Geography: THOMAS COUNTY				Evaluation Period: JANUARY 1, 2003 TO JUNE 30, 2004			
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
Thomas County	0	0	5	94	5	94	100	0	0

\* 'Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.

\*\* 'Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

Institution ID: 11293

**Table 15. Distribution of Branch Delivery System and Branch Openings/Closings**

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS				Geography: THOMAS COUNTY				Evaluation Period: JANUARY 1, 2003 TO JUNE 30, 2004									
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings				Population					
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full Review:</b>																	
Thomas County	100.00	2	0	0.00	0.00	100.00	0.00	0	0	0	0	0	0	0.00	3.71	77.80	18.50

Includes the main office location.