PUBLIC DISCLOSURE

March 12, 2008

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

EvaBank
Certificate Number: 26799

4114 Eva Road
Eva, Alabama 35621

Federal Deposit Insurance Corporation
10 Tenth Street, NE, Suite 800
Atlanta, Georgia 30309

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.**

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INSTITUTION RATING

INSTITUTION'S CRA RATING: **This institution is rated: <u>Needs to Improve</u>.**

Substantive violations of Federal Reserve Regulation B, the Equal Credit Opportunity Act, and the Fair Housing Act lowered the bank's overall CRA rating from a Satisfactory to Needs to Improve.

The Lending Test is rated: <u>Satisfactory</u>

This rating is based on the following criteria:

- **Loan-to-Deposit Ratio** – The average net loan-to-deposit ratio of 115 percent reflects an excellent responsiveness to the credit needs of the community.

- **Lending Inside the Assessment Areas** – A majority of loans are within the bank's assessment areas.

- **Lending to Businesses of Different Sizes and Borrowers of Different Income Levels** – The bank's lending reflects an excellent distribution among businesses of different sizes and individuals of different income levels.

- **Geographic Distribution of Loans** – The geographic distribution of loans reflects a reasonable distribution of small business and home mortgage loans throughout the assessment areas.

- **Response to Complaints** – The bank has not received any CRA-related complaints since the last CRA evaluation as of September 18, 2003.

The Community Development Test is rated: <u>Satisfactory</u>

In light of available opportunities, the bank has demonstrated adequate responsiveness to the community development needs of the assessment areas through community development loans, services, and investments.

SCOPE OF EVALUATION

Examiners reviewed the lending performance of EvaBank in its defined assessment areas using CRA procedures for intermediate small banks. Loans reported on the 2006 and 2007 Home Mortgage Disclosure Act Loan Application Registers (HMDA LARs) and a sample of 31 small business loans totaling $2,890,955 from a total universe of 73 loans totaling $17,409,963 that originated between March 13, 2007, and March 12, 2008, were analyzed for the review. Small farm loans were not analyzed due to the nominal volume of such originations. Additionally, consumer loans were not reviewed since this category did not constitute a substantial majority of the bank's lending. A review of FDIC records and the bank's CRA Public File did not reveal any complaints relating to the bank's CRA performance since the previous evaluation.

DESCRIPTION OF INSTITUTION

EvaBank is a state chartered commercial bank headquartered in Eva, Alabama. EvaBank serves Cullman, Marshall, De Kalb, Jefferson, Blount, Morgan, Limestone, and Madison Counties in Alabama through its main office and 4 branches. The bank's main office is located in a middle-income census tract; 3 of the bank's branches are located in middle-income census tracts and one is located in an upper-income census tract. The bank opened two offices since the last CRA performance evaluation. The Birmingham office was opened on August 5, 2005 and the Madison office was opened on May 7, 2007. All offices are reasonably accessible to all segments of the bank's assessment areas and do not arbitrarily exclude any low- and moderate-income neighborhoods. The Board of Directors has approved a branch closing policy as required under Section 42 of the Federal Deposit Insurance Act.

The institution provides for the credit needs of the communities within its assessment areas in a manner consistent with its size, financial capacity, and local economic conditions. There are no financial or legal impediments that would preclude the bank from reasonably meeting those credit needs in accordance with the CRA.

The FDIC determined the bank's CRA performance to be satisfactory at the 2003 CRA performance evaluation when small bank examination procedures were utilized.

The financial institution offers loan products well suited to meet identified credit needs. The bank also offers drive-up facilities and automated teller machines (ATMs) at all of its branches, with the exception of the Madison office.

As of December 31, 2007, the bank's total assets were approximately $385 million. The loan portfolio was approximately $335 million as of the same date, which represents 87 percent of assets. The distribution of the loan portfolio by loan type is presented in Table 1 below.

Table 1. EvaBank Loan Distribution

EvaBank **December 31, 2007**		
LOAN TYPE	**DOLLAR AMOUNT ($000s)**	**PERCENT OF TOTAL LOANS**
Construction and Land Development	$98,871	30%
Secured by Farmland	$2,290	1%
1-4 Family Residential Real Estate	$161,925	48%
Multi-Family (5 units or more) Residential	$6,634	2%
Commercial Real Estate	$26,437	8%
Total Real Estate Loans	**$296.157**	**89%**
Commercial and Industrial	$9,675	3%
Agricultural	$585	0%
Consumer	$25,018	7%
Obligations of states and political subdivisions	$0	0%
Other	$3,674	1%
Less: Unearned Income	$0	0%
Total Loans	**$335,109**	**100%**

Source: FDIC Report of Condition as of12//31/07

The CRA regulation requires examiners to review a bank's lending performance with respect to home mortgage, small business, and small farm loans. As Table 1 illustrates, the bank's significant CRA loan types are 1-4 family residential mortgage loans and small business loans (to include loans secured by commercial real estate and loans for commercial and industrial purposes).

DESCRIPTION OF ASSESSMENT AREAS

EvaBank has four assessment areas. The first assessment area covers 46 census tracts in Non-MSA Cullman, De Kalb and Marshall Counties. The second assessment area includes 155 census tracts in contiguous Blount and Jefferson Counties and is part of the Birmigham-Hoover MSA. The third assessment area includes 33 census tracts in Morgan and Limestone Counties and is part of the Decatur MSA. The fourth assessment area includes 73 census tracts in Madison County and is in the Huntsville MSA. The bank defined each assessment area in accordance with the technical requirements of the CRA regulation. These assessment areas, as designated by the bank, do not arbitrarily exclude any low- or moderate-income geographies.

For analysis purposes, the bank's performance in the Non-MSA, Birmingham-MSA, and Decatur assessment areas was reviewed using full scope examination procedures. The Huntsville assessment area was not given an in depth analysis because the office in this assessment area have been open for less than a year. Nevertheless, the lending patterns in the Huntsville assessment area do not vary significantly from the bank's performance in the assessment areas where full scope reviews were conducted.

Of the four assessment areas, 60 percent of the 2006 and 2007 home mortgage loans and 65 percent of the small business loans sampled were originated in the bank's Non-MSA assessment areas. As a result, activity in this area received the most weight in determining the overall rating. In each area, the lending activity was compared to available data regarding the number of owner-occupied housing units and the distribution of families by income level, as appropriate, for mortgage loans. Consideration was also given to the affordability of houses. In comparing the income levels of low-income families with the median housing values, it is apparent that low-income families would have difficulty affording a home at the median housing values. This does not mean that opportunities do not exist, but does explain why home mortgage lending would be less than the percent of families that are low-income. Most of the assessment areas' population is located in middle- and upper-income census tracts. In addition, most of the assessment areas' low- and moderate-income families are located in middle- and upper-income geographies.

The assessment areas' demographics revealed credit needs for home loans, business loans, and consumer loans. Demographic information on the bank's assessment areas begins on the following page.

Table 2. EvaBank's Non-MSA Assessment Area Demographics

Demographic Information for Full Scope Area: Eva Bank NMSA Assessment Area (Cullman, Marshall, & De Kalb Counties)						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	46	0.00	0.00	86.96	13.04	0.00
Population by Geography	224,166	0.00	0.00	87.77	12.23	0.00
Owner-Occupied Housing by Geography	68,065	0.00	0.00	86.87	13.13	0.00
Business by Geography	16,704	0.00	0.00	84.96	15.04	0.00
Farms by Geography	707	0.00	0.00	89.67	10.33	0.00
Family Distribution by Income Level	65,038	18.70	17.37	22.59	41.34	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	23,458	0.00	0.00	90.95	9.05	0.00
Median Family Income		36,638	Median Housing Value		73,613	
HUD Adjusted Median Family Income for 2007		42,800	Unemployment Rate (2000 US Census)		2.38%	
Households Below Poverty Level		16%				

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 2000 US Census and 2007 HUD updated MFI FI

Unemployment statistics for the Non-MSA assessment area is detailed in Table 3. Statistics for the United States and Alabama are also shown for comparison. The table illustrates that all three counties had unemployment rates below State of Alabama and the U.S., except for the third quarter, 2007 rate in DeKalb County, which was higher than the rate in the State of Alabama.

Table 3. Unemployment Rates for Non-MSA Counties

Unemployment Rates		
Geographic Area	**Unemployment Rate**	
	3rd Qtr 2007	**4th Qtr 2007**
U.S. Average	4.7%	4.6%
State of Alabama	3.9%	3.4%
Cullman County	3.2%	2.9%
De Kalb County	4.1%	3.3%
Marshall County	3.3%	2.8%

Source: Bureau of Labor Statistics

The Median Family Income (MFI) for the Non-MSA assessment area is presented in the next table. The Department of Housing and Urban Development's estimated MFI is used to determine income level classification of borrowers.

Table 4. Income Levels for Non-MSA Counties - State of Alabama

Income Level	**Percentage of Alabama's NMSA Median Family Income**	**2006 $45,200**	**2007 $42,800**
Low	Less than 50%	< $22,600	< $21,400
Moderate	50% to less than 80%	$22,600 < $36,160	$21,400 < $34,240
Middle	80% to less than 120%	$36,160 < $54,240	$34,240 < $51,360

Upper	120% or higher	$54,240 or >	$51,360 or >

Table 5. EvaBank's Birmingham MSA Assessment Area Demographics

Demographic Information for Full Scope Area: Eva Bank Birmingham MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	155	10.32	30.32	35.48	23.87	0.00
Population by Geography	713,071	7.51	26.51	36.25	29.73	0.00
Owner-Occupied Housing by Geography	191,066	3.48	22.96	39.59	33.97	0.00
Business by Geography	50,046	13.99	19.47	33.34	33.20	0.00
Farms by Geography	895	5.47	17.54	42.01	34.97	0.00
Family Distribution by Income Level	192,097	22.58	17.64	20.34	39.44	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	77,259	12.75	37.60	35.70	13.94	0.00
Median Family Income		46,408	Median Housing Value		99,548	
HUD Adjusted Median Family Income for 2007		55,500	Unemployment Rate (2000 US Census)		2.97%	
Households Below Poverty Level		15%				

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 2000 US Census and 2007 HUD updated MFI

Unemployment statistics for the Birmingham MSA are detailed in Table 6. Statistics for the United States and Alabama are also shown for comparison. The table illustrates the unemployment rate for the Birmingham MSA is below the rates for the State of Alabama and the U.S. average.

Table 6. Unemployment Rates for Birmingham MSA

Unemployment Rates		
Geographic Area	**Unemployment Rate**	
	3rd Qtr 2007	**4th Qtr 2007**
U.S. Average	4.7%	4.6%
State of Alabama	3.9%	3.4%
Birmingham MSA	3.5%	3.0%

Source: Bureau of Labor Statistics

The MFI for the Birmingham MSA is presented in the next table. The Department of Housing and Urban Development's estimated MFI is used to determine income level classification of borrowers.

Table 7. Income Levels for Birmingham MSA

Income Level	**Percentage of Birmingham-Hoover MSA Median Family Income**	**2006 $57,400**	**2007 $55,500**
Low	Less than 50%	< $28,700	< $27,750
Moderate	50% to less than 80%	$28,700 < $45,920	$27,750 < $44,400
Middle	80% to less than 120%	$45,920 < $68,880	$44,400 < $66,600
Upper	120% or higher	$68,880 or >	$66,600 or >

Table 8. EvaBank's Decatur MSA Assessment Area Demographics

Demographic Information for Full Scope Area: Eva Bank Decatur MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	33	3.03	21.21	48.48	27.27	0.00
Population by Geography	145,867	2.15	21.02	51.61	25.23	0.00
Owner-Occupied Housing by Geography	43,127	1.41	17.55	53.95	27.10	0.00
Business by Geography	10,348	1.51	27.28	48.99	22.23	0.00
Farms by Geography	316	0.63	20.89	60.44	18.04	0.00
Family Distribution by Income Level	41,900	20.49	18.46	21.04	40.01	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	16,318	3.08	27.02	53.57	16.34	0.00
Median Family Income HUD Adjusted Median Family Income for 2007 Households Below Poverty Level		43,961 53,600 14%	Median Housing Value Unemployment Rate (2000 US Census)		79,488 2.66%	

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 2000 US Census and 2007 HUD updated MFI

Unemployment statistics for the Decatur MSA are detailed in Table 9. Statistics for the United States and Alabama are also shown for comparison. The table illustrates the unemployment rate for the Decatur MSA is below the rates for the State of Alabama and the U.S. average.

Table 9. Unemployment Rates for Decatur MSA

Unemployment Rates		
Geographic Area	**Unemployment Rate**	
	3rdQtr 2007	**4th Qtr 2007**
U.S. Average	4.7%	4.6%
State of Alabama	3.9%	3.4%
Decatur MSA	3.6%	3.0%

Source: Bureau of Labor Statistics

The MFI for the Decatur MSA is presented in the next table. The Department of Housing and Urban Development's estimated MFI is used to determine income level classification of borrowers.

Table 10. Income Levels for Decatur MSA

Income Level	**Percentage of Decatur MSA Median Family Income**	**2006 $53,700**	**2007 $53,600**
Low	Less than 50%	< $26,850	< $26,800
Moderate	50% to less than 80%	$6,850 < $42,960	$26,800 < $42,880
Middle	80% to less than 120%	$42,960 < $64,440	$42,880 < $64,320
Upper	120% or higher	$64,440 or >	$64,320 or >

Table 11. EvaBank's Huntsville MSA Assessment Area Demographics

Demographic Information for Full Scope Area: Eva Bank Huntsville MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	73	8.22	26.03	35.62	30.14	0.00
Population by Geography	276,700	4.33	24.91	37.63	33.13	0.00
Owner-Occupied Housing by Geography	76,816	1.49	19.31	41.45	37.75	0.00
Business by Geography	21,382	10.76	20.79	37.12	31.33	0.00
Farms by Geography	577	6.41	18.20	46.79	28.60	0.00
Family Distribution by Income Level	75,875	19.79	17.31	20.87	42.03	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	28,147	9.04	35.34	38.08	17.54	0.00
Median Family Income HUD Adjusted Median Family Income for 2007 Households Below Poverty Level		52,360 63,800 11%	Median Housing Value Unemployment Rate (2000 US Census)		100,859 2.96%	

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 2000 US Census and 2007 HUD updated MFI

Unemployment statistics for the Huntsville MSA are detailed in Table 12. Statistics for the United States and Alabama are also shown for comparison. The table illustrates the unemployment rate for the Huntsville MSA is below the rates for the State of Alabama and the U.S. average.

Table 12. Unemployment Rates for Huntsville MSA

Unemployment Rates		
Geographic Area	**Unemployment Rate**	
	3rdQtr 2007	**4th Qtr 2007**
U.S. Average	4.7%	4.6%
State of Alabama	3.9%	3.4%
Huntsville MSA	3.0%	2.6%

Source: Bureau of Labor Statistics

The MFI for the Huntsville MSA is presented in the next table. The Department of Housing and Urban Development's estimated MFI is used to determine income level classification of borrowers.

Table 13. Income Levels for Huntsville MSA

Income Level	**Percentage of Decatur MSA Median Family Income**	**2006 $64,800**	**2007 $63,800**
Low	Less than 50%	< $32,400	< $31,900
Moderate	50% to less than 80%	$32,400 < $51,840	$31,900 < $51,040
Middle	80% to less than 120%	$51,840 < $77,760	$51,040 < $76,560

Upper	120% or higher	$77,760 or >	$76,560 or >

Community Contact

During a CRA evaluation, it is customary for examiners to contact various persons and/or organizations within the institution's assessment area to gain insight regarding local economic conditions and credit needs. A community contact stated that the financial institutions located in Cullman are heavily involved in the community. The institutions have helped the community not only with business needs but also with personal needs.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Loan-to-Deposit Ratio

EvaBank's average net loan-to-deposit ratio is excellent considering its size, structure, and business focus. The loan-to-deposit ratio for the previous 17 quarters averaged 114.92 percent. This ratio compares favorably to the average loan-to-deposit ratio for another financial institution considered similarly situated. The average loan-to-deposit ratio for Peoples Bank of North Alabama, Cullman, Alabama was approximately 78 percent for the same time period.

The bank's loan-to-deposit ratio was also compared against Uniform Bank Performance Report (UBPR) peer bank data. The peer group, as defined by the UBPR, consists of 1,147 commercial banks that have assets between $300 million and $1 billion. The bank's December 31, 2007, ratio of 109.77 percent was comparable to the peer average of 89.46 percent on the same date.

Lending Inside the Assessment Areas

The bank has originated a majority of its loans within its assessment areas. As Table 14 illustrates, the bank extended 79 and 84 percent of the number and 73 and 82 percent of the dollar volume of home mortgage and small business loans respectively, to borrowers inside the assessment areas.

Table 14 – Distribution of Loans Inside and Outside of the Assessment Areas

Lending within the Assessment Areas										
Loan Category or Type	Number of Loans					Dollars in Loans (000s)				
	Inside		**Outside**		**Total #**	**Inside**		**Outside**		**Total $**
	#	**%**	**#**	**%**		**$**	**%**	**$**	**%**	
HMDA Loans – 2007	1,005	78%	290	22%	1,295	$54,052	72%	$20,568	28%	$74,620
HMDA Loans – 2006	926	80%	236	20%	1,162	$49,456	74%	$17,771	26%	$67,227
Subtotal HMDA	**1,931**	**79%**	**526**	**21%**	**2,457**	**$103,508**	**73%**	**$38,339**	**27%**	**$141,847**
Small Business	26	84%	5	16%	31	$2,381	82%	$510	18%	$2,891
Totals	**1,957**	**79%**	**531**	**21%**	**2,488**	**$105,889**	**73%**	**$38,849**	**27%**	**$144,738**

Geographic Distribution of Lending

The geographic distribution of loans reflects a reasonable penetration throughout the bank's assessment areas. The geographic distribution regarding each loan product is detailed below. More weight was given to the bank's home mortgage lending since it is the significant loan product for the bank. As previously shown, there are no low- or moderate-income census tracts in the Non-MSA assessment area, so an analysis was not conducted. However, the review of lending in the assessment area revealed a reasonable dispersion of loans, with no unexplainable gaps in lending noted.

Home Mortgage Loans

The bank's geographic distribution of home mortgage loans is reasonable. The bank's performance in the Birmingham MSA assessment area was similar in comparison to the aggregate lending data and slightly lower than the demographic data. The bank's lending in the Decatur MSA assessment area was below aggregate and demographic data.

Small Business Loans

The bank's geographic distribution of small business loans is reasonable. The geographic distribution of small business loans in the Birmingham MSA and the Decatur MSA was reasonably dispersed throughout both assessment areas.

Lending to Borrowers of Different Incomes and Businesses of Different Sizes

Given the product lines offered by the institution, the distribution of borrowers reflects an excellent penetration among borrowers of different income levels and among businesses of different sizes. The bank's performance regarding each loan product is detailed below.

Home Mortgage Loans

The bank's distribution of home mortgage loans by borrower income level is excellent. In the Non-MSA assessment area, the bank's performance regarding home mortgage loans was excellent compared to aggregate lending data. In the Birmingham MSA and the Decatur MSA assessment areas, the bank's performance was also excellent to comparison to aggregate lending data and similar to demographic features.

Small Business Loans

The bank's distribution of small business loans is excellent. The bank originated a high level of small business loans to businesses with revenues of $1 million or less in all assessment areas. Of the business loans sampled, 96 percent had revenues of $1 million or less.

Response to Complaints

There have been no CRA-related complaints since the last evaluation.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Substantive violations of the anti-discrimination provisions of the fair lending laws and regulations were identified during the concurrent fair lending review of EvaBank. The FDIC has reasons to believe that pattern or practice violations of the Equal Credit Opportunity Act (ECOA), 15 U.S.C. 1691 et seq., the Federal Reserve Board's implementation regulation ("Regulation"), 12 C.F.R. Part 202, the Fair Housing Act ("FHA"), 42 U.S.C. 3605, and the Department of Housing and Urban Development's implementation regulations ("HUD's Fair Housing Regulations"), 24 C.F.R. Part 100, have occurred in connection with the lending activities of EvaBank. In consideration of the seriousness of these violations, which involved a pattern or practice of discrimination on the basis of national origin, the institution's CRA performance evaluation has been lowered to a "Needs to Improve" rating. The discriminatory violations were considered to be bank wide although limited to three product lines. Bank management has voluntarily made changes to its fair lending policies and procedures to help prevent discriminatory or other illegal credit practices.

COMMUNITY DEVELOPMENT TEST

The bank's community development performance demonstrates an adequate responsiveness to the community development needs in its assessment areas through community development loans, qualified investments, and community development services, considering the bank's capacity and the need and availability of such opportunities for community development. The bank has a relatively high level of community development loans and services and a low level of community development investments.

Community Development Loans

In light of available opportunities, EvaBank has financed a high level of community development loans since the previous evaluation. Since the previous evaluation, the bank has funded 24 community development loans totaling approximately $1.5 million.

The majority of the bank's community development loans are detailed below.

- EvaBank is a member of the Alabama Multifamily Loan Consortium (AMLC). The AMLC provides permanent financing on low- and moderate-income tenant apartment complexes in Alabama. The loan pool is funded by member banks that participate in each loan made by the consortium, up to their individual commitment amount. EvaBank has committed a total of $300,000 to this program. Since the last evaluation, the bank has funded $160,392 in loans, which assisted in the creation of 18 affordable housing complexes. The bank has $154,785 in outstanding loan balances with this program.

- EvaBank originated one SBA loan for $47,394 to purchase and renovate a business in northern Marshall County. The business is located in a moderate-income census tract.

- The bank funded a $70,000 loan for an apartment complex in Birmingham, Alabama. The loan is secured by an existing 8 unit apartment complex. The complex located in a moderate-income census tract. The majority of these units have rents below the median gross rent for the bank's assessment area.

- The bank funded a loan totaling $150,000 to the Industrial Development Board for the construction of a new building to bring small-businesses into the area.

- The bank funded $467,500 for two apartment complexes in Huntsville, Alabama. Both loans are secured by 8 unit complexes. Both units are located in moderate-income census tracts and have rents below the median gross rent for the assessment area.

- The bank originated a loan for $46,750 to a not-for-profit center community center. The center is located in a moderate income census tract. The center provides recreation and educational services to area children.

Community Development Investments

EvaBank has a low level of community development investments. The bank's qualified investments since the last evaluation consisted of grants and donations to organizations that provide services to low- and moderate-income families and/or promote economic development.

The bank had a total of $12,546 in qualified investments since the last CRA evaluation. The bank's CRA qualified donations supported local affordable housing, family services, economic development, and hospice services.

Community Development Services

EvaBank has provided a relatively high level of community development services that benefit organizations within the assessment areas. All of the services listed below meet the definition of community development and also relate to the provision of financial services as required by the CRA regulation. Examples of the types of community development services provided by the bank during the evaluation period are detailed below.

- A member of senior management served on the Board of Directors of the Cullman County United Way.

- Bank employees routinely conduct seminars or presentations at area schools. The school programs primarily cover checking, credit, overdraft, and how to obtain and maintain satisfactory credit.

- Several employees are involved in local agencies such as the local chamber of commerce's, Red Cross, county planning commission, county home builders and Downtown Redevelopment Authority.

- The bank has sponsored several job fairs in the assessment areas. The job fairs were located at local colleges and the Cullman Regional Medical Center.

- The bank has participated in the "Adopt a School" program. The bank sponsors the Eva School and Brewer School.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS NON-MSA ASSESSMENT AREA

The bank has three counties within the Non-MSA area in the State of Alabama. The bank's performance within this assessment area is described below.

Geographic Distribution of Lending

A geographic distribution analysis was not performed because the Non-MSA assessment area consists only of middle- and upper-income census tracts. When analyzing the bank's performance under lending in the assessment area, a reasonable dispersion of loans was disclosed and no unexplainable gaps in lending were noted.

Lending to Borrowers of Different Incomes and Businesses of Different Sizes

EvaBank has an excellent distribution of loans by borrower income and business size in this assessment area. As illustrated in Table 15, the bank's lending to moderate-income borrowers exceeds demographic and aggregate lending data for both 2006 and 2007. The bank's lending to low-income borrowers exceeds the aggregate data for 2006 and 2007; however, bank 2006 and 2007 data is slightly below the demographic data.

Table 15 - Distribution of Home Mortgage Loans by Borrower Income Level

Borrower Income Level			Low	Moderate	Middle	Upper	N/A	Total
Total Assessment Area Families*		**Percent**	18.7%	17.4%	22.6%	41.3%	0.0%	**100.0%**
2006 Aggregate Lending Data		**Percent**	6.47%	18.48%	21.34%	37.12%	16.59%	**100.0%**
Home Mortgage Loans	**2006**	**Number**	95	169	145	194	6	**609**
		Percent	15.6%	27.75%	23.81%	31.86%	.98%	**100.0%**
		Dollar (000s)	$2,473	$6,609	$7,212	$16,160	$756	**$33,210**
		Percent	7.45%	19.9%	21.72%	48.66%	2.27%	**100.0%**
	2007	**Number**	67	125	143	217	2	**554**
		Percent	12.09%	22.57%	25.81%	39.17%	.36%	**100.0%**
		Dollar (000s)	$1,874	$4,843	$6,934	$16,740	$147	**$30,538**
		Percent	6.14%	15.86%	22.71%	54.82%	.47%	**100.0%**

*2000 U.S. Census Data

EvaBank has demonstrated an excellent performance in lending to businesses of different sizes in the Non-MSA assessment area. Demographic data published by Dun and Bradstreet for 2006 shows that 52 percent of the businesses in the assessment area are small businesses and that 44 percent did not report revenue data. As illustrated in Table 16, the bank extended 94 percent of the number and 85 percent of the dollar volume of small business loans to businesses with revenues of less than $1 million.

Table 16- Distribution of Small business Loans by Gross Annual Revenues of Business						
Gross Annual Revenues (000s)			**<=$1,000**	**>$1,000***	**N/A***	**Total**
2007 Business Distribution		**Percent**	52%	4%	44%	**100.0%**
Small Business Loans		**Number**	16	1	0	**17**
		Percent	94%	6%	0.0%	**100.0%**
		Dollar (000s)	$1,588	$287	$0	**$1,875**
		Percent	85%	15%	0.0%	**100.0%**

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS BIRMINGHAM MSA ASSESSMENT AREA

The bank has one assessment area within the Birmingham MSA. The bank's performance within this assessment area is described below.

Geographic Distribution of Lending

The geographic distribution of HMDA loans made in this assessment area is shown in Table 17. The bank's performance for lending in moderate-income tracts for 2006 is higher than the aggregate lending data and similar to the level of owner-occupied housing units. The bank's lending in low-income census tracts for both years is slightly below the level of owner-occupied housing units and aggregate lending levels.

Table 17– Distribution of Home Mortgage Loans by Income Category of the Census Tract							
Census Tract Income Level			**Low**	**Moderate**	**Middle**	**Upper**	**Total**
Owner-Occupied Housing Units*		**Percent**	3.48%	22.96%	39.59%	33.97%	**100.0%**
2006 Aggregate Lending Data		**Percent**	2.64%	21.10%	37.79%	38.47%	**100.0%**
Home Mortgage Loans	**2006**	**Number**	2	23	65	14	**104**
		Percent	1.92%	22.12%	62.50%	13.46%	**100.0%**
		Dollar (000s)	$332	$1,415	$3,118	$2,011	**$6,876**
		Percent	4.83%	20.58%	45.35%	29.24%	**100.0%**
	2007	**Number**	4	35	109	16	**164**
		Percent	2.44%	21.34%	66.46%	9.76%	**100.0%**
		Dollar (000s)	$602	$1,494	$6,739	$2,002	**$10,837**
		Percent	5.56%	13.79%	62.19%	18.46%	**100.0%**

*2000 U.S. Census Data

Table 18 depicts the dispersion of the bank's small business loans. The dispersion of small business loans in the assessment area is reasonable. In moderate-income census tracts, the bank's performance was higher than the percentage of small businesses in moderate-income tracts.

Table 18 – Distribution of Small Business Loans by Income Category of the Census Tract						
Census Tract Income Level		**Low**	**Moderate**	**Middle**	**Upper**	**Total**
Businesses*	**Percent**	14%	19%	34%	33%	**100.0%**
Small Business Loans	**Number**	0	1	3	0	**4**
	Percent	0%	25%	75%	0%	**100.0%**
	Dollar (000s)	$0	$35	$205	$0	**$240**
	Percent	0%	15%	85%	0%	**100.0%**

*2006 Dunn and Bradstreet

Lending to Borrowers of Different Incomes and Businesses of Different Sizes

Bank lending reflects an excellent distribution to borrowers of different incomes and to businesses of different sizes. Table 19 shows lending to low- and moderate-income borrowers is higher than aggregate lending data. Also, lending to low-income borrowers was slightly lower than demographic data and to moderate-income borrowers was higher than demographic data.

Table 19 – Distribution of Home Mortgage Loans by Borrower Income Level								
Borrower Income Level			**Low**	**Moderate**	**Middle**	**Upper**	**N/A**	**Total**
Total Assessment Area Families*		**Percent**	22.6%	17.6%	20.3%	39.5%	0.0%	**100.0%**
2006 Aggregate Lending Data		**Percent**	7.8%	19.1%	20.8%	33.4%	18.9%	**100.0%**
Home Mortgage Loans	**2006**	**Number**	20	31	27	26	0	**104**
		Percent	19.2%	29.8%	26.0%	25%	0%	**100.0%**
		Dollar (000s)	$577	$1,088	$1,513	$3,698	$0	**$6,876**
		Percent	8.4%	15.8%	22.0%	53.8%	0%	**100.0%**
	2007	**Number**	32	38	40	51	3	**164**
		Percent	19.5%	23.2%	24.4%	31.1%	1.8%	**100.0%**
		Dollar (000s)	$1,001	$1,851	$2,576	$5,156	$253	**$10,837**
		Percent	9.2%	17.1%	23.7%	47.6%	2.4%	**100.0%**

*2000 U.S. Census Data

EvaBank has demonstrated excellent performance in lending to businesses of different sizes in the assessment area. Demographic data published by Dun and Bradstreet for 2006 indicates 65 percent of the businesses in the assessment area are small businesses and 29 percent did not report revenue information. As shown in Table 20, the bank extended 100 percent of the number and dollar volume of business loans to small businesses with revenues of less than $1 million.

Table 20 - Distribution of Small business Loans by Gross Annual Revenues of Business					
Gross Annual Revenues (000s)		**<=$1,000**	**>$1,000***	**N/A***	**Total**
2007 Business Distribution	**Percent**	65%	6%	29%	**100.0%**
Small Business Loans	**Number**	4	0	0	**4**
	Percent	100%	0%	0%	**100.0%**
	Dollar (000s)	$240	$0	$0	**$240**
	Percent	100%	0%	0%	**100.0%**

*2006 Dunn and Bradstreet

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS
DECATUR MSA ASSESSMENT AREA

The bank has one assessment area within the Decatur MSA. The bank's performance within this assessment area is described below.

Geographic Distribution of Lending

The bank's performance for lending in moderate-income tracts is lower than the aggregate lending data and the level of owner-occupied housing units. The geographic distribution of all HMDA loans originated in the assessment area is presented in the table below.

Table 21– Distribution of Home Mortgage Loans by Income Category of the Census Tract							
Census Tract Income Level			**Low**	**Moderate**	**Middle**	**Upper**	**Total**
Owner-Occupied Housing Units*		**Percent**	1.4%	17.6%	54.0%	27.0%	**100.0%**
2006 Aggregate Lending Data		**Percent**	.7%	15.9%	47.5%	35.9%	**100.0%**
Home Mortgage Loans	**2006**	**Number**	0	15	140	23	**178**
		Percent	0%	8.4%	78.7%	12.9%	**100.0%**
		Dollar (000s)	$0	$426	$5,144	$649	**$6,219**
		Percent	0%	6.9%	82.7%	10.4%	**100.0%**
	2007	**Number**	0	21	184	30	**235**
		Percent	0%	8.9%	78.3%	12.8%	**100.0%**
		Dollar (000s)	$0	$785	$7,276	$1,540	**$9,601**
		Percent	0%	8.18%	75.78%	16.04%	**100.0%**

*2000 U.S. Census Data

The dispersion of small business loans throughout the assessment area is good. Within moderate-income census tracts, the bank's performance is higher than the percentage of small businesses in moderate-income tracts. Table 22 depicts the dispersion of the bank's small business loans.

Table 22 – Distribution of Small Business Loans by Income Category of the Census Tract						
Census Tract Income Level		**Low**	**Moderate**	**Middle**	**Upper**	**Total**
Businesses*	**Percent**	1.5%	27.3%	49.0%	22.2%	**100.0%**
Small Business Loans	**Number**	0	1	1	1	**3**
	Percent	0%	33.3%	33.3%	33.3%	**100.0%**
	Dollar (000s)	$0	$80	$32	$56	**$168**
	Percent	0%	48%	19%	33%	**100.0%**

*2006 Dunn and Bradstreet

Lending to Borrowers of Different Incomes and Businesses of Different Sizes

The bank's lending reflects an excellent distribution to borrowers of different income and to businesses of different sizes in this assessment area. As illustrated in Table 23, the bank's lending to low- and moderate-income borrowers is higher than the aggregate lending data for 2006 and the demographic data for both 2006 and 2007.

Table 23 – Distribution of Home Mortgage Loans by Borrower Income Level								
Borrower Income Level			**Low**	**Moderate**	**Middle**	**Upper**	**N/A**	**Total**
Total Assessment Area Families*		**Percent**	20.5%	18.5%	21.0%	40.0%	0%	**100.0%**
2006 Aggregate Lending Data		**Percent**	10.3%	19.9%	23.6%	31.9%	14.3%	**100.0%**
Home Mortgage Loans	**2006**	**Number**	51	54	34	38	1	**178**
		Percent	28.7%	30.3%	19.1%	21.4%	.5%	**100.0%**
		Dollar (000s)	$1,140	$1,644	$1,222	$2,113	$100	**$6,219**
		Percent	18.3%	26.4%	19.7%	34.0%	1.6%	**100.0%**
	2007	**Number**	64	49	54	65	3	**235**
		Percent	27.2%	20.9%	23.0%	27.7%	1.2%	**100.0%**
		Dollar (000s)	$1,405	$1,609	$2,162	$4,256	$169	**$9,601**
		Percent	14.6%	16.8%	22.5%	44.3%	1.8%	**100.0%**

*2000 U.S. Census Data

EvaBank has demonstrated an excellent performance in lending to businesses of different sizes in the assessment area. Demographic data published by Dun and Bradstreet for 2006 indicates that 52 percent of the businesses in the assessment area are small businesses and that 44 percent did not report revenue information. As illustrated in Table 24, the bank extended 100 percent of the number and dollar volume of business loans to small businesses with revenues of less than $1 million.

Table 24 - Distribution of Small business Loans by Gross Annual Revenues of Business					
Gross Annual Revenues (000s)		**<=$1,000**	**>$1,000***	**N/A***	**Total**
2007 Business Distribution	**Percent**	52%	4%	44%	**100.0%**
Small Business Loans	**Number**	3	0	0	**3**
	Percent	100%	0%	0%	**100.0%**
	Dollar (000s)	$168	$0	$0	**$168**
	Percent	100%	0%	0%	**100.0%**

*2006 Dunn and Bradstreet

DEFINITIONS

GEOGRAPHY TERMS

Census Tract: Small subdivision 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 designated to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparison.

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.

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 a "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 Unit: 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 the other having incomes below the median.

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 median family income that is at least 50 percent 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 median family income that is at least 80 percent 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.

OTHER TERMS

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.